



**NASSAU HEALTH CARE CORPORATION  
& SUBSIDIARIES**

**OPERATING BUDGET**

**FISCAL YEAR ENDED DECEMBER 31, 2008**

**Approved:** September 24, 2007



**Nassau Health Care Corporation and Subsidiaries**  
**Operating Budget For Twelve Months Ending December 31, 2008**  
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## EXECUTIVE SUMMARY

The Nassau Health Care Corporation (NHCC) is having a relatively successful 2007 fiscal year, projecting a consolidated net loss of approximately \$3-4 million compared to a breakeven \$502 million budget and represents the lowest loss since NHCC's creation in 1999. The 2001 Medicare Disproportionate Share appeal (a revenue initiative in the 2007 budget) of approximately \$2.5 million was not realized in 2007 and accounts for the majority of the revenue shortfall in 2007. NHCC is confident these appeals for all future years beyond 2001 will be successful. While NHCC has had many financial successes during the year, some of the more notable accomplishments in 2007 were:

- Avoided potential NYS budget cuts of approximately \$12 million, annually
- Continued to retain 100% of the Federal Disproportionate Share payment of approximately \$26 million, annually
- Continued to receive Hospital Based Status for A. Holly Patterson (AHP) of approximately \$5.5 million incremental revenue, annually
- Continued to maintain 95% occupancy at AHP resulting in Bed Hold reimbursement of approximately \$1 million incremental revenue, annually.
- Raised the Case Mix Index (CMI) of AHP from 1.01 to 1.07 resulting in approximately \$1.2 million incremental revenue, annually.
- Secured HEAL funding of \$23 million to assist and enhance NHCC's multi-year major modernization plan.

These initiatives had a \$45.7 million favorable revenue impact for NHCC in 2007 and secured a future Capital Improvement infusion of \$23 million. This capital will mainly be used to fund NHCC's new Emergency Room, Hempstead and Freeport Community Health Centers and NHCC's ongoing Information Technology upgrades.

NHCC's projected \$3.9 million loss for 2007, before Amortization of refunding loss and change in value of Derivative instruments, is comprised of net income (loss); NUMC (\$1.3) million; AHP (\$1.2) million; and Community Health Centers (\$1.4) million.

## EXECUTIVE SUMMARY (Continued)

In accordance with NHCC's Strategic Plan issued in August 2007, NHCC has made the following progress on its long-term strategic initiatives:

- Revised the AHP Replacement Certificate of Need (CON) from 360 beds to 320 beds, to be more in line with the Berger Commission recommendations, in August 2007. This CON is currently pending New York State Department of Health (NYS DOH) approval.
- Issued AHP Financing RFP in anticipation of receiving approval of the AHP CON. This RFP seeks a variety of financing options of the anticipated \$100 million AHP replacement facility.
- Submitted a CON to NYS DOH in support of operating a satellite dialysis division at AHP which, in turn, will further support AHP's inpatient vent unit.
- Submitted a CON to NYS DOH in support of pouring the 3 vacant shell floors at NUMC. CON was approved in August 2007, and the project commenced in September 2007.
- Secured new locations for both the Hempstead and Freeport Community Health Centers. Construction is anticipated to be completed within 9-12 months.
- Completed construction of new Breast Imaging Center and commenced operations in June 2007.
- Completed construction/renovation of new 13-bed inpatient Child Behavior Health Unit and commenced operations in December 2006. Unit is currently above 90% occupancy.
- Completed construction of new 30 bed Drug and Alcohol Rehabilitation Unit and commenced operations in May 2007. Unit is currently above 90% occupancy.
- Completed construction of new 35 bed inpatient Adult Behavioral Health Unit and anticipate commencing operations on or about October 1, 2007.
- Completed construction of a new 10-bed inpatient Burn Unit and anticipate operating the unit on or about November 1, 2007.

Each of these programs adds significantly to patient volumes and related revenue and have been factored into the 2008 budget accordingly.

## EXECUTIVE SUMMARY (Continued)

The 2008 budget (“budget”), after trending revenues and expenses accordingly and assuming relatively consistent patient volumes with the exception of the new Behavioral Health Programs, compared to 2007 results in a starting deficit of approximately \$12.1 million (“the baseline gap.”). Hence, management has identified approximately \$12.2 million of gap closing revenue and expense initiatives to essentially produce a \$142,000 surplus for 2008.

Historically, NHCC management was successful in achieving approximately \$187 million of its previous year’s initiatives, which have cumulatively yielded ongoing bottom line improvement. The values of these past initiatives by year are: \$36 million in 2001, \$26 million in 2002, \$41 million in 2003, \$53 million in 2004, \$15 million in 2005, \$16 million in 2006 and \$37.8 in 2007.

NHCC is budgeted to produce a consolidated baseline net loss of \$12.1 million during fiscal year 2008 before revenue initiatives, and a \$142,000 surplus after the successful implementation of such initiatives (before non-cash items including: 1) change in fair value of derivative instruments and 2) amortization of refunding loss). This consolidated surplus is divided among the enterprises as follows: Nassau University Medical Center (“NUMC”), A. Holly Patterson Extended Care Facility (“AHPECF”), the Community Health Centers (“CHC’s”) and NHCC, Ltd. (“LTD”) are projected to produce net income (losses) of \$781, (\$610), (\$2,214), \$2,185, respectively.

Consolidated cash flow from operations is budgeted at negative \$700,000. Investment income is projected to generate \$2.6 million, and budgeted capital expenditures are projected at \$15 million, resulting in a projected ending unrestricted cash balance of \$5.4 million.

The 2008 budget will be an ongoing process and is presented as a working document. Management will be continually reviewing areas of possible expense reduction and revenue enhancement throughout the year. To assure fiscal responsibility and accountability on behalf of NHCC, all expenditures and staffing requirements as presented in this budget will be subject to the review, evaluation and approval of management.

## FACILITY SPECIFIC ASSUMPTIONS

### Nassau University Medical Center

#### Revenue Assumptions

Patient day and discharge volumes for fiscal 2008 are projected on the basis of 7 months of actual utilization in fiscal 2007, and reflect seasonal fluctuations within inpatient service areas. The budget assumes that fiscal 2008 volume will remain constant at the fiscal 2007 level (Adjusted for the new behavioral health programs that began during 2007, an increase in the census of the Physical Medicine and Rehabilitation service which occurred during August 2007, and an increase in anticipated discharges for increased service levels related to the opening of an additional operating room.

<b>Year</b>	<b>DISCHARGE VOLUMES</b>	<b>% CHANGE FROM PREVIOUS YEAR</b>
2000	21,554	3.75%
2001	21,914	1.67%
2002	22,475	2.56%
2003	24,043	6.98%
2004	22,728	(5.47%)
2005	22,894	0.73%
2006	22,500	(1.72%)
2007 Projected	22,982	2.14%
2008 Budget	24,178	5.2%

Net Patient service revenue is projected to increase by \$27.3 million over projected 2007 revenue. The increase is related to reimbursement rate increases and appeals of \$11.8 million, revenue cycle improvements of \$1.8 million, \$9.2 million from new program additions for Psychiatry and Residential Rehab, \$2.4 million from Expansion of Physical Medicine & Rehabilitation Services and \$2.1 million from increase or expansion of existing services.

Medicaid and Medicare case mix indexes (“CMI”) are budgeted at the 2007 level of 1.20 and 1.34, respectively.

## FACILITY SPECIFIC ASSUMPTIONS

### Nassau University Medical Center (Continued)

#### Expense Assumptions

Salary and Fringe Benefit expense has been budgeted at \$258.6 million, an increase of \$15.0 million from the 2007 projected actual. A contractual rate increase effective January 1, 2008, a step increase throughout 2008, full longevity payment per the Stabilization agreement, along with the anticipated fringe benefit increases account for the increase.

Supplies expense are projected to increase \$424,000 or 2.0% from the 2007 projected actual.

General expenses are projected to increase \$6.7 million or 12.8% from the 2007 projected actual. An overall inflation factor of 3% on general expenses and a 7% inflation factor on Pharmaceuticals have been factored into the 2008 Budget. An additional \$2.0 million increase in Medical Malpractice expense has also been included in this budget to allow for anticipated additional funding.

Utilities are projected to increase \$478,000 or 2.3% from the 2007 projected actual.

Depreciation expense is projected based upon historical information with consideration given to the current and future capital expenditure requirements.

Interest expense is projected utilizing actual amortization amounts relating to the bond refunding completed in October 2004.

