

DEC 31 2013

STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

Richard J. Brockman  
Direct Dial: (205) 458-9445  
Email: rjb@johnstonbarton.com

December 31, 2013

**Via Hand Delivery**

Alva Lambert, Esq.  
Executive Director  
Alabama State Health Planning  
And Development Agency  
RSA Tower  
100 North Union Street, Suite 870  
Montgomery, Alabama 36104

**Re: Notice of Request for Project Modification  
Green Valley Health & Rehabilitation, LLC [formerly known as  
Holding Operations II, LLC, d/b/a Hoover Health and Rehabilitation,  
LLC]  
Project Number: AL-2012-27  
CON-2604-NH**

Dear Mr. Lambert:

Pursuant to CON Rule § 410-1-10-.03, I enclose an original and two (2) copies of the Notice of Request for Project Modification for CON-2604-NH, Project Number AL-2012-27, together with a check for the required filing fee specified under CON rule § 40-1-10-.03(1)(b) of \$5,040, which is an amount equal to 25% of the original filing fee. A copy of this modification request has been served on all parties of record.

Please contact me if you have any questions or if we can provide you with any additional information.

Sincerely,



Richard J. Brockman  
One of the Attorneys for the Applicants

Enclosures

DEC 31 2013

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**Re: Notice of Request for Project Modification  
Green Valley Health & Rehabilitation, LLC [formerly known as  
Hoover Health and Rehabilitation, LLC]  
Project Number: AL-2012-27  
CON-~~2064~~ NH  
2064**

Dear Mr. Lambert:

Pursuant to Alabama Certificate of Need Program Rules and Regulations ("CON Rules") § 410-1-10-.03, please accept this letter as a Notice of Request for Project Modification for the above referenced certificate of need ("CON"). In accordance with the CON Rules, a copy of this request has been served on all parties of record.

**Background:**

1. On or about April 4, 2012, the above Holding Realty II, LLC and its affiliate, Holding Operations II, LLC, doing business as Hoover Health & Rehabilitation, LLC (the "Hoover Applicants"), filed their application for CON to the Alabama State Health Planning and Development Agency ("SHPDA") to construct a 118-bed replacement nursing facility in the city of Hoover, Jefferson County, Alabama. The project was deemed complete and assigned Project Number AL-2012-27 ("Hoover CON Application"). Contemporaneous with the filing of the Hoover CON Application, affiliates of the applicant, Holding Realty I, LLC, and Holding Operations I, LLC, doing business as Vestavia Health & Rehabilitation, LLC (the "Vestavia Applicants"), also filed their CON application to construct a 120-bed replacement nursing facility in the Jefferson County city of Vestavia Hills, Alabama. That project was deemed complete and assigned Project Number AL-2012-26 (the "Vestavia CON Application").

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Johnston Barton Proctor & Rose LLP  
Colonial Brookwood Center

569 Brookwood Village, Suite 901 Birmingham, Alabama 35209  
T: 205.458.9400 F: 205.458.9500 www.johnstonbarton.com

2. The aggregate 238-nursing facility beds for the Hoover CON Application and the Vestavia CON Application were to be transferred from the Jefferson County Nursing Home (known as Ketona), which facility was due to be closed. The parent of the Hoover Applicants and Vestavia Applicants (NHS Holding, LLC), was the winning bidder for the rights to construct replacement facilities for Ketona, which was due to be closed by Jefferson County.
3. On or about May 21, 2012, Rebound, LLC d/b/a HealthSouth Lakeshore Rehabilitation Hospital, an affiliate of HealthSouth Corporation, and HealthSouth of Alabama, LLC, (collectively "Lakeshore" or "HealthSouth") filed an opposition to the Hoover CON Application and the Vestavia CON Application, and requested a contested case. The Honorable B. Saxon Main was appointed to hear the contested case.
4. After many days of contested case proceedings, and submission of proposed orders, the parties settled their differences and, on January 31, 2013, Judge Main issued a stipulated order in both cases, which by operation of law became the ruling of SHPDA's CON Review Board without further proceedings.
5. On February 15, 2013, SHPDA issued CON Number 2604, in favor of Holding Realty II, LLC permitting it to construct a 118-bed replacement nursing facility in Jefferson County, Alabama on property specified within the city limits of Hoover, Alabama. Total project cost approved was \$25,595,220.
6. After a lengthy design process and required submission of plans to the Alabama Department of Public Health ("ADPH"), it is determined that for reasons set forth below, the project costs have increased to \$30,408,509, or an increase of approximately 18.8%.<sup>1</sup>

**Proposed Project Modification:**

1. The names of the applicants were changed to reflect the project name as follows:
  - a. The applicant/fee owner/landlord, Holding Realty II, LLC, is now Green Valley Health Realty, LLC.
  - b. The proposed tenant/operator/licensee, Holding Operations II, LLC d/b/a Hoover Health & Rehabilitation, LLC, is now Green Valley Health & Rehabilitation, LLC.
  - c. The project was called Hoover Health & Rehabilitation and is now Green Valley Health & Rehabilitation.

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<sup>1</sup> A similar Project Modification is being filed for the Vestavia CON.

