

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, 2020</u>	<u>Dec. 31, 2021</u>
<u>Operating Revenues</u>		
Net patient service revenue	\$ 153,884	\$ 150,627
Other operating revenue	16,208	27,128
Charity Care	<u>11,014</u>	<u>11,088</u>
Total Revenues	<u>181,105</u>	<u>\$ 188,843</u>
<u>Operating Expenses</u>		
Salaries and wages	66,456	65,008
Supplies/Other Expenses	93,561	90,400
Employee benefits	<u>13,632</u>	<u>16,419</u>
Total Operating Expenses before Interest, Depreciation & Amortization	<u>173,650</u>	<u>\$ 171,827</u>
Operating Income / (Loss) before Interest, Depreciation & Amortization	<u>7,456</u>	<u>\$ 17,016</u>
Interest Expense	7,529	4,007
Depreciation and Amortization	<u>8,409</u>	<u>8,066</u>
Total Interest, Depreciation & Amortization	<u>15,937</u>	<u>\$ 12,072</u>
Net Income (Loss)	<u>\$ (8,482)</u>	<u>\$ 4,944</u>
Total Assets	209,848	\$ 193,251
Total Liabilities	141,006	\$ 120,074
Equity	68,842	\$ 73,176

CarePoint Health - Hoboken University Medical Center
DRAFT- Top 5 Independent Contractors
December 31, 2021

		<u>Amount</u>
RICHARDS, LAYTON & FINGER	Legal Services	1,824,019
FASTAFF LLC	Staffing	1,158,958
HORIZON HEALTH	Consulting Services	975,988
ELIXIR RX SOLUTIONS LLC	Employee Benefit Rx	729,864
TANDYM GROUP LLC	Staffing	366,171
Total # of 1099's		144
Total # over \$100K		24
# of W2's		1,169

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, 2020</u>	<u>Dec. 31, 2021</u>
<u>Program Service Revenue</u>		
Net patient service revenue	\$ 164,897	\$ 161,715
Other operating revenue	16,208	\$ 27,128
Total Revenues	\$ 181,105	\$ 188,843

CarePoint Health - Hoboken University Medical Center Financial Statement Schedules

Part IX DRAFT - Statement of Functional Expenses

(in thousands)

	Dec 31, 2021		
Part IX Statement of Functional Expenses	Total	Program Service Expenses	Management & General Expenses
Salaries, Wages, and Contract Labor	\$ 65,008	\$ 52,006	\$ 13,002
Fringe Benefits	\$ 16,419	\$ 13,135	\$ 3,284
Purchased Services	\$ 10,250	\$ 8,200	\$ 2,050
Revenue Cycle Fees	\$ 5,558	5,558	
Physician Directorships and other Physician Costs	\$ 22,054	\$ 17,643	\$ 4,411
Physician Practices Expense	\$ 1,701	\$ 1,360	\$ 340
Property Taxes	\$ 1,061	\$ 849	\$ 212
Medical Surgical Supplies	\$ 14,989	14,989	
Liability and Workers Compensation Insurance	\$ 3,386	\$ 2,709	\$ 677
Rent, Maintenance, Repairs	\$ 8,134	\$ 6,507	\$ 1,627
Utilities	\$ 1,715	\$ 1,372	\$ 343
Pharmaceuticals	\$ 4,780	4,780	
Administrative Support Services	\$ 11,724	\$ 9,379	\$ 2,345
All Other Supply	\$ 5,049	\$ 4,039	\$ 1,010
Interest Expense	\$ 4,007		4,007
Depreciation Expense	\$ 8,066		8,066
Total Expense	\$ 183,899	\$ 142,527	\$ 41,372

CarePoint Health - Hoboken University Medical Center Financial Statement Schedules

2021 Schedule D

Part VI DRAFT - Land, Buildings and Equipment

	Cost or other basis (other)	Accumulated Depreciation	Book Value
1a Land	\$ -		\$ -
b Buildings	54,844,332	37,172,269	17,672,063
c Leasehold Improvements	19,215,998	5,869,906	13,346,092
d Equipment	34,390,539	30,551,730	3,838,809
e Other	647,561	453,191	194,370
Total	109,098,431	74,047,097	35,051,334

CarePoint Health - Hoboken University Medical Center Balance Sheets

DRAFT - (unaudited)

(in thousands)

	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2021</u>
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents - Unrestricted	\$ 11,535	\$ 22,945
Cash and cash equivalents - Restricted	52,050	\$ 30,996
Net Patient accounts receivable	58,348	\$ 54,363
Investments	1,003	\$ 1,003
Other receivables	532	\$ 812
Due From Related Party	25,272	\$ 28,565
Inventory & Other Assets	2,952	\$ 2,841
Prepaid expenses	1,475	\$ 1,227
Total current assets	<u>153,168</u>	<u>\$ 142,752</u>
Intangible Assets	18,172	\$ 15,447
Property and equipment, net	38,509	\$ 35,051
Total Assets, Deferred Cost & Equipment	<u>56,680</u>	<u>\$ 50,498</u>
Total Assets	<u>\$ 209,848</u>	<u>\$ 193,251</u>

Liabilities and Member's Equity

Current Liabilities:		
Current portion of Capitalized leases	\$ 4,071	\$ 4,713
Accounts payable and accrued expenses	12,105	\$ 11,658
Accrued Compensation	5,927	\$ 5,399
Loan Payable	38,707	\$ 36,746
Deferred Revenue	38,350	\$ 26,370
Accrued interest payable	1,683	\$ 2,722
Due to Third Party-Current Portion	1,171	\$ 820
Total current liabilities	<u>102,014</u>	<u>\$ 88,428</u>
Long Term Liabilities:		
Capital Lease Payable, less current portion	25,497	\$ 21,672
Due to Third Party, less current portion	12,092	\$ 8,695
Benefits Payable, less current portion	1,403	\$ 1,279
Total liabilities	<u>141,006</u>	<u>\$ 120,074</u>
Member's Equity:		
Member's Equity (deficit)	68,842	\$ 73,176
Total Member's Equity	<u>68,842</u>	<u>\$ 73,176</u>
Total Liabilities and Member's Equity	<u>\$ 209,848</u>	<u>\$ 193,251</u>

CarePoint Health - Hoboken University Medical Center
Part XI DRAFT - Reconciliation of Equity
(in thousands)

	<u>Dec. 31, 2021</u>
Equity at beginning of period	\$ 68,842
Total Revenue	\$ 188,843
Total Expenses	<u>\$ (183,899)</u>
Subtotal	\$ 73,786
Equity Distributions	<u>\$ (610)</u>
Equity at end of period	<u><u>\$ 73,176</u></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? | Yes |

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	19,153,192	15,866,202	3,286,990	0	0
7b - Medicaid	65,276,825	54,850,539	10,426,286	0	0
7c - Costs of other	N/A	N/A	N/A	N/A	N/A
7d - Total	84,430,017	70,716,741	13,713,276	0	0

Part III Medicare & Collection Practices

Section B. Medicare

5 - Total Medicare Revenue	26,347,442
6 - Total Medicare Costs	22,210,253
7 - Medicare Surplus(Shortfall)	4,137,189
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
- 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. Made presumptive eligibility determinations
- 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)	\$11,211,311
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