Bad Debt expense is budgeted at \$49.0 million, which represents 14.1% of total patient revenue compared with 14.7% anticipated for 2007. This reduction directly relates to the addition of cases with a higher proportion of insurance coverage.

## FACILITY SPECIFIC ASSUMPTIONS

### A. Holly Patterson Extended Care Facility

#### **Revenue Assumption**

Occupancy levels are projected at 97.9%, or an average daily census (ADC) of 576.6 for 2008. This compares to 97.0% or an ADC of 571 projected for 2007.

Operating Revenue is projected to increase by \$2,719,000. The revenue increase consists of:

1) Rate & volume increase	\$1,949,000
2) Increased Ventilator Unit Days – Renal Dialysis Initiative	375,000
3) Increase in above UPL Grant	938,000
4) Reduced IGT payment	(576,000)
5) Other	<u>33,000</u>
Total	<u>\$2,719,000</u>

#### **Expense Assumptions**

Salary and Fringe Benefit expense has been budgeted at \$43.7 million, an increase of \$1.3 million from the 2007 projected actual. A contractual rate increase effective January 1, 2008, a step increase throughout 2008, and full longevity payment per the Stabilization agreement, account for this increase.

Supplies expense and General expenses are projected to increase \$641,000 or 7% from the 2007 projected actual.

Utilities are projected to increase \$117,000 or 6% from the 2007 projected actual.

## FACILITY SPECIFIC ASSUMPTIONS

### Community Health Centers

#### Revenue Assumptions

Visit volumes for fiscal 2008 are based on the August 2007 visits per clinic day and will yield a increase of 225 visits for 2008

<b>Year</b>	<b>Visits</b>	<b>% CHANGE FROM PREVIOUS YEAR</b>
2000	66,119	
2001	57,257	(13.4%)
2002	57,278	0.0%
2003	56,196	(1.9%)
2004	50,970	(9.3%)
2005	65,075	27.7%
2006	65,415	0.5%
2007 Projected	67,775	3.6%
2008 Budgeted	68,000	0.3%

Operating revenue is projected to increase by \$104,000 over projected 2007 revenue. This increase is related to a \$110,000 increase for volume, an increase for Non-Medicaid rates, and an decrease in State Aid of \$6,000.

#### Expenses

Salary and Fringe Benefit expense has been budgeted at \$10.6 million, an increase of \$474,000 from the 2007 projected level. A contractual rate increase effective January 1, 2008, a step increase throughout 2008, full longevity payment per the Stabilization agreement, along with the anticipated fringe benefit increases account for the increase.

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**SECTION TWO**

**OPERATING BUDGET**

**FISCAL YEAR ENDED DECEMBER 31, 2008**

**COMPARATIVE FINANCIAL STATEMENT  
PRESENTATION**

**Nassau Health Care Corporation and Subsidiaries**

**Projected Revenue & Expenses**

**Consolidated**

**Comparative**

(In Thousands)

	<u>Audited *</u> <u>FYE</u> <u>12/31/2001</u>	<u>Audited *</u> <u>FYE</u> <u>12/31/2002</u>	<u>Audited *</u> <u>FYE</u> <u>12/31/2003</u>	<u>Audited *</u> <u>FYE</u> <u>12/31/2004</u>	<u>Audited *</u> <u>FYE</u> <u>12/31/2005</u>	<u>Audited *</u> <u>FYE</u> <u>12/31/2006</u>	<u>Actual</u> <u>YTD</u> <u>08/31/2007</u>	<u>2007</u> <u>Actual</u> <u>SEPT</u>	<u>2007</u> <u>Projected</u> <u>OCT</u>	<u>2007</u> <u>Projected</u> <u>NOV</u>	<u>2007</u> <u>Projected</u> <u>DEC</u>	<u>Projected</u> <u>FYE</u> <u>12/31/2007</u>	<u>Budgeted</u> <u>FYE</u> <u>12/31/2008</u>
<b>Operating Revenues:</b>													
Net patient service revenue	373,413	386,383	399,315	386,665	374,048	387,100	260,838	33,344	34,926	34,604	35,244	398,956	428,786
NYS Intergovernmental transfer	9,393	8,853	10,172	13,524	11,339	41,625	17,544	2,193	2,193	2,193	2,193	26,316	26,969
Nassau County Billings	26,097	27,987	31,600	26,712	36,642	28,480	24,631	3,079	3,079	3,079	3,079	36,947	36,099
Historical Mission Payments	18,000	18,000	18,000	18,000	18,000	18,000	12,001	1,499	1,501	1,499	1,500	18,000	18,000
Federal & State Aid	3,801	10,614	7,711	8,716	7,739	3,560	2,731	280	280	280	280	3,851	3,843
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	8,463	12,155	12,399	12,063	14,094	13,958	7,129	840	840	840	840	10,489	13,372
<b>Total operating revenue</b>	<b>439,167</b>	<b>463,992</b>	<b>479,197</b>	<b>465,680</b>	<b>461,862</b>	<b>477,531</b>	<b>324,874</b>	<b>41,235</b>	<b>42,819</b>	<b>42,495</b>	<b>43,136</b>	<b>494,559</b>	<b>527,069</b>
<b>Operating Expenses:</b>													
Salaries	241,280	232,053	229,566	210,369	207,896	218,299	151,118	18,711	19,312	18,711	19,312	227,164	238,677
Fringe Benefits	46,361	53,381	59,831	73,412	70,246	67,095	52,406	6,422	6,633	6,422	6,633	78,516	83,062
Supplies	18,593	20,778	23,834	23,404	22,659	23,101	16,657	2,049	2,117	2,049	2,117	24,989	25,352
Expenses	84,533	80,423	89,308	81,597	80,386	77,718	46,834	5,745	5,908	5,745	5,908	70,140	78,737
Utilities	16,918	15,426	16,398	17,470	20,721	21,934	14,644	1,984	2,050	1,986	2,052	22,716	23,301
Depreciation Expense	11,929	12,844	13,880	13,713	14,637	15,549	10,299	1,157	1,157	1,157	1,157	14,927	15,780
Interest & Amortization	14,680	14,634	14,769	14,581	12,690	13,271	9,713	1,214	1,214	1,214	1,214	14,569	14,549
Bad Debt Expense	53,139	55,176	49,676	49,751	46,024	53,936	28,656	5,063	5,456	5,812	5,409	50,396	52,422
<b>Total operating expenses</b>	<b>487,433</b>	<b>484,715</b>	<b>497,262</b>	<b>484,297</b>	<b>475,259</b>	<b>490,903</b>	<b>330,327</b>	<b>42,345</b>	<b>43,847</b>	<b>43,096</b>	<b>43,802</b>	<b>503,417</b>	<b>531,880</b>
<b>Gain (Loss) From Operations</b>	<b>(48,266)</b>	<b>(20,723)</b>	<b>(18,065)</b>	<b>(18,617)</b>	<b>(13,397)</b>	<b>(13,372)</b>	<b>(5,453)</b>	<b>(1,110)</b>	<b>(1,028)</b>	<b>(601)</b>	<b>(666)</b>	<b>(8,858)</b>	<b>(4,811)</b>
<b>NonOperating Revenues:</b>													
Investment Income	6,778	3,730	2,968	4,657	2,078	4,317	3,238	426	426	426	426	4,942	4,953
<b>Net income (loss) before Other</b>	<b>(41,488)</b>	<b>(16,993)</b>	<b>(15,097)</b>	<b>(13,960)</b>	<b>(11,319)</b>	<b>(9,055)</b>	<b>(2,215)</b>	<b>(684)</b>	<b>(602)</b>	<b>(175)</b>	<b>(240)</b>	<b>(3,916)</b>	<b>142</b>
<b>Other Operating Items:</b>													
Post Employment Benefits (OPEB)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating/Derivatives	-	-	(8,596)	(3,687)	1,477	3,498	790	-	-	-	-	790	2,315
Amortization of Refunding Loss	-	-	-	(991)	(2,371)	(2,353)	(1,568)	(194)	(194)	(193)	(193)	(2,342)	(2,315)
<b>Total Other Operating Items</b>	<b>-</b>	<b>-</b>	<b>(8,596)</b>	<b>(4,678)</b>	<b>(894)</b>	<b>1,145</b>	<b>(778)</b>	<b>(194)</b>	<b>(194)</b>	<b>(193)</b>	<b>(193)</b>	<b>(1,552)</b>	<b>-</b>
<b>Net income (loss)</b>	<b>(41,488)</b>	<b>(16,993)</b>	<b>(23,693)</b>	<b>(18,638)</b>	<b>(12,213)</b>	<b>(7,910)</b>	<b>(2,993)</b>	<b>(878)</b>	<b>(796)</b>	<b>(368)</b>	<b>(433)</b>	<b>(5,468)</b>	<b>142</b>

