

September 10, 2014

To: Mike Constantino

From: Ed Parkhurst

Re: Project 13-072 North Pointe ASTC
Requested Safety Net Information (SAR – Table Three)

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SEP 11 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

This memorandum is in response to your September 4, 2014 e-mail indicating certain information may not have been correctly reported due to the inconsistencies you noted.

I reviewed the underlying data with the Applicant and you are correct. The Applicant's Medicaid revenue was erroneously reported in the original Permit Application. "Gross" Medicaid information was reported, not "Net" Medicaid revenue, as is required.

Please see the attached revised Table Three for the correct information.

The payor mix information in my September 4 e-mail (attached for reference) is correct and represents gross patient revenue, by payor classification, which is not directly comparable to the attached (revised) Table Three.

Please let me know if you have any questions.

TABLE THREE
SAFETY NET INFORMATION
Beloit Memorial Hospital

NET REVENUE	\$173,906,566	\$179,208,011	\$182,334,188
CHARITY CARE			
	2010	2011	2012
Charity (# of self-pay patients)			
Inpatient	118	94	91
Outpatient	1,510	1,269	945
Total	1,628	1,363	1,036
Charity Costs			
Inpatient	529,052	474,932	634,850
Outpatient	6,770,073	6,411,582	6,592,680
Total	7,299,125	6,886,514	7,227,530
% of Charity costs to Net Revenue	4.20%	3.84%	3.96%
MEDICAID			
	2010	2011	2012
Medicaid (Patients)			
Inpatient	1,160	1,223	1,097
Outpatient	83,679	85,735	81,158
Total	84,839	86,958	82,255
Medicaid (Revenue)			
Inpatient	4,198,000	5,053,000	4,076,000
Outpatient	12,643,000	14,418,000	13,849,000
Total	16,841,000	19,471,000	17,925,000
% of Medicaid to Net Revenue	9.68%	10.87%	9.83%



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September 4, 2014

To: Mike Constantino

From: Ed Parkhurst

Re: NorthPointe ASTC
Project Number 13-072

This is in response to your inquiry earlier today.

Medicare and Medicaid Contract(s)

Beloit Health System operates the existing NorthPointe clinical services as satellite operations of Beloit Memorial Hospital. The System / Hospital has both Medicare and Medicaid contracts and will extend them to, or develop new ones for, the proposed ASTC, as may be required.

The System has testified Medicare, Medicaid, and charity care patients will be accepted at the proposed NorthPointe ASTC, without restriction or limitations.

If in the Review Board process additional attestations are required, please let me know.

ASTC Payor Mix

The following table provides the expected payor mix based on current experience.

	<u>Beloit Health System Payor Mix</u>	<u>Payor Mix of the Proposed Relocated ASTC Cases</u>
Medicare	48%	40%
Medicaid	15%	12%
Insurance	33%	45%
Self Pay	<u>4%</u>	<u>3%</u>
Total	<u>100%</u>	<u>100%</u>

Please let me know if additional information is required.