

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.

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

CarePoint Health- Hudson Hospital
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	\$ 130,991	\$ 117,799
Other operating revenue	41,586	28,174
Charity Care	9,685	9,539
Total Revenues	<u>182,262</u>	<u>155,512</u>
<u>Operating Expenses</u>		
Salaries and wages	59,899	62,712
Supplies/Other Expenses	99,428	92,932
Employee benefits	11,510	9,901
Total Operating Expenses before Interest, Depreciation & Amortization	<u>170,836</u>	<u>165,545</u>
Operating Income / (Loss) before Interest, Depreciation & Amortization	<u>11,426</u>	<u>(10,033)</u>
Interest Expense	3,874	6,109
Depreciation and Amortization	7,483	7,529
Total Interest, Depreciation & Amortization	<u>11,357</u>	<u>13,638</u>
Net Income (Loss)	<u>\$ 69</u>	<u>\$ (23,671)</u>
Total Assets	\$ 132,557	\$ 118,693
Total Liabilities	\$ 136,902	\$ 146,709
Equity	\$ (4,346)	\$ (28,016)

CarePoint Health - Hudson Hospital
DRAFT- Top 5 Independent Contractors
December 31, 2022

<u>Vendor</u>	<u>Description of Services</u>	<u>Amount</u>
MEDICAL STAFFING NETWORK	Staffing	\$ 2,079,812
HORIZON HEALTH	Consulting Services	\$ 1,077,853
BIOFIRE DIAGNOSTICS	Medical Services	\$ 862,799
FASTAFF LLC	Staffing	\$ 687,369
CEPHEID	Medical Services	\$ 619,851
Total # of 1099's		145
Total # over \$100K		26
# of W2's		1,063

Carepoint Health - Hudson Hospital
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 - Hudson Hospital
Financial Statement Schedules
Part VIII DRAFT - Statement of Revenue
(in thousands)

	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2022</u>
<u>Program Service Revenue</u>		
Net patient service revenue	\$ 130,991	\$ 117,799
Other operating revenue	51,271	37,713
Total Revenues	<u>\$ 182,262</u>	<u>\$ 155,512</u>

CarePoint Health - Hudson Hospital
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	\$ 62,713	50,170	12,543
Fringe Benefits	9,901	7,921	1,980
Purchased Services	8,443	6,754	1,689
Revenue Cycle Fees	4,619	4,619	-
Physician Directorships and other Physician Costs	1,818	1,454	364
Physician Practices Expense	19,554	15,643	3,911
Property Taxes	1,901	1,521	380
Medical Surgical Supplies	18,437	18,437	-
Liability and Workers Compensation Insurance	3,583	2,866	717
Rent, Maintenance, Repairs	8,805	7,044	1,761
Utilities	2,610	2,088	522
Pharmaceuticals	5,081	5,081	-
Administrative Support Services	12,841	10,273	2,568
All Other Supply	5,240	4,192	1,048
Interest Expense	6,108	-	6,108
Depreciation Expense	7,529	-	7,529
Total Expense	\$ 179,183	\$ 138,064	\$ 41,119

CarePoint Health - Hudson Hospital

2022 Schedule D

Part VI DRAFT - Land, Buildings and Equipment

	Cost or other basis (other)	Accumulated Depreciation	Book Value
1a Land	\$ -		\$ -
b Buildings	82,316,104	53,559,969	28,756,135
d Equipment	33,789,307	27,872,458	5,916,849
e Other	21,890	-	21,890
Total	\$ 116,127,301	\$ 81,432,427	\$ 34,694,874

CarePoint Health - Hudson Hospital**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	\$ 7,840	\$ 1,462
Cash and cash equivalents - Restricted	18,641	22,156
Net Patient accounts receivable	53,742	47,679
Investments	3,048	3,048
Other receivables	110	165
Inventory & Other Assets	3,719	4,220
Prepaid expenses	875	503
Total current assets	<u>87,976</u>	<u>79,233</u>
Intangible Assets	5,872	4,768
Property and equipment, net	38,709	34,692
Total Assets, Deferred Cost & Equipment	<u>44,581</u>	<u>39,460</u>
Total Assets	<u>\$ 132,557</u>	<u>\$ 118,693</u>
 <u>Liabilities and Member's Equity</u>		
Current Liabilities:		
Current portion of Capitalized leases	\$ 5,662	\$ 5,949
Accounts payable and accrued expenses	8,848	15,001
Accrued Compensation	4,294	4,453
Due to Related Party	32,018	52,004
Loan Payable Capitala	-	7,005
Loan Payable Maple	24,356	27,629
Deferred Revenue	22,478	6,003
Due to Third Party-Current Portion	10,152	5,520
Total current liabilities	<u>107,808</u>	<u>123,564</u>
Long Term Liabilities:		
Capital Lease Payable, less current portion	29,094	23,145
Total liabilities	<u>136,902</u>	<u>146,709</u>
Member's Equity:		
Member's Equity (deficit)	(4,345)	(28,016)
Total Member's Equity	<u>(4,345)</u>	<u>(28,016)</u>
Total Liabilities and Member's Equity	<u>\$ 132,557</u>	<u>\$ 118,693</u>

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

	<u>Dec. 31, 2022</u>
Equity at beginning of period	\$ (4,345)
Total Revenue	155,512
Total Expenses	179,183
Total Disbursements	-
Equity at end of period	<u><u>\$ (28,016)</u></u>

CarePoint Health - Hudson Hospital
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 - 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
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 - Hudson Hospital

Schedule H Part I

DRAFT - 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	\$ 21,282,237	\$ 12,598,020	\$ (8,684,217)	0	40.8%
7b - Medicaid	\$ 77,008,582	\$ 60,351,124	\$ (16,657,458)	0	21.6%
7c - Costs of other	N/A	N/A	N/A	N/A	N/A
7d - Total	\$ 98,290,819	\$ 72,949,144	\$ (25,341,675)	0	25.8%

Part III Medicare & Collection Practices

Section B. Medicare

5 - Total Medicare Revenue	\$ 21,898,927
6 - Total Medicare Costs	\$ 21,067,833
7 - Medicare Surplus(Shortfall)	\$ 831,094
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
- 2a 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
- 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 - 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)	\$27,628,987
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