\* Captive not eliminated

**Nassau Health Care Corporation and Subsidiaries**

**Budgeted Revenue & Expenses**

**Consolidated**

For the twelve months ended 12/31/08

(In Thousands)

	2008 Budgeted												2008	Projected FYE	Audited FYE
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	12/31/2007	12/31/2006
<b>Operating Revenues:</b>															
Net patient service revenue	36,490	34,344	36,115	34,431	35,826	35,856	35,499	38,795	34,464	35,453	35,137	36,376	428,786	398,956	387,100
NYS Intergovernmental transfer	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,248	2,248	2,248	2,248	2,248	26,969	26,316	41,625
Nassau County Billings	3,008	3,008	3,008	3,008	3,008	3,008	3,008	3,008	3,008	3,008	3,009	3,010	36,099	36,947	28,480
Historical Mission Payments	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	18,000	2,808
Federal & State Aid	321	321	321	321	321	321	321	321	321	320	320	320	3,843	3,851	3,560
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,114	1,114	1,114	1,114	1,114	1,114	1,114	1,114	1,115	1,115	1,115	1,115	13,372	10,489	13,958
<b>Total operating revenue</b>	<b>44,680</b>	<b>42,534</b>	<b>44,305</b>	<b>42,621</b>	<b>44,016</b>	<b>44,046</b>	<b>43,689</b>	<b>46,986</b>	<b>42,656</b>	<b>43,644</b>	<b>43,329</b>	<b>44,569</b>	<b>527,069</b>	<b>494,559</b>	<b>477,531</b>
<b>Operating Expenses:</b>															
Salaries	20,556	19,292	19,856	19,224	20,206	19,224	20,206	19,856	19,575	20,207	20,274	20,201	238,677	227,164	218,299
Fringe Benefits	7,344	6,892	7,088	6,850	7,175	6,761	7,033	6,837	6,667	6,846	6,828	6,741	83,062	78,516	67,095
Supplies	2,148	2,009	2,148	2,078	2,148	2,078	2,148	2,148	2,078	2,148	2,078	2,143	25,352	24,989	23,101
Expenses	6,656	6,285	6,654	6,468	6,654	6,468	6,654	6,654	6,469	6,655	6,470	6,650	78,737	70,140	77,718
Utilities	1,974	1,846	1,974	1,910	1,974	1,910	1,974	1,974	1,910	1,974	1,910	1,971	23,301	22,716	21,934
Depreciation Expense	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	15,780	14,927	15,549
Interest & Amortization	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,213	1,213	1,213	1,213	1,213	14,549	14,569	13,271
Bad Debt Expense	5,185	4,448	4,580	3,910	4,272	3,883	4,112	4,413	3,639	4,876	4,736	4,368	52,422	50,396	53,936
<b>Total operating expenses</b>	<b>46,390</b>	<b>43,299</b>	<b>44,827</b>	<b>42,967</b>	<b>44,956</b>	<b>42,851</b>	<b>44,654</b>	<b>44,410</b>	<b>42,866</b>	<b>45,234</b>	<b>44,824</b>	<b>44,602</b>	<b>531,880</b>	<b>503,417</b>	<b>490,903</b>
Gain (Loss) From Operations	(1,711)	(766)	(523)	(347)	(941)	1,195	(966)	2,576	(211)	(1,591)	(1,496)	(34)	(4,811)	(8,858)	(13,372)
<b>NonOperating Revenues:</b>															
Investment Income	413	413	413	413	413	413	413	412	414	414	414	414	4,953	4,942	4,317
Net income (loss) before Other	(1,298)	(353)	(110)	66	(528)	1,607	(553)	2,987	203	(1,177)	(1,082)	380	142	(3,916)	(9,055)
<b>Other Operating Items:</b>															
Post Employment Benefits (OPEB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating/Derivatives	193	193	193	193	193	193	193	194	194	192	192	192	2,315	790	3,498
Amortization of Refunding Loss	(193)	(193)	(193)	(193)	(193)	(193)	(193)	(194)	(194)	(192)	(192)	(192)	(2,315)	(2,342)	(2,353)
Total Other Operating Items	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,552)	1,145
<b>Net income (loss)</b>	<b>(1,298)</b>	<b>(353)</b>	<b>(110)</b>	<b>66</b>	<b>(528)</b>	<b>1,607</b>	<b>(553)</b>	<b>2,987</b>	<b>203</b>	<b>(1,177)</b>	<b>(1,082)</b>	<b>380</b>	<b>142</b>	<b>(5,468)</b>	<b>(7,910)</b>

**Nassau Health Care Corporation and Subsidiaries**  
**Budgeted Cash Flow (Unrestricted)**  
**Consolidated**  
**For the twelve months ended 12/31/08**  
(In Thousands)

	<b>2008</b>												
	<b>Budgeted</b>												
	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
<b>Beginning Cash Balance:</b>	\$ 6,150	\$ 797	\$ 4,788	\$ 40,988	\$ 38,706	\$ 44,530	\$ 28,363	\$ 25,669	\$ 29,051	\$ 24,876	\$ 23,961	\$ 13,948	\$ 6,150
<b>Cash Receipts:</b>													
Net patient service revenue	33,902	25,654	27,008	32,994	29,266	27,274	33,764	32,726	26,728	35,359	26,022	27,116	357,813
NYS Intergovernmental transfer	-	-	26,969	-	-	-	-	-	-	-	-	-	26,969
Nassau County Billings	-	12,590	-	-	12,590	-	-	8,394	4,000	-	8,394	-	45,968
Historical Mission Payments	-	-	18,000	-	-	-	-	-	-	-	-	-	18,000
Federal & State Aid	-	568	440	-	568	440	-	568	440	-	568	438	4,030
Practice Plan Revenue	549	549	549	549	549	549	549	549	549	549	549	549	6,588
Miscellaneous	331	331	331	331	331	331	331	331	331	331	331	331	3,972
Investment Income	218	218	218	218	218	218	218	217	217	217	217	216	2,604
<b>Total cash receipts</b>	<b>35,000</b>	<b>39,910</b>	<b>73,515</b>	<b>34,092</b>	<b>43,522</b>	<b>28,812</b>	<b>34,862</b>	<b>42,785</b>	<b>32,265</b>	<b>36,456</b>	<b>36,081</b>	<b>28,650</b>	<b>465,944</b>
<b>Cash Disbursements:</b>													
Salaries	20,564	17,226	17,790	17,458	18,140	23,758	18,140	17,790	17,708	18,140	24,805	18,132	229,651
Fringe Benefits	7,479	7,020	7,217	6,927	7,250	9,232	7,108	6,913	6,743	6,921	9,300	6,818	88,928
Supplies	2,148	2,009	2,148	2,078	2,148	2,078	2,148	2,148	2,078	2,148	2,078	2,143	25,352
Expenses	5,726	5,355	5,724	5,538	5,724	5,538	5,724	5,724	5,538	5,724	5,538	5,718	67,571
Utilities	1,974	1,846	1,974	1,910	1,974	1,910	1,974	1,974	1,910	1,974	1,910	1,971	23,301
Interest Expense	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,213	1,213	1,213	1,213	1,213	14,549
Debt Service	-	-	-	-	-	-	-	2,390	-	-	-	-	2,390
<b>Total Cash disbursements</b>	<b>39,103</b>	<b>34,668</b>	<b>36,065</b>	<b>35,123</b>	<b>36,448</b>	<b>43,728</b>	<b>36,306</b>	<b>38,152</b>	<b>35,190</b>	<b>36,120</b>	<b>44,844</b>	<b>35,995</b>	<b>451,742</b>
<b>Cash flow excess(deficit)from operations</b>	<b>(4,104)</b>	<b>5,242</b>	<b>37,450</b>	<b>(1,032)</b>	<b>7,074</b>	<b>(14,917)</b>	<b>(1,445)</b>	<b>4,633</b>	<b>(2,926)</b>	<b>336</b>	<b>(8,764)</b>	<b>(7,346)</b>	<b>14,202</b>
<b>Capital Expenditures</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>15,000</b>
<b>Cash flow excess(deficit)after cap exp</b>	<b>(5,354)</b>	<b>3,992</b>	<b>36,200</b>	<b>(2,282)</b>	<b>5,824</b>	<b>(16,167)</b>	<b>(2,695)</b>	<b>3,383</b>	<b>(4,176)</b>	<b>(915)</b>	<b>(10,014)</b>	<b>(8,596)</b>	<b>(798)</b>
<b>Ending Cash Balance:</b>	<b>\$ 797</b>	<b>\$ 4,788</b>	<b>\$ 40,988</b>	<b>\$ 38,706</b>	<b>\$ 44,530</b>	<b>\$ 28,363</b>	<b>\$ 25,669</b>	<b>\$ 29,051</b>	<b>\$ 24,876</b>	<b>\$ 23,961</b>	<b>\$ 13,948</b>	<b>\$ 5,352</b>	<b>\$ 5,352</b>
Restricted Cash	1,632	3,264	4,896	6,528	8,160	9,792	11,424	13,056	14,688	16,320	17,952		
<b>Total Cash</b>	<b>\$ 2,429</b>	<b>\$ 8,052</b>	<b>\$ 45,884</b>	<b>\$ 45,234</b>	<b>\$ 52,690</b>	<b>\$ 38,155</b>	<b>\$ 37,093</b>	<b>\$ 42,107</b>	<b>\$ 39,564</b>	<b>\$ 40,281</b>	<b>\$ 31,900</b>	<b>\$ 5,352</b>	

