

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.

NOTE THE INFORMATION PRESENTED HAS NOT BEEN AUDITED OR REVIEWED AND, THEREFORE, SUBJECT TO CHANGE

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

Part I

	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2022</u>
<u>Operating Revenues</u>		
Net patient service revenue	\$ 150,541	\$ 133,615
Other operating revenue	26,665	30,284
Charity Care	11,088	10,976
Total Revenues	<u>188,294</u>	<u>174,875</u>
<u>Operating Expenses</u>		
Salaries and wages	65,008	68,682
Supplies/Other Expenses	90,400	100,954
Employee benefits	16,419	14,690
Total Operating Expenses before Interest, Depreciation & Amortization	<u>171,827</u>	<u>184,326</u>
Operating Income / (Loss) before Interest, Depreciation & Amortization	<u>16,468</u>	<u>(9,451)</u>
Interest Expense	4,007	6,788
Depreciation and Amortization	8,066	7,663
Total Interest, Depreciation & Amortization	<u>12,072</u>	<u>14,451</u>
Net Income (Loss)	<u>\$ 4,395</u>	<u>\$ (23,902)</u>
Total Assets	\$ 193,251	\$ 153,664
Total Liabilities	\$ 120,214	\$ 104,529
Equity	\$ 73,037	\$ 49,135

CarePoint Health - Hoboken University Medical Center
DRAFT- Top 5 Independent Contractors
Dcember 31, 2022

<u>Vendor</u>	<u>Description of Services</u>	<u>Amount</u>
DILWORTH PAXSON LLP	Legal Services	\$ 1,357,184
BIOFIRE DIAGNOSTICS, LLC	Medical Services	\$ 1,190,243
CVM MANAGEMENT LLC	Medical Services	\$ 1,044,313
FASTAFF LLC	Staffing	\$ 682,110
7700 RIVER ROAD LLC	Rent	\$ 625,000
Total # of 1099's		166
Total # over \$100K		30
# of W2's		1,137

CarePoint Health - Hoboken University Medical Center
DRAFT - Part VI

Board - Voting Members	4
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) (unaudited)

	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2022</u>
<u>Program Service Revenue</u>		
Net patient service revenue	\$ 150,541	\$ 133,615
Other operating revenue	37,753	41,260
Total Revenues	<u>\$ 188,294</u>	<u>\$ 174,875</u>

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

Dec 31, 2022

Part IX Statement of Functional Expenses	Total	Program Service Expenses	Management & General Expenses
Salaries, Wages, and Contract Labor	\$ 68,682	\$ 54,945	\$ 13,736
Fringe Benefits	14,690	11,752	2,938
Purchased Services	14,218	11,375	2,844
Revenue Cycle Fees	5,029	5,029	-
Physician Directorships and other Physician Costs	24,064	19,251	4,813
Physician Practices Expense	2,150	1,720	430
Property Taxes	1,054	843	211
Medical Surgical Supplies	16,058	16,058	-
Liability and Workers Compensation Insurance	4,055	3,244	811
Rent, Maintenance, Repairs	8,796	7,037	1,759
Utilities	1,970	1,576	394
Pharmaceuticals	3,928	3,928	-
Administrative Support Services	11,861	9,488	2,372
All Other Supply	7,770	6,216	1,554
Interest Expense	6,786	-	6,786
Depreciation Expense	7,663	-	7,663
Total Expense	\$ 198,775	\$ 152,464	\$ 46,311

CarePoint Health - Hoboken University Medical Center Financial Statement Schedules
2022 Schedule D - Land, Buildings and Equipment
Part VI DRAFT (unaudited)

	Cost or other basis (other)	Accumulated Depreciation	Book Value
1a Land	\$ -	\$ -	\$ -
b Buildings	54,844,332	40,828,558	14,015,774
c Leasehold Improvements	19,521,020	6,536,228	12,984,792
d Equipment	34,822,191	31,301,399	3,520,792
e Other	629,636	469,644	159,992
Total	\$ 109,817,179	\$ 79,135,829	\$ 30,681,350

CarePoint Health - Hoboken University Medical Center**Balance Sheets****DRAFT - (unaudited)****(in thousands)**

	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2022</u>
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents - Unrestricted	\$ 22,945	\$ 205
Cash and cash equivalents - Restricted	30,996	17,099
Net Patient accounts receivable	54,363	53,545
Investments	1,003	1,003
Other receivables	812	1,635
Due From Related Party	28,565	32,497
Inventory & Other Assets	2,841	2,940
Prepaid expenses	1,227	1,187
Total current assets	<u>\$ 142,752</u>	<u>\$ 110,111</u>
Intangible Assets	15,447	12,872
Property and equipment, net	35,051	30,681
Total Assets, Deferred Cost & Equipment	<u>50,498</u>	<u>43,553</u>
Total Assets	<u>\$ 193,251</u>	<u>\$ 153,664</u>
 <u>Liabilities and Member's Equity</u>		
Current Liabilities:		
Current portion of Capitalized leases	\$ 4,713	\$ 5,079
Accounts payable and accrued expenses	11,658	17,444
Accrued Compensation	5,399	6,342
Loan Payable	36,746	32,506
Deferred Revenue	26,370	17,222
Accrued interest payable	2,722	3,980
Due to Third Party-Current Portion	820	800
Total current liabilities	<u>88,428</u>	<u>83,373</u>
Long Term Liabilities:		
Capital Lease Payable, less current portion	21,672	16,647
Due to Third Party, less current portion	8,835	3,357
Benefits Payable, less current portion	1,279	1,152
Total liabilities	<u>120,214</u>	<u>104,529</u>
Member's Equity:		
Member's Equity (deficit)	73,037	49,135
Total Member's Equity	<u>73,037</u>	<u>49,135</u>
Total Liabilities and Member's Equity	<u>\$ 193,251</u>	<u>\$ 153,664</u>

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

	<u>Dec. 31, 2022</u>
Equity at beginning of period	\$ 73,037
Total Revenue	174,875
Total Expenses	<u>198,777</u>
Equity at end of period	<u>\$ 49,135</u>

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

Part XII Financial Statements and Reporting

1. Accounting method used:	Accrual	
	2021	2022
2a. Were the organization's financial statements compiled or reviewed by an independent accountant?	No	No
2b. Were the organization's financial statements audited by an independent accountant?	Yes	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	No

CarePoint Health - Hoboken University Medical Center

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
b If "Yes," was it a written policy? Yes
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?
() 100% () 150% (X) 200% () Other _____% Yes
- 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 Did the organization use FPG as a factor in determining eligibility for providing discounted care? Lack of insurance
coverage for
uninsured
patients. This is
not an asset test
performed for
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.
- 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	\$ 24,296,835	\$ 13,862,865	\$ (10,433,970)	0	42.9%
7b - Medicaid	60,395,411	58,137,976	(2,257,435)	0	3.7%
7c - Costs of other	N/A	N/A	N/A	N/A	N/A
7d - Total	\$ 84,692,246	\$ 72,000,841	\$ (12,691,405)	0	15.0%

Part III Medicare & Collection Practices

Section B. Medicare

5 - Total Medicare Revenue	\$ 20,587,292
6 - Total Medicare Costs	\$ 20,921,115
7 - Medicare Surplus(Shortfall)	\$ (333,823)
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:	Yes
e) Original Principal Amount	\$8,706,553
f) Balance due (including accrued/pik interest)	\$12,402,348
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