

Lee Health Proforma - Conversion Effective Date 11/1/2024

Financial Projections & Assumptions

(10 Months Actual + 2
Projected)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Statistics									
Population Growth	1.8%	1.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Hospital IP Use Rate (Admits/1,000)	13.3%	-1.6%	-1.8%	-1.5%	-1.5%	-1.0%	-1.0%	-1.0%	-1.0%
Hospital Admissions	91,614	91,804	92,001	92,434	88,225	84,400	85,227	86,063	86,907
% Admissions Growth	13%	0.2%	0.2%	0.5%	-5%	-4%	1.0%	1.0%	1.0%
Actue Care Length of Stay	5.02	4.96	4.96	4.96	4.96	4.96	4.96	4.96	4.96
% change	-6%	-1%	0%	0%	0%	0%	0%	0%	0%
Acute Care Average Daily Census	1,427	1,418	1,421	1,428	1,363	1,304	1,317	1,330	1,343
Acute Care Days (IP & Observation)	517,679	518,790	521,231	497,495	475,929	480,593	485,303	490,063	494,864
ADC	1,418	1,421	1,428	1,363	1,304	1,317	1,330	1,343	1,356
Surgeries Inpatient	22,553	22,355	22,579	22,689	20,420	17,357	17,617	17,882	18,150
% change	12%	-1%	1%	0%	-10%	-15%	1%	1%	1%
Surgeries Outpatient	39,338	39,760	40,953	42,181	42,181	43,447	44,750	46,093	47,476
% change	5%	1%	3%	3%	0%	3%	3%	3%	3%
Total Surgeries	61,892	62,115	63,531	64,870	62,601	60,804	62,368	63,974	65,625
Ratio of Oupatient /Inpatient Surgeries	1.7	1.8	1.8	1.9	2.1	2.5	2.5	2.6	2.6
Outpatient Procedures	1,166,883	1,197,184	1,233,099	1,270,092	1,308,195	1,347,441	1,387,864	1,429,500	1,472,385
% change	12%	3%	3%	3%	3%	3%	3%	3%	3%
Physician Encounters	2,492,697	2,529,632	2,630,818	2,736,050	2,845,492	2,959,312	3,077,685	3,200,792	3,328,824
% change	9%	1%	4%	4%	4%	4%	4%	4%	4%
Outpatient Gross Revenue % of Total	50%	51%	52%	53%	54%	56%	56%	56%	57%
Rehab Hospital Admissions	1,206	851	-	-	-	-	-	-	-
Rehab ADC	39	37	-	-	-	-	-	-	-
Skilled Nursing Facility Admits	3,138	3,142	3,173	3,205	3,237	3,270	3,302	3,335	3,369

% change	9.3%	0.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
SNF ADC	188	189	190	192	194	196	198	200	202
Home Health Agency	45,890	48,000	52,800	58,080	63,888	70,277	77,304	81,170	85,228
% change	-13.4%	4.6%	10.0%	10.0%	10.0%	10.0%	10.0%	5.0%	5.0%
Adjusted Admissions	193,815	195,368	198,366	201,459	199,349	197,683	201,445	205,217	209,077
% change	11.1%	0.8%	1.5%	1.6%	-1.0%	-0.8%	1.9%	1.9%	1.9%
Adjusted Patient Days	1,095,826	1,089,294	1,094,809	1,112,456	1,107,134	1,104,226	1,125,264	1,146,355	1,167,946
IP Beds Market Share (exluding Lehigh)		100%	100%	100%	95%	90%	90%	90%	90%
CMI	1.71	1.72	1.73	1.74	1.75	1.75	1.75	1.75	1.75
Net Operating Revenue per CMI Adj Admit	9,629	9,692	9,778	9,959	10,162	10,419	10,661	10,958	11,265

Income Statement

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Net Patient Revenue	2,941,954,503	3,009,608,078	3,103,188,807	3,230,676,408	3,277,077,091	3,330,943,681	3,479,189,500	3,650,656,170	3,830,918,323
Other Operating Revenue	255,073,629	248,063,568	250,544,204	255,555,088	260,666,189	265,879,513	271,197,103	276,621,046	282,153,466
Total Operating Revenue	3,197,028,132	3,257,671,646	3,353,733,011	3,486,231,496	3,537,743,280	3,596,823,194	3,750,386,603	3,927,277,215	4,113,071,789
FTE's per AOB	5.05	5.06	5.00	5.00	5.00	5.00	5.00	5.00	5.00
FTE's	15,119	15,111	14,990	15,232	15,159	15,119	15,407	15,696	15,992
Contract FTE %	1.3%	1.2%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Contract FTE's	173	159	137	139	138	138	140	143	146
Contract Rate	82.34	79.73	82.52	85.00	87.55	90.17	92.88	95.66	98.53
	-30.0%	-3.2%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Contract Dollars	29,776,233	26,441,668	23,498,797	24,593,898	25,210,523	25,898,642	27,183,820	28,524,149	29,933,228
Overtime as % of Productive	2.86%	2.73%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Overtime FTE's	392	376	354	360	358	357	364	371	378
Overtime Rate	47.36	45.78	47.39	48.81	50.27	51.78	53.33	54.93	56.58
Overtime Dollars	38,784,771	35,885,147	35,084,201	36,719,210	37,639,844	38,667,221	40,586,019	42,587,157	44,690,943

