

## **CarePoint Health Mission Statement and Overview - Hoboken University Medical Center**

Founded in 1863, Hoboken University Medical Center (HUMC), the oldest continually operating hospital in New Jersey, is a 348 bed acute care hospital with a 34 bay emergency room including a dedicated OB/GYN emergency department. HUMC is home to a primary stroke center, a Women's Health Institute, centers of excellence for minimally invasive GYN surgery and robotic surgery, an innovative orthopedics program, and an A-grade TCU. HUMC has received Joint Commission Gold Seal accreditation and is an American Heart Association Silver Plus Award recipient for stroke.

Hoboken University Medical Center offers acute care, emergency and outpatient services to an underserved population in Hudson County. Hudson County is among the top communities for percentage of adults and children living at and below the national poverty level. As a result, the mix of patient population is heavily weighted toward Medicaid, self-pay and charity care patient. A very high percentage of inpatient services, Emergency department visits, clinic visits, and surgeries, are provided to patients that cannot afford to pay for the cost of these services.

CarePoint Health - Hoboken University Medical Center  
Statement of Operations  
DRAFT - (unaudited)  
(in thousands)

Part I

	<u>Dec. 31 2019</u>	<u>Dec. 31, 2020</u>
<b><u>Operating Revenues</u></b>		
Net patient service revenue	\$ 176,835	\$ 153,266
Other operating revenue	6,067	16,208
Charity Care	<u>11,237</u>	<u>11,014</u>
<b>Total Revenues</b>	<b><u>194,138</u></b>	<b><u>180,488</u></b>
<b><u>Operating Expenses</u></b>		
Salaries and wages	64,442	66,456
Supplies/Other Expenses	101,057	93,659
Employee benefits	<u>10,573</u>	<u>13,632</u>
<b>Total Operating Expenses before Interest, Depreciation &amp; Amortization</b>	<b><u>176,071</u></b>	<b><u>173,747</u></b>
<b>Operating Income / (Loss) before Interest, Depreciation &amp; Amortization</b>	<b><u>18,067</u></b>	<b><u>6,741</u></b>
Interest Expense	7,545	7,528
Depreciation and Amortization	<u>7,909</u>	<u>8,232</u>
<b>Total Interest, Depreciation &amp; Amortization</b>	<b><u>15,454</u></b>	<b><u>15,761</u></b>
<b>Net Income (Loss)</b>	<b><u>\$ 2,613</u></b>	<b><u>\$ (9,020)</u></b>
Total Assets	186,595	211,355
Total Liabilities	96,467	143,051
Equity	90,128	68,304

**CarePoint Health - Hoboken University Medical Center**  
**DRAFT- Top 5 Independent Contractors**  
**Dcember 31, 2020**

		<u>Amount</u>
Richards, Layton & Finger	Legal	968,687.69
McElroy, Deutsch, Mulvaney & Carpenter, LLP	Legal	601,256.07
Hoboken Associates, LP	Lease/Rent	573,857.23
Fastaff, LLC	Staffing	554,136.55
Medassist Firstsource Soln, LLC	Consulting / Rev Cycle Supp	465,075.00
Total # of 1099's		143
Total # over \$100K		25
# of W2's		1,146

**CarePoint Health - Hoboken University Medical Center**  
**DRAFT - Part VI**

Board - Voting Members	3
Independent members	1

Section B - Policies

12a - written policies	yes
13 - whistleblower	yes
14-Document retention	yes

CarePoint Health - Hoboken University Medical Centers  
Financial Statement Schedules  
Part VIII DRAFT - Statement of Revenue  
(in thousands)

	<u>Dec. 31 2019</u>	<u>Dec. 31, 2020</u>
<b><u>Program Service Revenue</u></b>		
Net patient service revenue	\$ 194,122	\$ 162,327
Other operating revenue	6,067	16,208
<b>Total Revenues</b>	<b><u>\$ 200,188</u></b>	<b><u>\$ 178,535</u></b>

**CarePoint Health - Hoboken University Medical Center Financial Statement Schedules**  
**Part IX DRAFT - Statement of Functional Expenses**  
(in thousands)