2. <sup>2</sup>Predevelopment costs (to prepare the site for the site work) - were estimated at \$68,782. The actual costs are \$439,903. This increase is a result of:
  - a. It was discovered that the site's soil was unsuitable for holding the foundation. This was solved by removing the soil from a depth of 23 feet, and using it to create engineered fill that could be compacted to correctly hold the foundation.
  - b. Underground drainage system had to be increased in size to accommodate the surface water run-off.
3. Site work - was estimated to be \$300,000. The new costs are estimated to be \$561,677. This increase is a result of:
  - a. Alabama Department of Environmental Management (ADEM) requiring additional surface water (rain and storm) preparation before it can discharge to nearby Chapel Creek. This involved installation of a turbidity structure to filter the surface water so only clean water enters Chapel Creek. In addition, water running off of an adjacent property owner in the rear of the property also had to be accounted for in meeting ADEM's requirements.
  - b. Approximately 5 acres of the 7.7 acre site had to be raised an average of 1.5 feet requiring approximately 12,000 yards of fill dirt to be relocated.
4. Site acquisition – was estimated to be \$1.3 million and the site was acquired for that amount.
5. Construction cost was estimated to be \$8,383,875. The newly revised costs are \$10,442,752. The increase is a result of:
  - a. Square footage of building was increased from 76,130 to slightly above 87,000 square feet. This increase creates better pathways and accommodates almost 200 plan sheet revisions received from ADPH. (See, Schedule B showing the original architect's estimates and Schedule C showing the revised architect's estimates).
  - b. The ADPH comments required design changes to every element in the building, including electrical, structural, mechanical, and service placements.

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<sup>2</sup> See Schedule A attached showing a comparison by category of the submitted Construction related costs and the modified costs.

- c. While the initial design had energy saving features such as energy efficient heating and air conditioning units ("HVAC") and window and wall assembly, it was determined to use later developed features that allow even greater energy savings.
  - d. The lender is requiring a construction bond which will add approximately \$87,000 to the construction cost.
  - e. Changes in material costs driven by a recovering economy are adding almost 12% to the estimated costs.
6. Interest during construction was estimated to be \$245,625. Actual interest during construction is estimated to be \$592,000.
  7. Attorney and consulting fees were estimated to be \$81,218. Due to the protracted contested case litigation, these costs were \$500,000.
  8. Furniture, fixtures, and equipment were estimated to be \$1,115,000. A better grade of equipment is being used, increasing these costs to approximately \$2 million. These include ergonomically designed resident furniture, mar resistant furnishings, more energy efficient kitchen equipment, and furnishings with better durability. (See Schedule D containing a listing of the FF&E).
  9. First year's operating expenses were estimated in 2012 to be \$9,415,220. To accommodate the delay caused by the litigation and design issues, these expenses are projected to increase by a modest 3%, to \$9,697,677. (See Schedule E showing a comparison of the originally submitted first two years' revenues and expenses and the revised first two years' revenues and expenses)

Based on the foregoing and the schedules and exhibits attached, we respectfully request the CON Review Board's approval of the modifications for this very important project.

Please contact me if you have any questions or if we can provide you with any additional information.

Sincerely,



Richard J. Brockman  
One of the Attorneys for the Applicants

Enclosures

**CERTIFICATE OF SERVICE**  
**CON Number 2604-NH - Holding Realty II, LLC (Hoover)**  
**Project Modification**

In accordance with CON Rule 410-1-10-.03, I hereby certify that I have served a copy of the foregoing Petition for Project Modification upon the listed parties of record by placing the same in the United States Mail, postage prepaid and properly addressed, on this 30<sup>th</sup> day of December 2013.

**Attorney for The Alabama Health Planning and Development Agency**

Mark D. Wilkerson, Esquire  
Wilkerson & Bryan, PC  
P.O. Box 830  
405 South Hull Street  
Montgomery, Alabama 36104

**Attorneys for Rebound, LLC d/b/a HealthSouth  
Lakeshore Rehabilitation Hospital  
HealthSouth Corporation  
HealthSouth of Alabama, LLC**

Robert D. Segall, Esquire  
Shannon Holliday, Esquire  
Copeland Franco, Attorneys at Law  
444 South Perry Street  
P.O. Box 347  
Montgomery, Alabama 36101

Lenora Pate, Esquire  
Kelli Robinson, Esquire  
Sirote & Permutt, PC  
2311 Highland Avenue South  
Birmingham, Alabama 35205

John Whittington, Esquire  
Executive Vice President/General Counsel  
HealthSouth Corporation  
3660 Grandview Parkway, Suite 200  
Birmingham, Alabama 35243

**Attorneys for Applicants**

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P. O. Box 26214  
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P. Michael Cole, Esquire  
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Wilmer & Lee, PA  
P.O. Box 2168  
100 Washington Street, Suite 200  
Huntsville, Alabama 35804

P.O. Box 710  
315 West Market Street  
Athens, Alabama 35612



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Richard J. Brockman

One of the Attorneys for Applicants

Green Valley Health Realty, LLC (formerly known as Holding Realty II, LLC)

and

Green Valley Health & Rehabilitation, LLC (formerly known as Holding Operations, II d/b/a  
Hoover Health & Rehabilitation, LLC)