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**Nassau Health Care Corporation and Subsidiaries**

**Projected Revenue & Expenses**

**Nassau University Medical Center**

**Comparative**

(In Thousands)

	<u>Audited FYE 12/31/2001</u>	<u>Audited FYE 12/31/2002</u>	<u>Audited FYE 12/31/2003</u>	<u>Audited FYE 12/31/2004</u>	<u>Audited FYE 12/31/2005</u>	<u>Audited FYE 12/31/2006</u>	<u>Actual YTD 08/31/2007</u>	<u>2007 Actual SEPT</u>	<u>2007 Projected OCT</u>	<u>2007 Projected NOV</u>	<u>2007 Projected DEC</u>	<u>Projected FYE 12/31/2007</u>	<u>Budgeted FYE 12/30/2008</u>
<b>Operating Revenues:</b>													
Net patient service revenue	294,167	301,930	328,892	321,627	300,501	309,698	208,208	27,005	28,341	28,224	28,729	320,507	347,822
NYS Intergovernmental transfer	2,100	2,493	4,349	11,406	10,189	40,475	17,160	2,145	2,145	2,145	2,145	25,740	26,969
Nassau County Billings	25,322	26,752	31,020	26,201	36,066	27,904	24,280	3,035	3,035	3,035	3,035	36,420	35,546
Historical Mission Payments	10,194	10,192	10,192	10,192	10,192	(5,000)	6,794	849	850	849	850	10,192	10,192
Federal & State Aid	1,900	8,769	5,987	6,530	5,652	1,858	1,555	133	133	133	133	2,087	2,085
Practice Plan Revenue	2,235	9,942	3,762	5,708	8,780	8,115	4,382	552	552	552	552	6,590	6,588
Miscellaneous	2,589	3,945	3,993	3,694	6,030	6,501	2,332	244	244	244	244	3,308	3,936
<b>Total operating revenue</b>	<b>338,507</b>	<b>364,023</b>	<b>388,195</b>	<b>385,358</b>	<b>377,410</b>	<b>389,551</b>	<b>264,711</b>	<b>33,963</b>	<b>35,300</b>	<b>35,182</b>	<b>35,688</b>	<b>404,844</b>	<b>433,138</b>
<b>Operating Expenses:</b>													
Salaries	180,080	174,537	178,342	165,634	160,847	170,719	120,523	14,971	15,470	14,971	15,470	181,405	191,471
Fringe Benefits	34,409	39,939	46,128	57,132	53,991	52,399	41,538	5,077	5,246	5,077	5,246	62,184	67,099
Supplies	16,866	17,090	16,990	18,994	18,955	19,483	13,939	1,745	1,803	1,745	1,803	21,035	21,459
Expenses	57,538	58,802	70,173	62,003	61,135	50,850	34,724	4,332	4,476	4,332	4,476	52,340	59,016
Utilities	15,537	14,156	15,164	16,047	18,739	20,022	13,144	1,800	1,860	1,800	1,860	20,464	20,942
Depreciation Expense	10,126	11,449	12,581	12,481	13,379	14,270	9,469	1,050	1,050	1,050	1,050	13,669	14,496
Interest & Amortization	11,225	11,133	11,267	11,029	9,715	10,247	7,192	899	899	899	899	10,788	10,760
Bad Debt Expense	50,785	49,995	47,538	47,550	45,259	50,850	26,445	4,811	5,165	5,552	5,147	47,120	49,041
<b>Total operating expenses</b>	<b>376,566</b>	<b>377,101</b>	<b>398,183</b>	<b>390,870</b>	<b>382,020</b>	<b>388,840</b>	<b>266,974</b>	<b>34,685</b>	<b>35,969</b>	<b>35,426</b>	<b>35,951</b>	<b>409,005</b>	<b>434,284</b>
<b>Gain (Loss) From Operations</b>	<b>(38,059)</b>	<b>(13,078)</b>	<b>(9,988)</b>	<b>(5,512)</b>	<b>(4,610)</b>	<b>711</b>	<b>(2,263)</b>	<b>(722)</b>	<b>(669)</b>	<b>(244)</b>	<b>(263)</b>	<b>(4,161)</b>	<b>(1,146)</b>
<b>NonOperating Revenues:</b>													
Investment Income	4,010	2,375	1,940	3,134	934	2,730	1,850	250	250	250	250	2,850	1,927
<b>Net income (loss) before Other</b>	<b>(34,049)</b>	<b>(10,703)</b>	<b>(8,048)</b>	<b>(2,378)</b>	<b>(3,676)</b>	<b>3,441</b>	<b>(413)</b>	<b>(472)</b>	<b>(419)</b>	<b>6</b>	<b>(13)</b>	<b>(1,311)</b>	<b>781</b>
<b>Other Operating Items:</b>													
Post Employment Benefits (OPEB)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating/Derivatives	-	-	(6,050)	(2,727)	1,091	3,393	577	-	-	-	-	577	1,713
Amortization of Refunding Loss	-	-	-	(733)	(1,755)	(1,741)	(1,160)	(144)	(144)	(144)	(143)	(1,735)	(1,713)
<b>Total Other Operating Items</b>	<b>-</b>	<b>-</b>	<b>(6,050)</b>	<b>(3,460)</b>	<b>(664)</b>	<b>1,652</b>	<b>(583)</b>	<b>(144)</b>	<b>(144)</b>	<b>(144)</b>	<b>(143)</b>	<b>(1,158)</b>	<b>-</b>
<b>Net income (loss)</b>	<b>(34,049)</b>	<b>(10,703)</b>	<b>(14,098)</b>	<b>(5,838)</b>	<b>(4,340)</b>	<b>5,093</b>	<b>(996)</b>	<b>(616)</b>	<b>(563)</b>	<b>(138)</b>	<b>(156)</b>	<b>(2,469)</b>	<b>781</b>

**Nassau Health Care Corporation and Subsidiaries**

**Budgeted Revenue & Expenses**

**Nassau University Medical Center**

For the twelve months ended 12/31/08

(In Thousands)

