

TNW BOD "RE-STRUCTURE COSTS AND REINVEST" 02/15/06

		<u>Budget</u>																														
		<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>	<u>FY2032</u>	<u>FY2033</u>	<u>FY2034</u>	<u>FY2035</u>	<u>FY2036</u>	
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	
<b>Beds</b>		202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	202	
<b>Days</b>		365	366	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366	365	365	365	366	
<b>Patient Days:</b>																																
Medicare		8,494	9,227	9,555	9,909	10,617	11,356	12,033	12,741	13,448	13,485	13,448	13,448	13,448	13,485	13,448	13,448	13,448	13,485	13,448	13,448	13,448	13,485	13,448	13,448	13,448	13,485	13,448	13,448	13,448	13,485	
Medicaid		46,715	46,134	45,654	43,884	42,468	41,165	39,637	38,929	38,222	38,326	38,222	38,222	38,222	38,222	38,222	38,222	38,222	38,222	38,326	38,222	38,222	38,222	38,326	38,222	38,222	38,222	38,222	38,222	38,222	38,222	38,326
Self Pay		15,572	15,614	16,280	16,987	17,695	18,453	19,111	19,111	19,111	19,163	19,111	19,111	19,111	19,163	19,111	19,111	19,111	19,163	19,111	19,111	19,111	19,163	19,111	19,111	19,163	19,111	19,111	19,111	19,111	19,163	
<b>Total</b>		70,781	70,975	71,489	70,781	70,781	70,975	70,781	70,781	70,781	70,975	70,781	70,781	70,781	70,975	70,781	70,781	70,781	70,781	70,975	70,781	70,781	70,975	70,781	70,781	70,781	70,975	70,781	70,781	70,781	70,975	
<b>Patient Mix:</b>																																
Medicare		12%	13%	14%	14%	15%	16%	17%	18%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	
Medicaid		66%	65%	65%	62%	60%	58%	56%	55%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	
Self Pay		22%	22%	23%	24%	25%	26%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	
<b>Occupancy</b>		96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	
<b>Per Patient/Diem:</b>																																
<b>Revenue</b>																																
Medicare-A		\$425	\$435	\$442	\$449	\$455	\$464	\$474	\$483	\$493	\$503	\$515	\$528	\$541	\$555	\$569	\$586	\$603	\$622	\$640	\$659	\$679	\$700	\$721	\$742	\$764	\$787	\$811	\$835	\$860	\$886	
Medicare-B		\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$6	
Medicaid		\$234	\$237	\$241	\$244	\$248	\$253	\$258	\$263	\$268	\$274	\$281	\$288	\$295	\$302	\$310	\$319	\$329	\$338	\$349	\$359	\$370	\$381	\$392	\$404	\$416	\$429	\$442	\$455	\$469	\$483	
Self Pay		\$360	\$365	\$376	\$388	\$399	\$411	\$424	\$436	\$449	\$463	\$477	\$491	\$506	\$521	\$537	\$553	\$569	\$586	\$604	\$622	\$641	\$660	\$680	\$700	\$721	\$743	\$765	\$788	\$812	\$836	
Other		\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	
New Business		\$0	\$0	\$0	\$0	\$1	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	
Fund raise		\$0	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$5	\$5	\$5	
<b>Total Rev/Dav</b>		\$274	\$287	\$294	\$303	\$313	\$325	\$337	\$347	\$358	\$367	\$377	\$387	\$398	\$409	\$420	\$433	\$446	\$460	\$474	\$488	\$503	\$519	\$534	\$551	\$568	\$585	\$603	\$621	\$640	\$660	
<b>Cash Expenses/Per Diem:</b>																																
Salaries		\$163	\$144	\$145	\$149	\$154	\$159	\$165	\$171	\$177	\$182	\$189	\$196	\$203	\$209	\$217	\$225	\$232	\$240	\$249	\$258	\$267	\$275	\$286	\$296	\$306	\$316	\$328	\$339	\$351	\$363	
Professional fees		\$28	\$23	\$23	\$22	\$23	\$24	\$24	\$25	\$26	\$26	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$34	\$35	\$36	\$37	\$38	\$39	\$40	\$41	\$43	\$44	\$45	\$47	\$48	