Total Salaries	1,441,123,866	1,477,220,742	1,515,211,428	1,585,823,942	1,625,584,154	1,669,954,361	1,752,823,152	1,839,248,024	1,930,106,032
Benefits %	14.9%	14.8%	14.8%	14.8%	14.7%	14.7%	14.7%	14.7%	14.7%
Benefits	214,334,193	219,085,194	224,719,556	235,192,030	238,960,871	245,483,291	257,665,003	270,369,460	283,725,587
Total Salaries & Benefits	1,655,458,059	1,696,305,936	1,739,930,984	1,821,015,972	1,864,545,025	1,915,437,652	2,010,488,155	2,109,617,484	2,213,831,619
% of Net Operating Revenue	51.8%	52.1%	51.9%	52.2%	52.7%	53.3%	53.6%	53.7%	53.8%
Drugs	307,732,237	319,180,640	330,420,309	345,818,694	354,489,155	364,164,912	382,236,008	401,082,575	420,895,870
	14.5%	3.7%	3.5%	4.7%	2.5%	2.7%	5.0%	4.9%	4.9%
Medical Supplies	206,346,171	203,393,359	210,555,680	220,368,083	225,893,212	232,058,952	243,574,503	255,584,211	268,209,954
	11.9%	-1.4%	3.5%	4.7%	2.5%	2.7%	5.0%	4.9%	4.9%
Implants	123,959,009	121,056,630	127,531,479	134,125,598	133,317,495	133,374,072	140,908,329	148,874,688	157,298,248
	10.2%	-2.3%	5.3%	5.2%	-0.6%	0.0%	5.6%	5.7%	5.7%
Other Supplies	8,103,577	8,565,278	8,822,236	9,086,904	9,359,511	9,640,296	9,929,505	10,227,390	10,534,212
	-44.2%	5.7%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Raw Food	21,338,488	21,078,959	22,030,156	22,813,702	22,600,984	22,442,739	23,343,227	24,279,845	25,254,246
	41.1%	-1.2%	4.5%	3.6%	-0.9%	-0.7%	4.0%	4.0%	4.0%
Supplies	667,479,482	673,274,866	699,359,861	732,212,981	745,660,357	761,680,970	799,991,571	840,048,708	882,192,529
Purchased Services	331,229,041	334,987,456	338,788,518	342,632,710	346,520,521	350,452,447	354,428,988	358,450,650	362,517,945
Other Services	127,991,519	168,356,553	173,407,250	178,609,467	183,967,751	189,486,784	195,171,387	201,026,529	207,057,325
HCAA	34,992,145	34,992,145	35,686,671	37,152,779	37,686,387	38,305,852	40,010,679	41,982,546	44,055,561
Total Operating Expenses	2,817,150,247	2,907,916,957	2,987,173,283	3,111,623,909	3,178,380,040	3,255,363,704	3,400,090,780	3,551,125,916	3,709,654,978
	5.5%	3.2%	2.7%	4.2%	2.1%	2.4%	4.4%	4.4%	4.5%
EBDITA	379,877,885	349,754,690	366,559,728	374,607,586	359,363,241	341,459,490	350,295,823	376,151,299	403,416,811
Depreciation	168,479,383	155,187,111	162,946,466	171,093,790	179,648,479	188,630,903	198,062,448	207,965,571	218,363,849
Interest	35,954,542	33,280,342	34,576,180	37,298,360	34,704,061	31,233,126	29,519,856	27,978,234	26,359,943
Gain/(Loss) from Operations	175,443,961	161,287,237	169,037,082	166,215,437	145,010,700	121,595,461	122,713,519	140,207,494	158,693,019
Operating Margin	5.5%	5.0%	5.0%	4.8%	4.1%	3.4%	3.3%	3.6%	3.9%

Investment Income	193,201,304	97,792,521	99,750,482	106,108,192	99,592,616	99,105,750	102,849,056	108,431,921	116,519,012
Other Non Operating Income	19,844,182	19,241,590	19,818,837	24,000,000	24,720,000	25,461,600	26,225,448	27,012,211	27,822,578
Total Non - Operating Income	213,045,486	117,034,110	119,569,320	130,108,192	124,312,616	124,567,350	129,074,504	135,444,132	144,341,590
Excess of Revenues Over Expenses	388,489,447	278,321,347	288,606,401	296,323,629	269,323,316	246,162,811	251,788,023	275,651,626	303,034,609
Profit Margin	12.2%	8.5%	8.6%	8.5%	7.6%	6.8%	6.7%	7.0%	7.4%