	2008 Budgeted												2008	Projected FYE	Audited FYE	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	12/31/2007	12/31/2006	
<b>Operating Revenues:</b>																
Net patient service revenue	29,698	27,858	29,325	27,760	29,035	29,210	28,656	31,952	27,753	28,554	28,519	29,502	347,822	320,507	309,698	
NYS Intergovernmental transfer	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,248	2,248	2,248	2,248	2,248	26,969	25,740	40,475	
Nassau County Billings	2,962	2,962	2,962	2,962	2,962	2,962	2,962	2,962	2,962	2,962	2,963	2,963	35,546	36,420	27,904	
Historical Mission Payments	849	849	849	849	849	849	849	849	850	850	850	850	10,192	10,192	(5,000)	
Federal & State Aid	174	174	174	174	174	174	174	174	174	173	173	173	2,085	2,087	1,858	
Practice Plan Revenue	549	549	549	549	549	549	549	549	549	549	549	549	6,588	6,590	8,115	
Miscellaneous	328	328	328	328	328	328	328	328	328	328	328	328	3,936	3,308	6,501	
<b>Total operating revenue</b>	<b>36,807</b>	<b>34,967</b>	<b>36,434</b>	<b>34,869</b>	<b>36,144</b>	<b>36,319</b>	<b>35,765</b>	<b>39,062</b>	<b>34,864</b>	<b>35,664</b>	<b>35,630</b>	<b>36,613</b>	<b>433,138</b>	<b>404,844</b>	<b>389,551</b>	
<b>Operating Expenses:</b>																
Salaries	16,469	15,419	15,969	15,444	16,219	15,444	16,219	15,969	15,694	16,219	16,193	16,213	191,471	181,405	170,719	
Fringe Benefits	5,938	5,569	5,762	5,574	5,820	5,488	5,682	5,528	5,364	5,506	5,456	5,412	67,099	62,184	52,399	
Supplies	1,818	1,700	1,818	1,759	1,818	1,759	1,818	1,818	1,759	1,818	1,759	1,815	21,459	21,035	19,483	
Expenses	4,999	4,676	4,999	4,837	4,999	4,837	4,999	4,999	4,837	4,999	4,837	4,998	59,016	52,340	50,850	
Utilities	1,774	1,659	1,774	1,717	1,774	1,717	1,774	1,774	1,717	1,774	1,717	1,771	20,942	20,464	20,022	
Depreciation Expense	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	14,496	13,669	14,270	
Interest & Amortization	897	897	897	897	897	897	897	897	896	896	896	896	10,760	10,788	10,247	
Bad Debt Expense	4,900	4,178	4,296	3,619	3,987	3,602	3,831	4,132	3,357	4,572	4,492	4,075	49,041	47,120	50,850	
<b>Total operating expenses</b>	<b>38,003</b>	<b>35,306</b>	<b>36,723</b>	<b>35,055</b>	<b>36,722</b>	<b>34,952</b>	<b>36,428</b>	<b>36,325</b>	<b>34,832</b>	<b>36,992</b>	<b>36,558</b>	<b>36,388</b>	<b>434,284</b>	<b>409,005</b>	<b>388,840</b>	
<b>Gain (Loss) From Operations</b>	<b>(1,196)</b>	<b>(339)</b>	<b>(289)</b>	<b>(186)</b>	<b>(578)</b>	<b>1,367</b>	<b>(663)</b>	<b>2,737</b>	<b>32</b>	<b>(1,328)</b>	<b>(928)</b>	<b>225</b>	<b>(1,146)</b>	<b>(4,161)</b>	<b>711</b>	
<b>NonOperating Revenues:</b>																
Investment Income	161	161	161	161	161	161	161	160	160	160	160	160	1,927	2,850	2,730	
<b>Net income (loss) before Other</b>	<b>(1,035)</b>	<b>(178)</b>	<b>(128)</b>	<b>(25)</b>	<b>(417)</b>	<b>1,528</b>	<b>(502)</b>	<b>2,897</b>	<b>192</b>	<b>(1,168)</b>	<b>(768)</b>	<b>385</b>	<b>781</b>	<b>(1,311)</b>	<b>3,441</b>	
<b>Other Operating Items:</b>																
Post Employment Benefits (OPEB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Operating/Derivatives	143	143	143	143	143	143	143	143	143	142	142	142	1,713	577	3,393	
Amortization of Refunding Loss	(143)	(143)	(143)	(143)	(143)	(143)	(143)	(143)	(143)	(142)	(142)	(142)	(1,713)	(1,735)	(1,741)	
<b>Total Other Operating Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,158)</b>	<b>1,652</b>	
<b>Net income (loss)</b>	<b>(1,035)</b>	<b>(178)</b>	<b>(128)</b>	<b>(25)</b>	<b>(417)</b>	<b>1,528</b>	<b>(502)</b>	<b>2,897</b>	<b>192</b>	<b>(1,168)</b>	<b>(768)</b>	<b>385</b>	<b>781</b>	<b>(2,469)</b>	<b>5,093</b>	

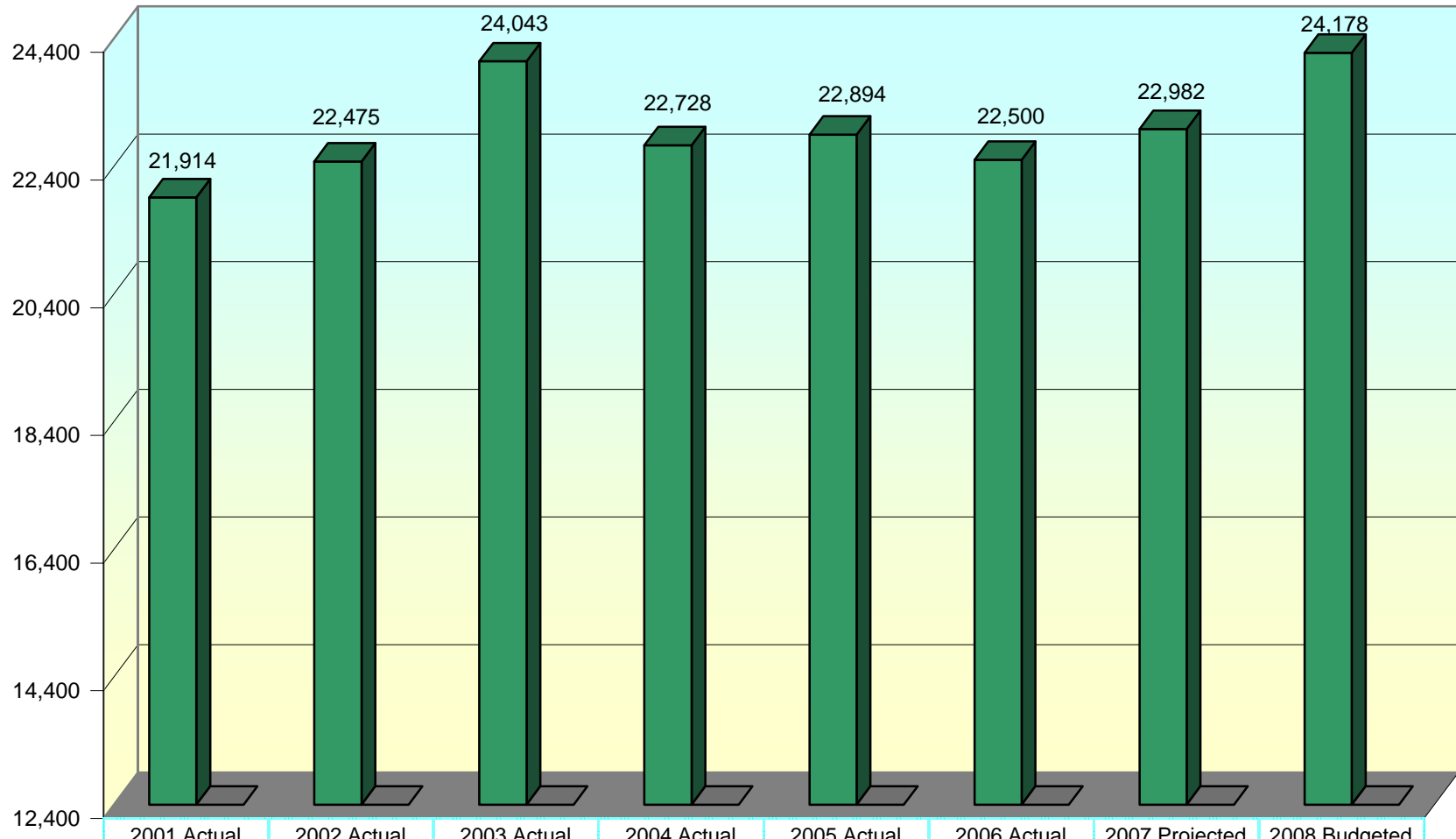
**Nassau Health Care Corporation and Subsidiaries**  
**Key Operating Statistics**  
**Nassau University Medical Center**  
**For the twelve months ended 12/31/08**

