

CarePoint Health Mission Statements and Overview - Hudson Hospital

Hudson Hospital is a licensed 349-bed general/community Acute Care Hospital that includes Inpatient Care, Emergency Services, Outpatient and Specialty Services. It is part of a three-hospital system under the umbrella of CarePoint Health System. Hudson Hospital is located in the heart of Jersey City, NJ, which is rated the most diverse mid-sized city in the nation. Hudson Hospital does not only cover Jersey City but also many surrounding cities such as Hoboken, Bayonne, Union City, Weehawken, West New York, Guttenberg. In certain specialties, particularly in behavioral Health inpatient /outpatient and detox, Hudson Hospital receives patients from throughout the state of New Jersey.

Hudson Hospital 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. Over 60% 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. According to the Lown Institute, Hudson Hospital has been ranked #1 as the "*Most Socially Responsible Hospital*" in the nation based on 54 different metrics, including clinical outcomes, equity, and value/cost-efficiency.

CarePoint Health- Hudson Hospital
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	\$ 151,071	\$ 130,991
Other operating revenue	23,504	40,535
Charity Care	10,912	9,685
Total Revenues	<u>185,488</u>	<u>181,212</u>
<u>Operating Expenses</u>		
Salaries and wages	65,951	59,899
Supplies/Other Expenses	100,150	99,428
Employee benefits	12,738	11,510
Total Operating Expenses before Interest, Depreciation & Amortization	<u>178,839</u>	<u>170,836</u>
Operating Income / (Loss) before Interest, Depreciation & Amortization	<u>6,649</u>	<u>10,375</u>
Interest Expense	8,315	3,874
Depreciation and Amortization	7,271	7,483
Total Interest, Depreciation & Amortization	<u>15,586</u>	<u>11,357</u>
Net Income (Loss)	<u>\$ (8,937)</u>	<u>\$ (982)</u>
Total Assets	182,922	132,621
Total Liabilities	187,526	138,347
Equity	(4,603)	(5,726)

CarePoint Health - Hudson Hospital
DRAFT- Top 5 Independent Contractors
December 31, 2021

<u>Vendor</u>	<u>Description of Services</u>	<u>Amount</u>
Medical Staffing Network HC, LLC	Staffing	2,457,959.75
Horizon Health	Consulting Services	1,880,043.91
Jackson Therapy Partners, LLC	Staffing	410,945.69
FASTAFF LLC	Staffing	241,690.70
Elixir RX Solutions LLC	Employee Benefit Rx	234,508.54
Total # of 1099's		144
Total # over \$100K		27
# of W2's		1,067

Carepoint Health - Hudson Hospital
DRAFT - Part VI

Board - Voting Members	4
Independent members	2

Section B - Policies

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

CarePoint Health - Hudson Hospital
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	\$ 161,983	\$ 140,676
Other operating revenue	<u>23,504</u>	<u>40,535</u>
Total Revenues	<u>\$ 185,488</u>	<u>\$ 181,212</u>

CarePoint Health - Hudson Hospital
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	\$ 59,899	47,919	11,980
Fringe Benefits	11,510	9,208	2,302
Purchased Services	11,437	9,149	2,287
Revenue Cycle Fees	4,725	4,725	
Physician Directorships and other Physician Costs	1,860	1,488	372
Physician Practices Expense	19,633	15,706	3,927
Property Taxes	1,467	1,174	293
Medical Surgical Supplies	20,119	20,119	
Liability and Workers Compensation Insurance	3,467	2,773	693
Rent, Maintenance, Repairs	10,697	8,558	2,139
Utilities	2,297	1,838	459
Pharmaceuticals	5,544	5,544	
Administrative Support Services	12,637	10,110	2,527
All Other Supply	5,545	4,436	1,109
Interest Expense	3,874	-	3,874
Depreciation Expense	7,483	-	7,483
Total Expense	\$ 182,193	\$ 142,747	\$ 39,447

CarePoint Health - Hudson Hospital

2021 Schedule D

Part VI DRAFT - Land, Buildings and Equipment

	Cost or other basis (other)	Accumulated Depreciation	Book Value
1a Land	\$ -		\$ -
b Buildings	80,100,143	47,788,224	32,311,918
d Equipment	31,970,202	27,139,533	4,830,668
e Other	1,533,587	62,606	1,470,981
Total	113,603,931	74,990,364	38,613,568

CarePoint Health - Hudson Hospital
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	\$ 1,442	\$ 7,840
Cash and cash equivalents - Restricted	67,151	18,641
Net Patient accounts receivable	56,659	53,805
Investments	3,048	3,048
Other receivables	52	110
Inventory & Other Assets	3,084	3,719
Prepaid expenses	2,166	875
Total current assets	<u>133,602</u>	<u>88,039</u>
Intangible Assets	7,068	5,968
Property and equipment, net	42,253	38,614
Total Assets, Deferred Cost & Equipment	<u>49,321</u>	<u>44,582</u>
Total Assets	<u>\$ 182,922</u>	<u>\$ 132,621</u>

Liabilities and Member's Equity

Current Liabilities:		
Current portion of Capitalized leases	\$ 5,335	\$ 5,662
Accounts payable and accrued expenses	9,725	8,912
Accrued Compensation	4,935	4,294
Due to Related Party	32,817	32,018
Loan Payable	31,471	24,356
Deferred Revenue	51,906	23,529
Due to Third Party-Current Portion	16,728	10,482
Total current liabilities	<u>152,917</u>	<u>109,253</u>
Long Term Liabilities:		
Capital Lease Payable, less current portion	34,608	29,094
Total liabilities	<u>187,526</u>	<u>138,347</u>
Member's Equity:		
Member's Equity (deficit)	(4,603)	(5,726)
Total Member's Equity	<u>(4,603)</u>	<u>(5,726)</u>
Total Liabilities and Member's Equity	<u>\$ 182,922</u>	<u>\$ 132,621</u>

CarePoint Health - Hudson Hospital
Part XI DRAFT - Reconciliation of Equity
(in thousands)

	<u>Dec. 31, 2021</u>
Equity at beginning of period	\$ (4,603)
Total Revenue	181,212
Total Expenses	(182,193)
Total Disbursements	<u>(141)</u>
Equity at end of period	<u>\$ (5,726)</u>

CarePoint Health - Hudson Hospital
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 - Hudson Hospital

Schedule H Part I

DRAFT - Financial Assistance and Certain Other Community Benefits at Cost

Part I

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 - Hudson Hospital

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	18,460,465	13,881,912	4,578,553	0	0
7b - Medicaid	77,634,805	66,100,740	11,534,065	0	0
7c - Costs of other	N/A	N/A	N/A	N/A	N/A
7d - Total	96,095,270	79,982,652	16,112,618	0	0

Part III Medicare & Collection Practices

Section B. Medicare

5 - Total Medicare Revenue	25,578,633
6 - Total Medicare Costs	20,868,860
7 - Medicare Surplus(Shortfall)	4,709,773
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

CarePoint Health - Hudson Hospital

Schedule H Part I

DRAFT - Financial Assistance and Certain Other Community Benefits at Cost

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

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 - Hudson Hospital
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	\$17,951,721
f) Balance due (including accrued/pik interest)	\$24,356,395
h) Approved by board or committees	Yes
i) Written agreement	Yes

CarePoint Health - Hudson Hospital
Schedule R Part IV
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