**Of Counsel**

Johnston Barton Proctor & Rose, LLP  
569 Brookwood Village, Suite 901  
Birmingham Alabama 35209  
(205) 458-9400

# Schedule A

II. COST (CON 2604-NH Green Valley Health and Rehabilitation, LLC f/k/a Hoover Health and Rehabilitation, LLC)

A. Construction (includes modernization expansion)

	Approved CON 2604NH	Modification	Increase (Decrease)
1. Predevelopment	\$ 68,782	439,403	370,621
2. Site Acquisition	1,300,000	1,300,000	-0-
3. Site Development	300,000	561,677	261,677
4. Construction	8,383,875	10,442,752	2,058,877
5. Architect and Engineering Fees	558,000	745,000	187,000
6. Renovation			
7. Interest during time period of construction	245,625	592,000	346,375
8. Attorney and consultant fees	81,218	500,000	418,782
9. Bond Issuance Costs			
10. Other _____			
11. Other _____			
TOTAL COST OF CONSTRUCTION	\$10,937,500	14,580,832	3,643,332

B. Purchase

1. Facility	\$4,130,000	4,130,000	-0-
2. Major Medical Equipment			
3. Other Equipment	1,112,500	2,000,000	887,500
TOTAL COST OF PURCHASE	\$5,242,500	6,130,000	887,500

C. Lease

1. Facility Cost Per Year \_\_\_\_ x \_\_\_\_ Years= \$
2. Equipment Cost per Month  
\_\_\_\_\_ x \_\_\_\_\_ Months =
3. Land-only Lease Cost per Year  
\_\_\_\_\_ x \_\_\_\_\_ Years

TOTAL COST OF LEASE(s) \$ \_\_\_\_\_  
(compute according to generally accepted accounting principles)

Cost if Purchased \$ \_\_\_\_\_

D. Services

1. \_\_\_\_\_ New Service
2. \_\_\_\_\_ Expansion
3. \_\_\_\_\_ Reduction or Termination
4. \_\_\_ x \_\_\_ Other (Replacement Facility)

FIRST YEAR ANNUAL OPERATING COST \$9,415,220      9,697,677      282,457

E. Total Cost of this Project (Total A through D)  
(should equal V-C on page A-4)

	\$ 25,595,220	30,408,509	4,813,289
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III. COST (continued) (CON 2604-NH Green Valley Health and Rehabilitation, LLC f/k/a Hoover Health and Rehabilitation, LLC)

	Approved CON 1975-NH	Modification	Increase (Decrease)
F. Proposed Finance Charges			
1. Total Amount to Be Financed	\$12,944,000	16,050,000	3,106,000
2. Anticipated Interest Rates	Market	3.75%	None
3. Term of Loan	20 years	None	None
4. Method of Calculating Interest on Principal Payment	Amortization	None	None

IV. ANTICIPATED SOURCE OF FUNDING

A. Federal			
1. Grants			
2. Loans			
B. Non-Federal			
1. Commercial Loan	\$12,944,000	16,050,000	3,106,000
2. Tax-exempt Revenue Bonds			
3. General Obligation Bonds			
4. New Earning and Revenues	9,415,220	9,697,677	282,457
5. Charitable Fund Raising			
6. Cash on Hand	3,236,000	4,660,832	1,424,832
7. Other			
C. TOTAL (should equal IV-E on page A-3)	\$25,595,220	\$30,408,509	\$4,813,289

V. TIMETABLE

A. Modified Projected Start/Purchase Date	January, 2014
B. Modified Projected Completion Date	15 months from commencement

**PART THREE: CONSTRUCTION OR RENOVATION ACTIVITIES (Project 2012-27 Hoover, as Originally Submitted)**

Complete the following if construction/renovation is involved in this project. Indicate N/A for any questions not applicable.

I. ARCHITECT: Dave Reese, AIA

Firm TurnerBatson Architects, P.C.

Address 1950 Stonegate Drive, Suite 200

City/State/Zip Birmingham, Alabama 35242

Contact Person Dave Reese

Telephone (205) 403-6201

Architect's Project Number 2515

II. ATTACH SCHEMATICS AND THE FOLLOWING INFORMATION

A. Describe the proposed construction/renovation

The proposed construction consists of a new 118 bed facility including a Rehabilitation unit, Skilled Nursing unit and Dementia unit. Full service kitchen and laundry areas are to be included in the facility. There are 94 sleeping rooms with a mix of suites, private and semi-private rooms, each with its own restroom/shower (except the memory care unit will have central shower facilities to promote safety). Each unit will include separate dining and living space for the residents. Two fully enclosed courtyards and several fenced outdoor gardens will be available for the residents of the facility. Draft schematics are attached as Exhibit 5. In addition, the rendered elevation of Hoover Health Care is shown in Exhibit 6.

The drives around the building provide convenient access for residents and their families as well as employees, deliveries and emergency vehicles.

B. Total gross square footage to be constructed/renovated 76,130 SF

C. Net useable square footage (not including stairs, elevators, corridors, toilets) 47,915 SF

D. Acres of land to be purchased or leased N/A

E. Acres of land owned on site 7.7 acres

F. Anticipated amount of time for construction or renovations 14 (months)

G. Cost per square foot<sup>1</sup> \$ 126.54

H. Cost per bed (if applicable) \$ 81,674

<sup>1</sup> This cost includes site work, predevelopment, construction, architect & engineering, interest during construction, and fees.