Benefits		\$53	\$46	\$46	\$47	\$49	\$50	\$52	\$54	\$56	\$58	\$60	\$62	\$64	\$66	\$69	\$71	\$74	\$76	\$79	\$82	\$85	\$87	\$91	\$94	\$97	\$100	\$104	\$108	\$111	\$115	
Capital		\$17	\$11	\$7	\$7	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$11	\$12	\$12	\$13	\$13	\$14	\$14	\$14	\$15	\$15	
Rehabilitation Med A census change		\$3	\$3	\$4	\$5	\$6	\$6	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$11	\$12	\$12	\$12	\$13	\$13	\$14	\$14	\$14	\$15	
Maintenance		\$38	\$42	\$41	\$40	\$39	\$40	\$42	\$43	\$44	\$45	\$47	\$48	\$50	\$51	\$53	\$54	\$56	\$57	\$59	\$61	\$63	\$65	\$67	\$69	\$71	\$73	\$75	\$77	\$80	\$82	
Bad Debt/Medicaid Credit		1	1	1	1	1	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		
PavillionExpense Adj		-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	
Plus 12m sq ft (Renew)-maintenance		\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11		
Other Town Expenses		\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11		
<b>Total Cash Exp.</b>		\$308	\$274	\$270	\$275	\$283	\$295	\$306	\$317	\$327	\$338	\$350	\$362	\$374	\$385	\$399	\$413	\$426	\$440	\$456	\$471	\$487	\$502	\$520	\$537	\$556	\$573	\$594	\$614	\$634	\$654	
<b>Cash Margin:</b>		-\$34	\$13	\$24	\$28	\$30	\$30	\$31	\$30	\$31	\$29	\$27	\$26	\$24	\$23	\$21	\$20	\$20	\$20	\$18	\$17	\$16	\$17	\$14	\$13	\$12	\$12	\$9	\$8	\$6	\$6	
<b>NPV</b>																																
<b>Revenues (ex user fees):</b>		<b>2008-2030</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>	<b>FY2032</b>	<b>FY2033</b>	<b>FY2034</b>	<b>FY2035</b>	<b>FY2036</b>
Medicare A	\$79.9	3.6	4.0	4.2	4.4	4.8	5.3	5.7	6.2	6.6	6.8	6.9	7.1	7.3	7.5	7.6	7.9	8.1	8.4	8.6	8.9	9.1	9.4	9.7	10.0	10.3	10.6	10.9	11.2	11.6	11.9	
Medicare B	\$2.8	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	
Medicaid	\$140.9	10.9	10.9	11.0	10.7	10.5	10.4	10.2	10.2	10.3	10.5	10.7	11.0	11.3	11.6	11.8	12.2	12.6	13.0	13.3	13.7	14.1	14.6	15.0	15.4	15.9	16.4	16.9	17.4	17.9	18.5	
less user fee	(\$6.1)	-0.57	-0.56	-0.56	-0.54	-0.52	-0.50	-0.48	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	
Self Pay	\$109.1	5.4	5.7	6.1	6.6	7.1	7.6	8.1	8.3	8.6	8.9	9.1	9.4	9.7	10.0	10.3	10.6	10.9	11.2	11.5	11.9	12.2	12.6	13.0	13.4	13.8	14.2	14.6	15.1	15.5	16.0	
less user fee	(\$2.8)	-0.19	-0.19	-0.20	-0.21	-0.22	-0.23	-0.23																								

<b>Cash Flow For Debt</b>	<b>21.0</b>	<b>-2.4</b> <b>(*)</b>	<b>0.9</b>	<b>1.7</b>	<b>1.9</b>	<b>2.0</b>	<b>2.1</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.1</b>	<b>1.9</b>	<b>1.8</b>	<b>1.7</b>	<b>1.7</b>	<b>1.5</b>	<b>1.5</b>	<b>1.4</b>	<b>1.5</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>	<b>0.7</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>
Project Renew Capex			3.6	11.6	21.7																										
Debt Placement costs			0.03	0.05	0.05	0.12																									
Construction Period Interest			0.15	0.61	1.60																										
<b>20 year General Obligation Bond</b>	<b>35.1</b>					3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1					
<b>Incremental Medicaid Rate Cash Flow</b>	<b>20.5</b>					1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
<b>Net Cash Flow Per Year</b>	<b>8.7</b>	<b>-2.4</b>	<b>0.9</b>	<b>1.7</b>	<b>1.9</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.3</b>	<b>2.7</b>	<b>2.7</b>	<b>2.5</b>	<b>2.4</b>	<b>2.2</b>	<b>2.2</b>