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	8/2007 Actual	2007 Proj.	2008 Budgeted													
									JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
<b><u>DISCHARGES:</u></b>																						
Adult & Peds	17,246	18,359	19,890	19,035	19,250	18,730	12,487	18,535	1,573	1,526	1,686	1,517	1,606	1,572	1,517	1,588	1,467	1,520	1,529	1,584	18,685	
Psych	2,205	1,709	1,550	1,419	1,414	1,555	1,282	1,896	221	207	221	212	221	212	221	212	212	221	212	212	221	2,602
Residential Rehab	-	-	-	-	-	-	85	213	31	33	31	33	31	33	31	33	31	33	31	33	31	384
Rehab	597	601	740	666	625	535	410	588	64	61	64	62	64	62	64	64	62	64	62	64	62	757
Newborn	1,866	1,806	1,863	1,608	1,605	1,680	1,182	1,750	151	141	156	132	141	157	142	162	132	163	151	122	1,750	
Total	21,914	22,475	24,043	22,728	22,894	22,500	15,446	22,982	2,040	1,968	2,158	1,956	2,063	2,036	1,975	2,068	1,904	2,001	1,985	2,024	24,178	
<b><u>PATIENT DAYS:</u></b>																						
Adult & Peds	87,664	92,598	101,551	89,783	91,568	84,777	54,556	81,414	7,164	7,059	7,373	6,549	6,707	6,332	7,255	7,587	6,842	6,576	6,949	7,271	83,664	
Psych	29,558	30,626	30,071	30,611	31,246	31,065	22,931	34,787	4,031	3,769	4,031	3,899	4,031	3,899	4,031	4,031	3,899	4,031	3,899	4,031	47,582	
Residential Rehab	-	-	-	-	-	-	2,062	5,596	869	898	869	898	869	898	869	898	869	898	869	898	10,602	
Rehab	8,777	8,151	8,760	7,314	7,391	6,589	4,359	6,616	713	668	713	690	713	690	713	713	690	713	690	713	8,419	
Newborn	5,405	5,257	5,403	4,808	4,801	4,743	3,416	4,927	428	450	409	386	377	476	442	448	409	446	425	231	4,927	
Total	131,404	136,632	145,785	132,516	135,006	127,174	87,324	133,340	13,205	12,844	13,395	12,422	12,697	12,295	13,310	13,677	12,709	12,664	12,832	13,144	155,194	
<b><u>AVG LENGTH OF STAY:</u></b>																						
Adult & Peds	5.08	5.04	5.11	4.72	4.76	4.53	4.37	4.39	4.55	4.63	4.37	4.32	4.18	4.03	4.78	4.78	4.66	4.33	4.54	4.59	4.48	
Psych	13.40	17.92	19.40	21.57	22.10	19.98	17.89	18.35	18.24	18.21	18.24	18.39	18.24	18.39	18.24	18.24	18.39	18.24	18.39	18.24	18.29	
Residential Rehab	-	-	-	-	-	-	24.26	26.27	28.03	27.21	28.03	27.21	28.03	27.21	28.03	27.21	28.03	27.21	28.03	27.21	27.61	
Rehab	14.70	13.56	11.84	10.98	11.83	12.32	10.63	11.25	11.14	10.95	11.14	11.13	11.14	11.14	11.14	11.13	11.14	11.13	11.14	11.14		
Newborn	2.90	2.91	2.90	2.99	2.99	2.82	2.89	2.82	2.83	3.19	2.62	2.92	2.67	3.03	3.11	2.77	3.10	2.74	2.81	1.89		
Total	6.00	6.08	6.06	5.83	5.90	5.65	5.65	5.80	6.47	6.53	6.21	6.35	6.15	6.04	6.74	6.61	6.67	6.33	6.46	6.49		
<b><u>AVG DAILY CENSUS</u></b>																						
Adult & Peds	240.2	253.7	278.2	246.0	250.9	232.3	224.5	223.1	231.1	252.1	237.8	218.3	216.4	211.1	234.0	244.7	228.1	212.1	231.6	234.5	229.2	
Psych	81.0	83.9	82.4	83.9	85.6	85.1	94.4	95.3	130.0	134.6	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.4	
Residential Rehab	-	-	-	-	-	-	8.5	15.3	28.0	32.1	28.0	29.9	28.0	29.9	28.0	29.0	29.0	29.0	29.0	29.0	29.0	
Rehab	24.0	22.3	24.0	20.0	20.2	18.1	17.9	18.1	23.0	23.9	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.1	
Newborn	14.8	14.4	14.8	13.2	13.2	13.0	14.1	13.5	13.8	16.1	13.2	12.9	12.2	15.9	14.3	14.5	13.6	14.4	14.2	7.5	13.5	
Total	360.0	374.3	399.4	363.1	369.9	348.5	359.4	365.3	425.9	458.8	432.0	414.1	409.6	409.9	429.3	441.2	423.7	408.5	427.8	424.0	425.2	
<b><u>CASE MIX INDEX (CMI)</u></b>																						
Medicare	1.37	1.39	1.40	1.42	1.37	1.31	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	
Medicaid	1.07	1.16	1.22	1.25	1.19	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	
Other	1.33	1.21	1.21	1.26	1.26	1.38	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	
Total	1.22	1.21	1.24	1.25	1.21	1.26	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	
<b><u>PERCENT OCCUPANCY:</u></b>																						
Licensed Beds	54.71%	57.04%	60.95%	55.30%	56.53%	53.16%	54.72%	55.76%	65.32%	67.73%	66.39%	63.58%	62.98%	62.44%	65.78%	67.63%	64.98%	62.46%	65.54%	66.01%	65.07%	
Available Beds	71.77%	74.83%	79.96%	72.54%	74.16%	69.74%	71.79%	73.14%	85.69%	88.85%	87.09%	83.41%	82.62%	81.91%	86.30%	88.72%	85.24%	81.94%	85.98%	86.60%	85.36%	

**Nassau Health Care Corporation and Subsidiaries**  
**Key Operating Statistics**  
**Nassau University Medical Center**  
**For the twelve months ended 12/31/08**