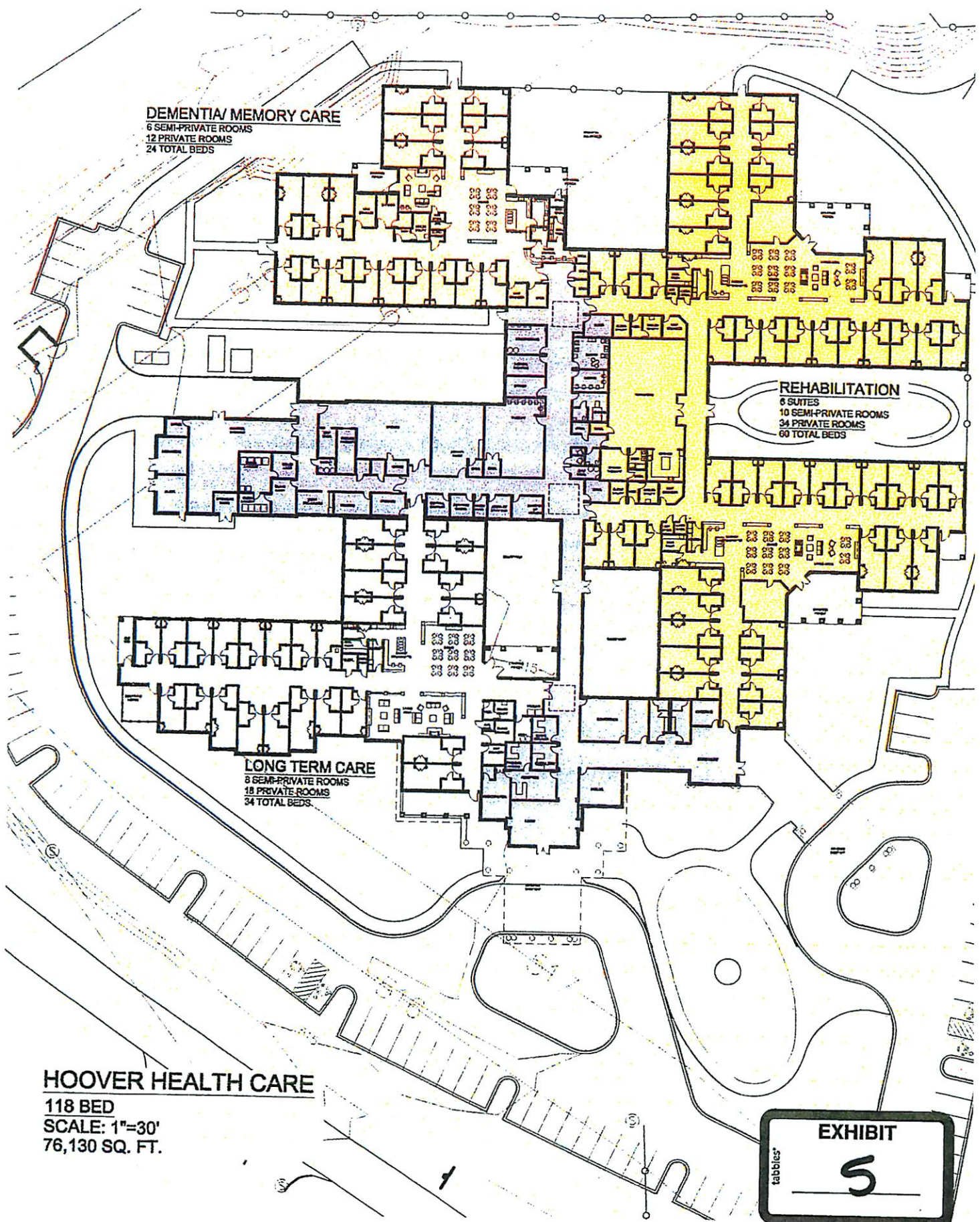
**DEMENTIA/ MEMORY CARE**  
6 SEMI-PRIVATE ROOMS  
12 PRIVATE ROOMS  
24 TOTAL BEDS