	Dec 31, 2020		
Part IX Statement of Functional Expenses	Total	Program Service Expenses	Management & General Expenses
Salaries, Wages, and Contract Labor	\$ 66,456	\$ 53,165	\$ 13,291
Fringe Benefits	13,632	10,905	2,726
Purchased Services	9,718	7,774	1,944
Revenue Cycle Fees	6,564	6,564	-
Physician Directorships and other Physician Costs	1,690	1,352	338
Physician Practices Expense	21,636	17,309	4,327
Property Taxes	1,056	845	211
Medical Surgical Supplies	11,699	11,699	-
Liability and Workers Compensation Insurance	2,458	1,967	492
Rent, Maintenance, Repairs	7,701	6,161	1,540
Utilities	1,802	1,442	360
Pharmaceuticals	5,160	5,160	-
Administrative Support Services	15,068	12,054	3,014
All Other Supply	9,106	7,285	1,821
Interest Expense	7,529	-	7,529
Depreciation Expense	8,232	-	8,232
<b>Total Expense</b>	<b>\$ 189,508</b>	<b>\$ 143,682</b>	<b>\$ 45,826</b>

CarePoint Health - Hoboken University Medical Center Financial Statement Schedules

2020 Schedule D

Part VDRAFT - Land, Buildings and Equipment

	Cost or other basis (other)	Accumulated Depreciation	Book Value
1a Land	\$ -		\$ -
b Buildings	54,844,332	33,515,981	21,328,351
c Leasehold Improvements	19,106,918	5,215,064	13,891,854
d Equipment	32,545,178	29,379,045	3,166,133
e Other	718,058	419,273	298,785
<b>Total</b>	<b>107,214,486</b>	<b>68,529,363</b>	<b>38,685,123</b>
Intangibles	27,545,000	9,373,500	18,171,500
<b>Total</b>	<b>\$ 134,759,486</b>	<b>\$ 77,902,863</b>	<b>\$ 56,856,623</b>

CarePoint Health - Hoboken University Medical Center Balance Sheets

DRAFT - (unaudited)

(in thousands)

	<u>Dec. 31 2019</u>	<u>Dec. 31, 2020</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents - Unrestricted	\$ 17,949	\$ 11,535
Cash and cash equivalents - Restricted	4,960	52,050
Net Patient accounts receivable	72,758	58,348
Investments	1,003	1,003
Other receivables	492	532
Due From Related Party	20,390	25,936
Inventory & Other Assets	2,930	3,521
Prepaid expenses	1,755	1,574
<b>Total current assets</b>	<b><u>122,237</u></b>	<b><u>154,498</u></b>
Intangible Assets	20,926	18,172
Property and equipment, net	43,433	38,685
<b>Total Assets, Deferred Cost &amp; Equipment</b>	<b><u>64,359</u></b>	<b><u>56,857</u></b>
<b>Total Assets</b>	<b><u>\$ 186,595</u></b>	<b><u>\$ 211,355</u></b>

**Liabilities and Member's Equity**

<b>Current Liabilities:</b>		
Current portion of Capitalized leases	\$ 4,342	\$ 4,071
Accounts payable and accrued expenses	12,544	13,532
Accrued Compensation	5,295	5,927
Due to Related Party	-	-
Loan Payable	38,707	38,707
Deferred Revenue	1,746	38,350
Accrued interest payable	675	1,683
Due to Third Party-Current Portion	1,217	1,171
<b>Total current liabilities</b>	<b><u>64,526</u></b>	<b><u>103,442</u></b>

**Long Term Liabilities:**

Capital Lease Payable, less current portion	29,568	25,497
Due to Third Party, less current portion	850	12,710
Benefits Payable, less current portion	1,523	1,403
<b>Total liabilities</b>	<b><u>96,467</u></b>	<b><u>143,051</u></b>

**Member's Equity:**

Member's Equity (deficit)	90,128	68,304
<b>Total Member's Equity</b>	<b><u>90,128</u></b>	<b><u>68,304</u></b>

<b>Total Liabilities and Member's Equity</b>	<b><u>\$ 186,595</u></b>	<b><u>\$ 211,355</u></b>
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CarePoint Health - Hoboken University Medical Center  
Part XI DRAFT - Reconciliation of Equity  
(in thousands)