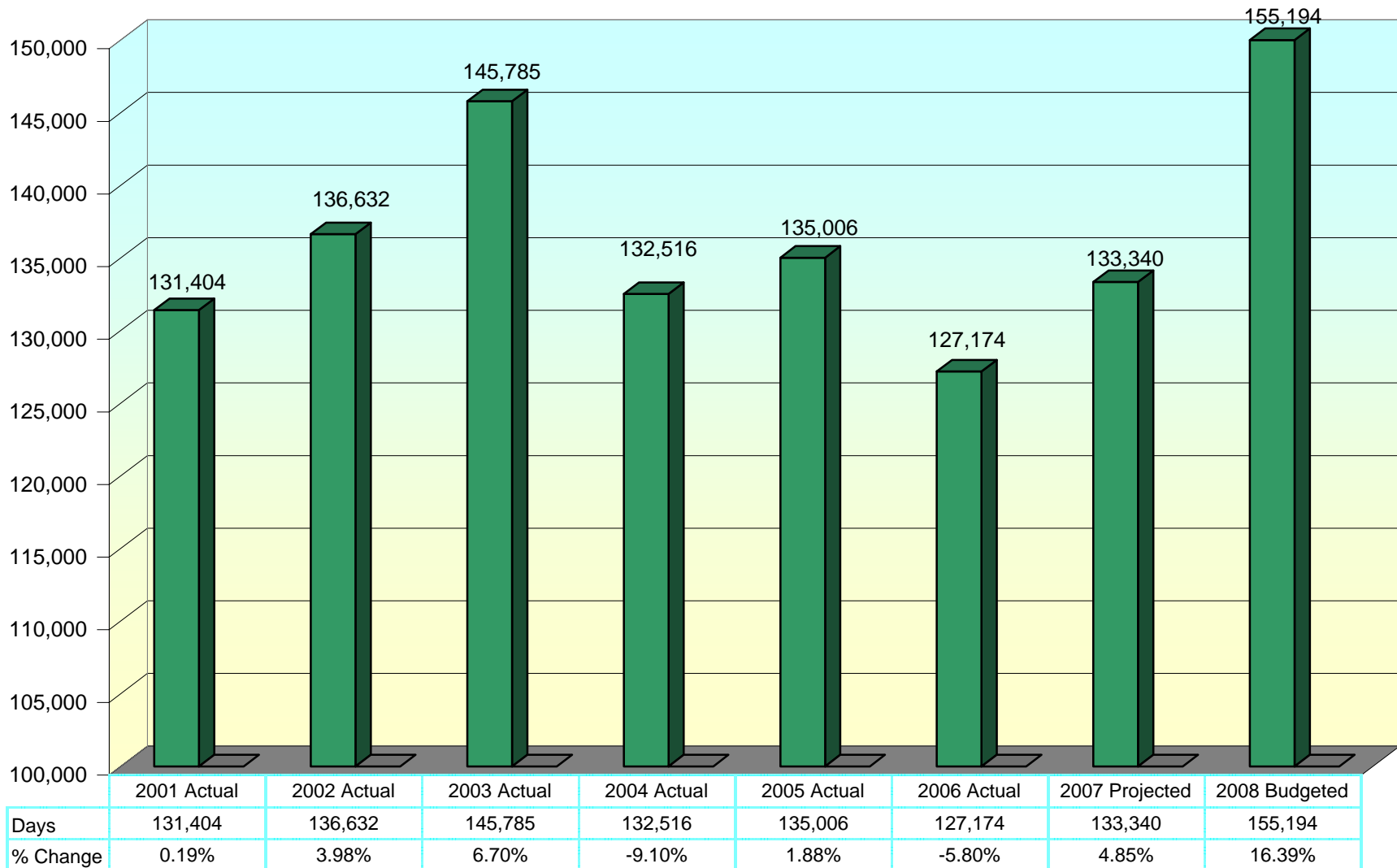
	2008																			TOTAL	
									Budgeted												
	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	8/2007 Actual	2007 Proj.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV		DEC
<b>AMBULATORY VISITS (Exc. Admits)</b>																					
General Clinic	228,835	206,236	195,669	161,948	168,605	171,672	117,430	171,870	15,824	14,287	16,717	15,639	16,448	14,942	14,603	16,170	13,514	16,170	14,178	14,178	182,670
HIV Clinic	4,804	3,003	4,073	3,857	4,071	4,042	2,864	4,241	350	355	366	329	381	355	342	386	319	386	336	336	4,241
Oncology Clinic	3,494	3,378	3,436	3,557	3,596	3,663	2,223	3,285	262	230	271	274	313	288	287	298	246	298	259	259	3,285
CDC Clinic	7,430	6,119	5,442	2,245	796	806	456	607	72	43	60	61	73	56	49	42	35	42	37	37	607
Hyperbaric Clinic	1,546	1,792	1,273	911	3,498	4,390	3,086	4,459	368	269	285	458	508	432	381	385	318	385	335	335	4,459
Mental Health	10,632	11,785	9,917	8,600	8,183	7,286	4,396	6,938	413	437	491	655	428	666	593	713	589	713	620	620	6,938
Emergency Room (Total)	82,111	82,699	82,521	75,113	74,025	73,774	49,687	72,065	6,403	5,885	6,302	5,962	6,489	6,114	6,256	6,276	5,185	6,277	5,458	5,458	72,065
Emergency Room Admits	17,840	17,166	17,605	18,324	18,511	17,867	12,376	17,641	1,584	1,487	1,631	1,466	1,664	1,521	1,546	1,477	1,220	1,477	1,284	1,284	17,641
Ambulatory Surgery	3,912	3,511	3,682	3,728	3,377	3,275	2,245	3,340	272	263	319	285	281	245	273	307	254	307	267	267	3,340
Hemodialysis	11,346	11,833	12,485	12,757	12,618	12,388	9,544	14,062	1,096	1,026	1,251	1,146	1,271	1,249	1,237	1,268	1,047	1,267	1,102	1,102	14,062
Referred Ambulatory	9,764	11,822	7,899	6,730	5,192	4,863	3,319	4,852	377	326	446	442	460	457	381	430	355	430	374	374	4,852
<b>LABOR STATISTICS:</b>																					
Full-Time Equivalent (FTE) Total	3,263	2,992	3,104	2,797	2,624	2,666	2,715	2,725	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860
Labor Cost Per Man Hour	39.23	42.78	43.16	47.40	48.87	49.95	53.52	53.35	55.05	55.12	53.39	53.36	54.15	53.14	53.81	52.81	53.46	53.37	54.96	53.13	53.81
FTE's Per Adjusted Occupied Bed	6.17	5.47	5.48	5.54	5.06	5.48	5.31	5.25	4.69	4.51	4.62	4.82	4.87	4.87	4.65	4.53	4.71	4.89	4.67	4.71	4.71
Payroll as a % of Gross Patient Revenue	72.91%	71.04%	68.25%	69.26%	71.49%	72.04%	77.84%	76.00%	75.45%	75.34%	74.10%	75.71%	75.90%	71.66%	76.43%	67.28%	75.88%	76.08%	75.91%	73.30%	74.34%
% of Salary & Benefits Expense	65.84%	65.57%	64.02%	64.89%	63.80%	66.01%	67.38%	67.31%	67.69%	67.42%	67.02%	66.86%	67.33%	66.77%	67.19%	66.78%	66.90%	67.01%	67.51%	66.92%	67.12%
Overtime as a % of Payroll	3.46%	3.80%	4.48%	3.59%	4.27%	3.28%	3.63%	3.88%	2.47%	2.46%	2.54%	2.54%	2.51%	2.55%	2.52%	2.57%	2.54%	2.54%	2.47%	2.55%	2.52%
<b>CREDIT AND COLLECTION STATISTICS:</b>																					
Bad Debts as a % of Patient Revenue	17.26%	16.56%	14.45%	14.78%	15.06%	16.42%	12.70%	14.70%	16.50%	15.00%	14.65%	13.04%	13.73%	12.33%	13.37%	12.93%	12.10%	16.01%	15.75%	13.81%	14.10%

## Nassau University Medical Center - Discharges

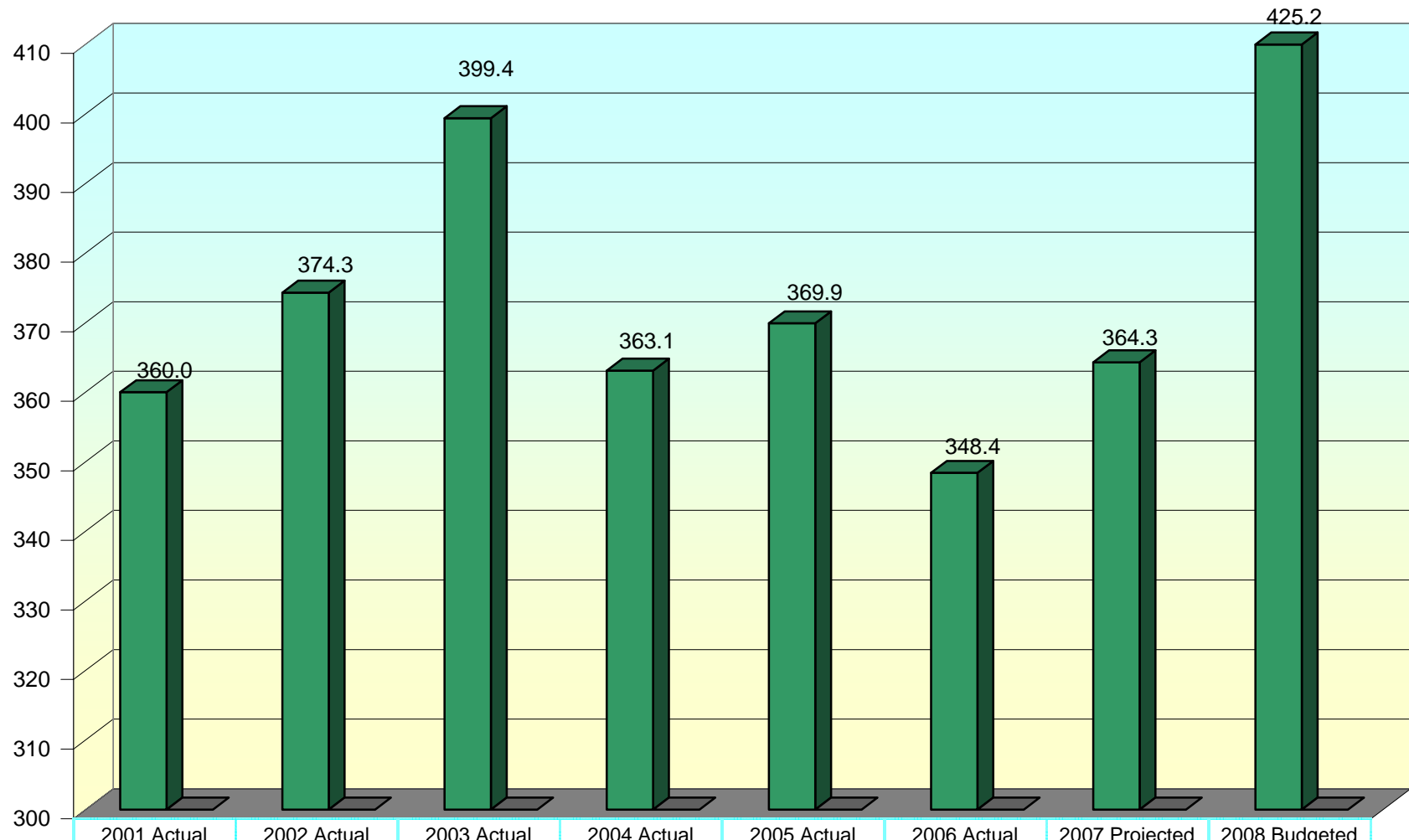


Discharges	21,914	22,475	24,043	22,728	22,894	22,500	22,982	24,178
% Change	1.67%	2.56%	6.98%	-5.47%	0.73%	-1.72%	2.14%	5.20%