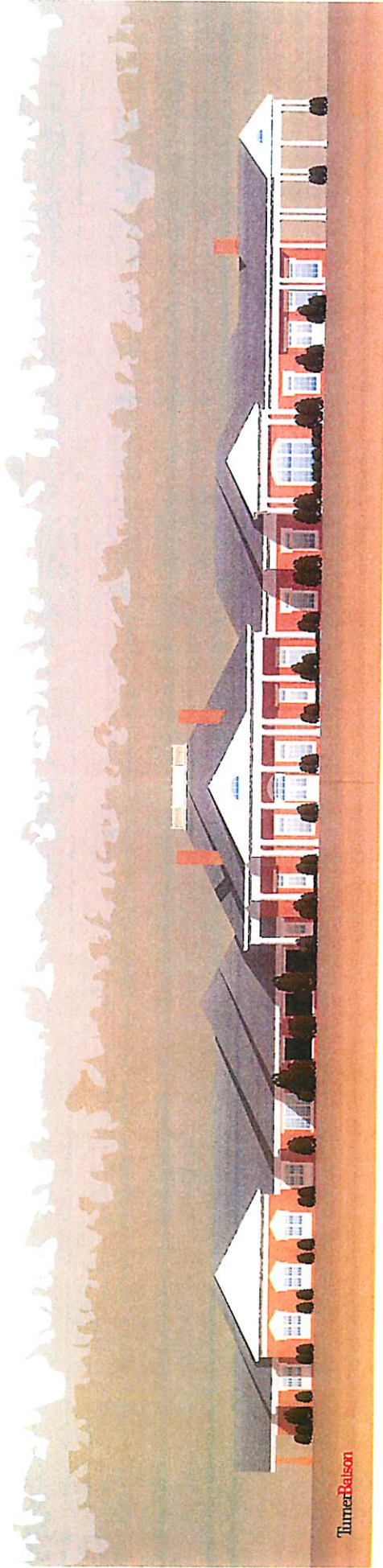
**REHABILITATION**  
6 SUITES  
10 SEMI-PRIVATE ROOMS  
34 PRIVATE ROOMS  
60 TOTAL BEDS

**LONG TERM CARE**  
8 SEMI-PRIVATE ROOMS  
18 PRIVATE ROOMS  
34 TOTAL BEDS

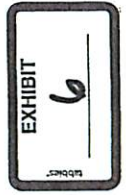
**HOOVER HEALTH CARE**  
118 BED  
SCALE: 1"=30'  
76,130 SQ. FT.

tabbles®  
**EXHIBIT**  
**5**





TurnerBalsco



**PART THREE: CONSTRUCTION OR RENOVATION ACTIVITIES (Project 2012-27 Hoover as Modified)**

Complete the following if construction/renovation is involved in this project. Indicate N/A for any questions not applicable.

I. ARCHITECT: Dave Reese, AIA

Firm TurnerBatson Architects, P.C.

Address 1950 Stonegate Drive, Suite 200

City/State/Zip Birmingham, Alabama 35242

Contact Person Dave Reese

Telephone (205) 403-6201

Architect's Project Number 2515

II. ATTACH SCHEMATICS AND THE FOLLOWING INFORMATION

A. Describe the proposed construction/renovation

The proposed construction consists of a new 118 bed facility including a Rehabilitation unit, Skilled Nursing unit and Dementia unit. Full service kitchen and laundry areas are to be included in the facility. There are 94 sleeping rooms with a mix of suites, private and semi-private rooms, each with its own restroom/shower (except the memory care unit will have central shower facilities to promote safety). Each unit will include separate dining and living space for the residents. Two fully enclosed courtyards and several fenced outdoor gardens will be available for the residents of the facility. Draft schematics are attached as Exhibit 5. In addition, the rendered elevation of Hoover Health Care is shown in Exhibit 6.

The drives around the building provide convenient access for residents and their families as well as employees, deliveries and emergency vehicles.

B. Total gross square footage to be constructed/renovated 87,890 SF

C. Net useable square footage (not including stairs, elevators, corridors, toilets) 62,384 SF

D. Acres of land to be purchased or leased N/A

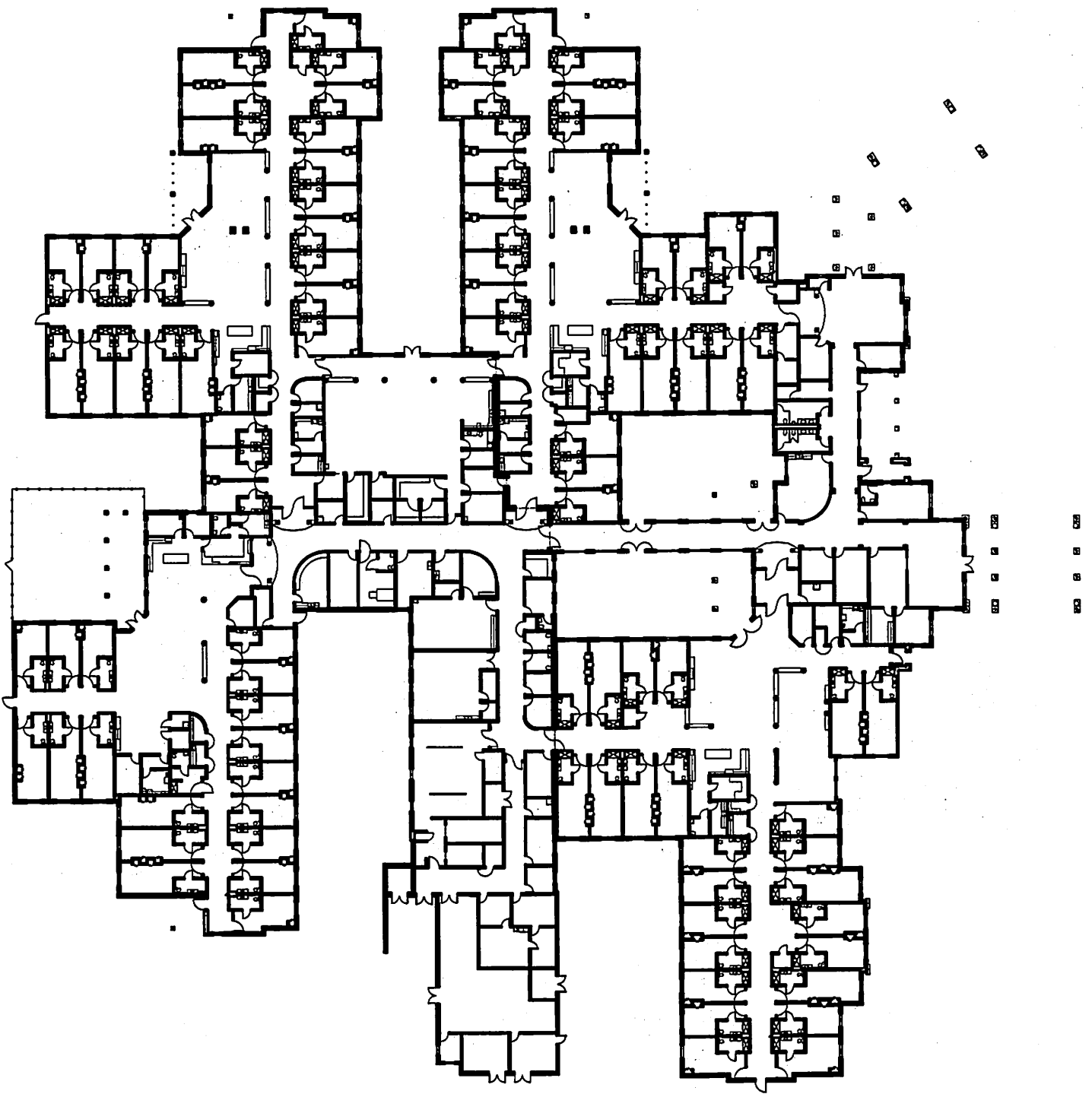
E. Acres of land owned on site 7.7 acres