	<u>Dec. 31, 2020</u>
<b>Equity at beginning of period</b>	\$ 90,128
Total Revenue	180,488
Total Expenses	<u>189,508</u>
<b>Subtotal</b>	81,108
Equity Distributions	<u>12,804</u>
<b>Equity at end of period</b>	<u><b>\$ 68,304</b></u>

**CarePoint Health - Hoboken University Medical Center**  
**Part XII - DRAFT Accounting and Reporting**

Part XII Financial Statements and Reporting

1. Accounting method used:	Accrual
2a. Were the organization's financial statements compiled or reviewed by an independent accountant?	No
2b. Were the organization's financial statements audited by an independent accountant?	No
3a. As a result of a federal award, was the organization required to undergo and audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	No
Other assets	-
Total assets	211,355
Percent of total assets	0%
Other liabilities	-
Total liabilities	143,051
Percent of total liabilities	0%

CarePoint Health - Hoboken University Medical Center

Schedule H Part I

DRAFT - Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	Yes
b If "Yes," was it a written policy?	Yes
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year.	N/A
3a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care?	No
3b Did the organization use FPG as a factor in determining eligibility for providing discounted care?	Yes
If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:	Other-no Insurance source
3c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care.  Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.	Lack of insurance coverage for uninsured patients. This is not an asset test performed for discounted care.
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	Yes
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	Yes
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	No
6a Did the organization prepare a community benefit report during the tax year?	N/A

**CarePoint Health - Hoboken University Medical Center**

**Schedule H Part I**

**DRAFT - Financial Assistance and Certain Other Community Benefits at Cost**

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	Total community benefit expense	Direct offsetting revenue	Net community benefit expense	Net community benefit expense	percent of total expense
7a - Financial Assistance	18,443,470	11,311,608	(7,131,862)	0	0
7b - Medicaid	66,661,647	50,513,252	(16,148,395)	0	0
7c - Costs of other	N/A	N/A	N/A	N/A	N/A
7d - Total	85,105,117	61,824,860	(23,280,257)	0	0

**Part III Medicare & Collection Practices**

**Section B. Medicare**

5 - Total Medicare Revenue	25,485,601
6 - Total Medicare Costs	26,087,841
7 - Medicare Surplus(Shortfall)	(602,240)
8 - Question on Cost Methodology	Cost to charge ratio

**Section C. Collection Expense**

9a Did the organization have a written debt collection policy during the tax year? Yes

b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Yes

**Part V**

**Section B. Facility Policies and Practices**

1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediate preceding tax year? No

2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? No

3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? N/A

12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? N/A

Did the hospital facility have in place during the tax year a written financial assistance policy that:

13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? Yes

If "Yes," indicate the eligibility criteria explained in the FAP Insurance Status

14 Explained the basis for calculating amounts charged to patients? Yes

**CarePoint Health - Hoboken University Medical Center**  
**Schedule H Part I**  
**DRAFT - Financial Assistance and Certain Other Community Benefits at Cost**

- 15 Explained the method for applying for financial assistance? No
- 16 Was widely publicized within the community served by the hospital facility? No
- 17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment? Yes
- 18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:
- a. Reporting to credit agency(ies)
  - b. Selling an individual's debt to another party
  - c. Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous
  - d. Actions that require a legal or judicial process bill for care covered under the hospital facility's FAP
  - e. Other similar actions
  - f. None of these actions or other similar actions were permitted X
- 19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? No
- Made  
presumptive  
eligibility  
determinations
- 20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19.
- 21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? Yes

**CarePoint Health - Hoboken University Medical Center**  
**Schedule L Part II**  
**DRAFT - Transactions With Interested Persons**

a) Name of interested person	Maple Healthcare, LLC
b) Relationship with Organization	Common Ownership
c) Purpose of loan	Working capital
d) Loan to organization:	To
e) Original Principal Amount	\$8,706,553
f) Balance due (including accrued/pik interest)	\$10,048,128
h) Approved by board or committees	Yes
i) Written agreement	Yes

**CarePoint Health - Hoboken University Medical Center**  
**Schedule R Part IV**  
**DRAFT - Related Organizations Taxable as Corporations**

Name and address of related organization	Primary activity	Percentage ownership	Section 512(b)(13) controlled entity?	
			Yes	No
McCabe Ambulance Service, Inc. 7 East 41st Street, Bayonne, NJ 07002	Ambulance	23.33		X