



**Nassau University Medical Center
A. Holly Patterson Extended Care Facility
Family Health Centers**

**NASSAU HEALTH CARE CORPORATION
& SUBSIDIARIES**

Report on Operations

FISCAL YEAR ENDED DECEMBER 31, 2015

The Nassau Health Care Corporation (the “Corporation” or “NHCC”) closed 2015 with an operating loss before OPEB of approximately \$24.4 million.

The Corporation’s finances were negatively impacted by year-over-year funding reductions that totaled \$42.5 million. This total was comprised of: a \$14.2 million reduction in the Intergovernmental Transfer Payment (IGT) for the NYS Disproportionate Share Hospital Program (DSH) and the Indigent Care Adjustment (ICA); the termination of the \$13 million mission payment from Nassau County; expiration of \$10.3 million of the Healthcare Efficiency and Affordable Law (HEAL) grant from New York State; and a \$5 million reduction of combined Interim Access Assurance Funding (IAAF) and Delivery System Reform Incentive Payment (DSRIP) funding from New York State. A significant portion of the IGT DSH reduction was attributable to a negative adjustment for payments received during 2012.

The \$42.5 million of losses described above had a significant impact on NHCC’s financial results in 2015. However, corrective actions taken by the Corporation, as well as changes to accounting for pension expense required by Governmental Accounting Standards Board (GASB) Statement Number 68 – “Accounting and Financial Reporting for Pensions”, resulted in a loss before OPEB that was significantly less than the full amount of lost revenues described above.

Overall volumes at the Nassau University Medical Center and A. Holly Patterson Extended Care Facility were slightly lower than the previous as evidenced in the table below.

| Historical Census Data | | | | | | |
|------------------------|----------------------------------|------------|-------------------|-------------------|---|-------------------|
| | Nassau University Medical Center | | | | A. Holly Patterson Extended Care Facility | |
| | Patient Days | Discharges | Avg. Daily Census | Ambulatory Visits | AHP Patient Days | Avg. Daily Census |
| 2016 | 130,135 | 20,629 | 356 | 283,051 | 188,024 | 514 |
| 2015 | 129,898 | 20,683 | 356 | 291,834 | 191,394 | 524 |