F. Anticipated amount of time for construction or renovations 14 (months)

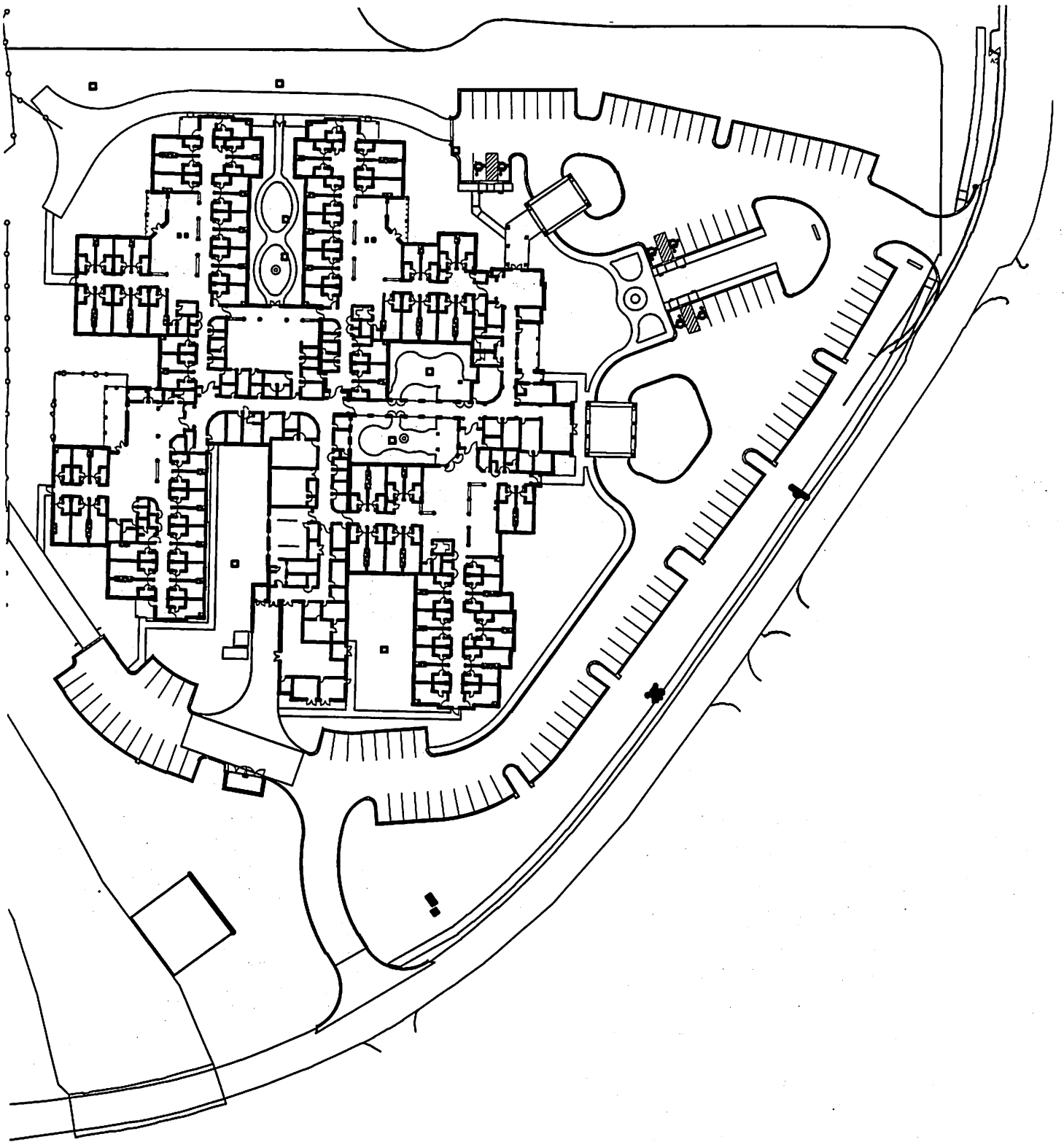
G. Cost per square foot<sup>1</sup> \$ 126.54

