

- Confidential Draft -

** Subject to Material Change - For Internal Discussion Purposes Only **

El Paso Children's Hospital Five-Year Projections

(in thousands)	Estimated	Projected				
	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020
REVENUES, EXPENSES & CHANGE IN NET ASSETS						
Operating Revenues						
Gross Patient Revenue	\$291,416	\$295,191	\$299,803	\$302,801	\$305,830	\$308,888
Gross Charity Care Revenue	1,025	2,952	2,998	3,028	3,058	3,089
Deductions from Revenue - Charity Care	(1,025)	(2,952)	(2,998)	(3,028)	(3,058)	(3,089)
Revised El Paso First Contract Impact	184	920	-	-	-	-
Deductions from Revenue - Contractuals	(198,469)	(202,206)	(205,365)	(207,419)	(209,493)	(211,588)
Deductions from Revenue - Bad Debt	(18,985)	(11,808)	(11,992)	(12,112)	(12,233)	(12,356)
Net Patient Revenue	\$74,146	\$82,098	\$82,446	\$83,270	\$84,103	\$84,944
DSH Revenue	5,839	6,861	4,299	4,299	4,299	4,299
UC Revenue ⁽¹⁾	-	4,189	4,189	4,189	4,189	4,189
Other Revenue	4,654	2,400	2,400	2,400	2,400	2,400
Total Operating Revenues	\$84,639	\$95,548	\$93,334	\$94,159	\$94,992	\$95,833
<i>Growth (%)</i>	<i>34.5%</i>	<i>12.9%</i>	<i>-2.3%</i>	<i>0.9%</i>	<i>0.9%</i>	<i>0.9%</i>
Operating Expenses						
Salaries	(26,696)	(26,709)	(26,528)	(26,832)	(27,131)	(27,423)
New CEO/CFO/Controller Salaries	-	(563)	(750)	(750)	(750)	(750)
Employee Benefits	(5,159)	(5,072)	(5,001)	(5,060)	(5,118)	(5,174)
Purchased Services - Revenue Outsource	(3,979)	(4,200)	(3,204)	(3,204)	(3,204)	(3,204)
Purchased Services - General	(4,691)	(4,800)	(4,800)	(4,800)	(4,800)	(4,800)
Purchased Services - UMC	(9,881)	(9,312)	(8,671)	(8,431)	(8,179)	(8,179)
Physician Expense - TTHSC	(10,861)	(10,800)	(10,500)	(10,200)	(9,600)	(9,600)
Physician Expense - Physician Group	(2,147)	(1,800)	(1,500)	(1,200)	(1,200)	(1,200)
Physician Expense - General	(4,261)	(4,200)	(3,900)	(3,600)	(3,300)	(3,000)
Supplies	(13,074)	(13,120)	(13,087)	(12,977)	(12,864)	(12,748)
Equipment Leases	(3,627)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Depreciation and Amortization	(748)	(857)	(1,115)	(1,472)	(1,317)	(1,459)
Engineering	(910)	(1,015)	(1,015)	(1,015)	(1,015)	(1,015)
Utilities	(848)	(988)	(988)	(988)	(988)	(988)
Facility Lease	(11,629)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Other Operating Expense	(827)	(984)	(984)	(984)	(984)	(984)
Total Operating Expenses	(\$99,339)	(\$93,420)	(\$91,043)	(\$90,513)	(\$89,449)	(\$89,524)
Non-Recurring & Restructuring/Outsourced Expenses						
Purchased Services - Contract Personnel	(3,266)	(740)	(120)	(120)	(120)	(120)
Purchased Services - Legal	(1,385)	(1,000)	(300)	(300)	(300)	(300)
Purchased Services - Financial Advisory	(148)	(200)	-	-	-	-
Operating Income/(Loss)	(\$19,499)	\$188	\$1,871	\$3,226	\$5,122	\$5,889
Non-Operating Revenues and Expenses						
Investment Income	8	6	6	12	12	12
Miscellaneous Revenue	11	12	12	12	12	12
Contributions Expense	-	-	-	-	-	-
Interest Expense	(3,261)	(214)	(226)	(108)	(9)	-
CODI	-	96,936	-	-	-	-
Total Non-Operating Expense	(\$3,242)	\$96,740	(\$208)	(\$84)	\$15	\$24
Increase/(Decrease) in Net Assets	(\$22,741)	\$96,928	\$1,663	\$3,142	\$5,138	\$5,913

Notes:

- (1) No Inflation
- (2) No Funds from NAIP and CHGME
- (3) No Repayment to UMC on Secured Claim
- (4) No Fresh Start Accounting on Effective Date
- (5) Physician expenses are net of collections