H. Cost per bed (if applicable) \$ 81,674

<sup>1</sup> This cost includes site work, predevelopment, construction, architect & engineering, interest during construction, and fees.



**Green Valley  
Schematic**



**Green Valley Site Plan**

Schedule D

NHS			
Green Valley Health & Rehabilitation	Quantity	Unit Price	Total Price
<b>Dining Room 1 Rehab (2 Wings)</b>			
Dining Table	19	\$649.00	\$12,331.00
Chairs	72	\$300.00	\$21,600.00
Assessories	1	\$1,500.00	\$7,000.00
<b>Dining Room 2 Long Term</b>			
Dining Table	9	\$649.00	\$5,841.00
Chairs	36	\$300.00	\$10,800.00
Assessories	1	\$1,500.00	\$3,500.00
<b>Dining Room 3 Memory Care</b>			
Dining Table	6	\$649.00	\$3,894.00
Chairs	24	\$300.00	\$7,200.00
Assessories	1	\$1,500.00	\$3,500.00
<b>Dining Room 4</b>			
Table			
Chairs			
Assessories			
<b>Livingroom 1 Long Term Living</b>			
Sofa	2	\$1,150.00	\$2,300.00
Upholstered Chair	10	\$800.00	\$8,000.00
Coffee Table	2	\$541.00	\$1,082.00
Side Table	3	\$511.00	\$1,533.00
Sofa Table / Buffet	1	\$725.00	\$725.00
Assessories			\$3,500.00
<b>Livingroom 2 Rehab Living</b>			
Sofa	2	\$1,150.00	\$2,300.00
Upholstered Chair	20	\$800.00	\$16,000.00
Coffee Table	2	\$541.00	\$1,082.00
Side Table	6	\$511.00	\$3,066.00
Assessories	1	\$1,500.00	\$7,000.00
<b>Livingroom 3 Memory Care</b>			
Sofa	2	\$1,150.00	\$2,300.00
Upholstered Chair	10	\$800.00	\$8,000.00
Coffee Table	2	\$541.00	\$1,082.00
Side Table	3	\$511.00	\$1,533.00
Sofa Table	1	\$725.00	\$725.00
Assessories			\$3,500.00
<b>Outdoor Living Spaces</b>			
Furniture			\$18,000.00
Assessories			\$8,500.00
<b>Lobby 1</b>			



Sofa	2	\$1,150.00	\$2,300.00
Upholstered Chair	6	\$800.00	\$4,800.00
Coffee Table	1	\$541.00	\$541.00
Side Table	3	\$511.00	\$1,533.00
Sofa Table / Buffet	2	\$725.00	\$1,450.00
Assessories			\$5,500.00
<b>NHS</b>			
<b>GREEN VALLEY</b>			
	<b>Quantity</b>	<b>Unit Price</b>	<b>Total Price</b>
<b>Lobby 2 Rehab</b>			
Sofa	2	\$1,150.00	\$2,300.00
Upholstered Chair	5	\$800.00	\$4,000.00
Coffee Table	1	\$541.00	\$541.00
Side Table	3	\$511.00	\$1,533.00
Sofa Table / Buffet	2	\$725.00	\$1,450.00
Assessories			\$5,500.00
<b>Laundry</b>			
washer	2	\$4,975.00	\$9,950.00
dryer	3	\$1,125.00	\$3,375.00
Misc			\$2,500.00
Linens			\$17,500.00
<b>Activities Room</b>			
Supplies / Games			\$4,750.00
Furniture			\$5,500.00
<b>Admin office</b>			
L-Shaped Desk	1	\$5,000.00	\$5,000.00
Bookcase	1		\$0.00
Work Chair	1		\$0.00
Guest Chair	1		\$0.00
Assessories			\$0.00
<b>DON Office</b>			
L-Shaped Desk	1	\$5,000.00	\$5,000.00
Bookcase	1		\$0.00
Work Chair	1		\$0.00
Guest Chair	1		\$0.00
Assessories			\$0.00
<b>FS office</b>			
L-Shaped Desk	1	\$5,000.00	\$5,000.00
Bookcase	1		\$0.00
Work Chair	1		\$0.00
Guest Chair	1		\$0.00
Assessories			\$0.00
<b>Admission Cor. Office</b>			
L-Shaped Desk	1	\$5,000.00	\$5,000.00
Bookcase	1		\$0.00
Work Chair	1		\$0.00

Guest Chair	1		\$0.00
Assessories			\$0.00
<b>other offices</b>			
L-Shaped Desk	9	\$5,000.00	\$45,000.00
Bookcase	9		\$0.00
Work Chair	9		\$0.00
Guest Chair	9		\$0.00
Assessories			\$0.00
<b>Receptionist</b>			
Upholstered Chair	2	\$800.00	\$1,600.00
Side Table	1	\$511.00	\$511.00
Assessories			\$0.00
<b>NHS</b>	<b>Quantity</b>	<b>Unit Price</b>	<b>Total Price</b>
<b>Confernece Room Lg</b>			
10' Table	1	\$3,250.00	\$3,250.00
Chairs	10	\$389.00	\$3,890.00
Side Chairs	2	\$625.00	\$1,250.00
Side Table	1	\$249.00	\$249.00
Assessories			\$1,500.00
<b>Confernece Room Sm</b>			
48" Round Table	2	\$2,100.00	\$4,200.00
Chairs	8	\$389.00	\$3,112.00
Assessories			\$1,500.00
<b>Parlor</b>			
Sofa	1	\$1,150.00	\$1,150.00
Upholstered Chair	4	\$800.00	\$3,200.00
Coffee Table	1	\$541.00	\$541.00
Side Table	3	\$511.00	\$1,533.00
Sofa Table / Buffet	1	\$720.00	\$720.00
Game Table	1	\$625.00	\$625.00
Table Chairs	4	\$279.00	\$1,116.00
Assessories			\$0.00
<b>Rehab Gym</b>			
Kitchen Table	1	\$589.00	\$589.00
Kitchen Chairs	4	\$294.00	\$1,176.00
Equipment			\$41,500.00
<b>Nurse Station</b>			
Task Chairs	12	\$189.00	\$2,268.00
Assessories			\$0.00
<b>Therapists</b>			
Task Chairs	17	\$189.00	\$3,213.00
Assessories			\$0.00
<b>Breakroom</b>			





## HOOVER

V. A. ORGANIZATION FINANCIAL INFORMATION

STATEMENT OF INCOME AND EXPENSE	HISTORICAL DATA (Give information for last 3 years for which complete data are available)			PROJECTED DATA PER APPLICATION (First 2 years after completion of project)		MODIFIED PROJECTED DATA (First 2 years after completion of project)	
	2009 (Total)	2010 (Total)	2011 (Total)	Y1 (Total)	Y2 (Total)	Y1 (Total)	Y2 (Total)
Revenue from Services to Patients							
Inpatient Services							
Routine (nursing service areas)	14,587,857	9,028,997	9,788,797	8,564,327	10,355,561	8,821,257	10,666,228
Other	107,444	428,716	308,467	335,913	318,828	345,990	328,393
Outpatient Services							
Emergency Services							
Gross Patient Revenue	14,587,857	9,028,997	9,788,797	8,900,240	10,674,389	9,167,247	10,994,621
Deductions from Revenue							
Contractual Adjustments							
Discount/Miscellaneous Allowances	1,099,532	296,530	776,429	N/A	N/A	N/A	N/A
Total Deductions	1,099,532	296,530	776,429	N/A	N/A	N/A	N/A
NET PATIENT REVENUE  (Gross patient revenue less deductions)	13,595,769	9,754,243	9,320,835	8,900,240	10,674,389	9,167,247	10,994,621
Other Operating Revenue				6,000	6,000	6,180	6,180
NET OPERATING REVENUE	13,595,769	9,754,243	9,320,835	8,906,240	10,680,389	9,173,427	11,000,801
OPERATING EXPENSES							
Salaries, Wages, and Benefits	7,918,090	6,476,728	5,805,961	3,868,466	4,530,848	3,984,520	4,666,773
Physician Salaries and Fees	46,200	58,800	50,400				
Supplies and other	767,950	617,687	905,636	189,415	242,827	195,097	250,112
Uncompensated Care (less recoveries) per State Health Plan 410-2-2-.06(d)							
Other Expenses	3,367,955	5,175,225	4,742,875	3,413,270	3,783,651	3,515,688	3,897,161
Total Operating Expenses	12,100,195	12,328,440	11,504,872	7,471,151	8,557,326	7,695,285	8,814,046

**HOOVER PROJECT CONTINUED**

NON-OPERATING EXPENSES							
Taxes	452,191	452,190	452,200	180,000	180,000	185,400	185,400
Depreciation	1,122	1,635	1,635	932,317	932,317	960,287	960,287
Mortgage Interest				831,759	809,897	856,705	834,193
Rent Expense	16,104	20,446	54,887	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Insurance	90,075	31,747	1,009	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total Non-Operating Expenses	559,492	506,018	509,731	1,944,069	1,922,214	2,002,392	1,979,880
<b>TOTAL EXPENSES (Operating &amp; Capital)</b>	<b>13,002,859</b>	<b>12,834,458</b>	<b>12,014,603</b>	<b>9,415,220</b>	<b>10,479,540</b>	<b>9,697,677</b>	<b>10,793,926</b>
Operating Income (Loss)	592,910	-3,627,809	-3,678,412	-508,980	200,849	-524,250	206,875
Other Revenue (Expense) -- Net							
NET INCOME (Loss)	592,910	-3,627,809	-3,678,412	-508,980	200,849	-524,250	206,875
Projected Capital Expenditure	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>				
Interest	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>				