## Nassau University Medical Center - Patient Days

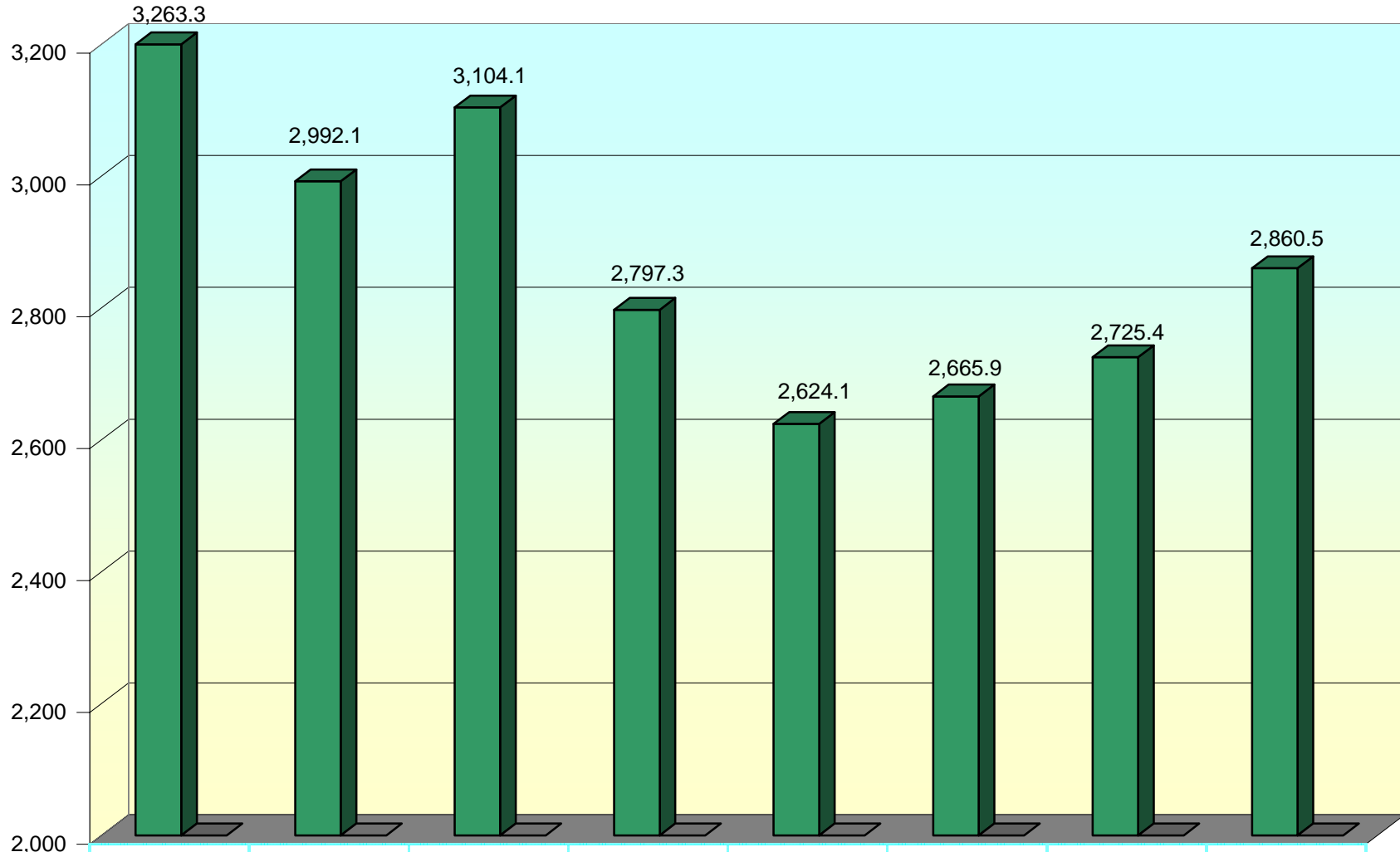


## Nassau University Medical Center - Average Daily Census



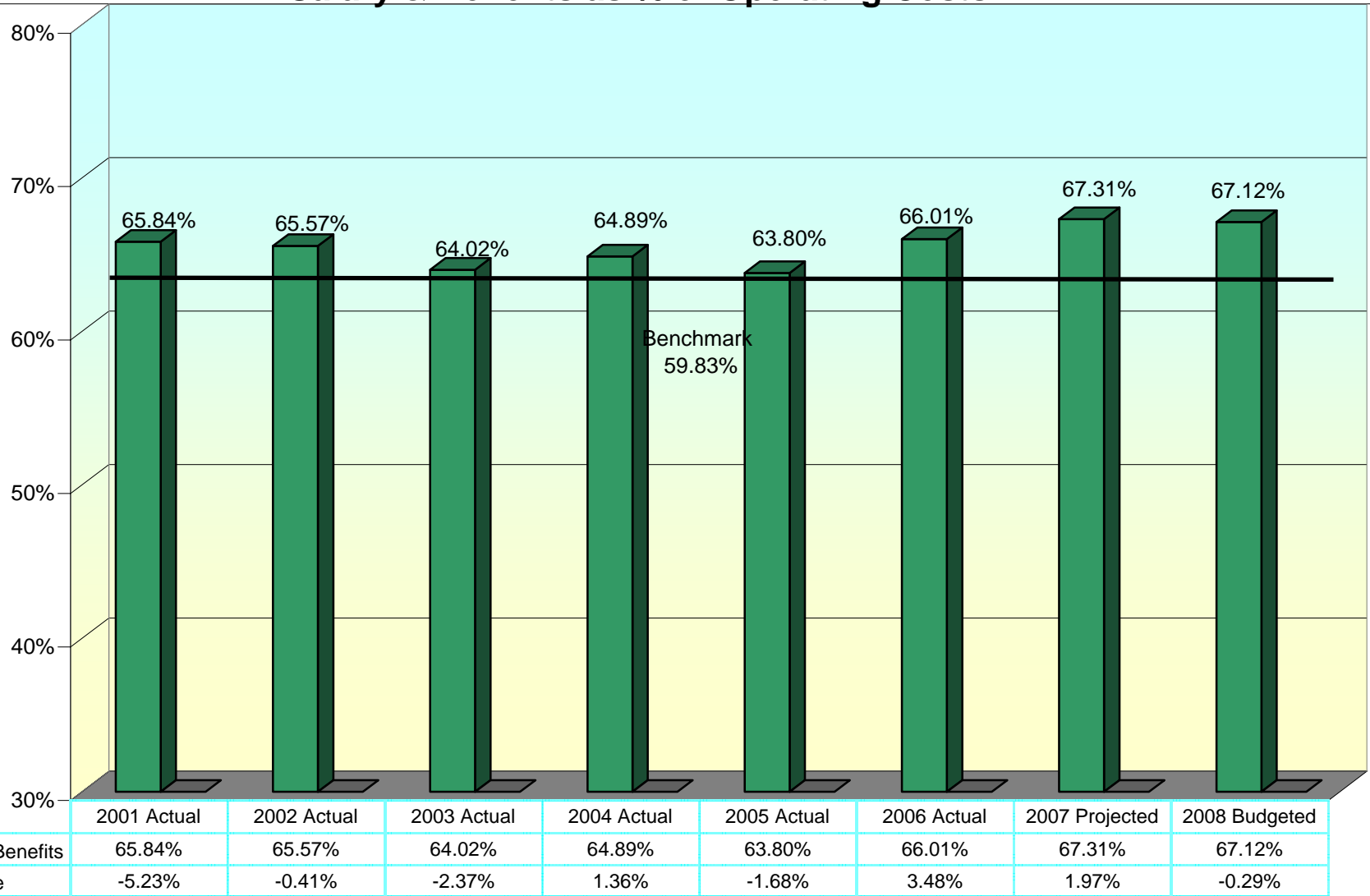
ADC	360.0	374.3	399.4	363.1	369.9	348.4	364.3	425.2
% Change	0.47%	3.97%	6.71%	-9.09%	1.87%	-5.81%	4.56%	16.72%

## Nassau University Medical Center - Full Time Equivalent Employees

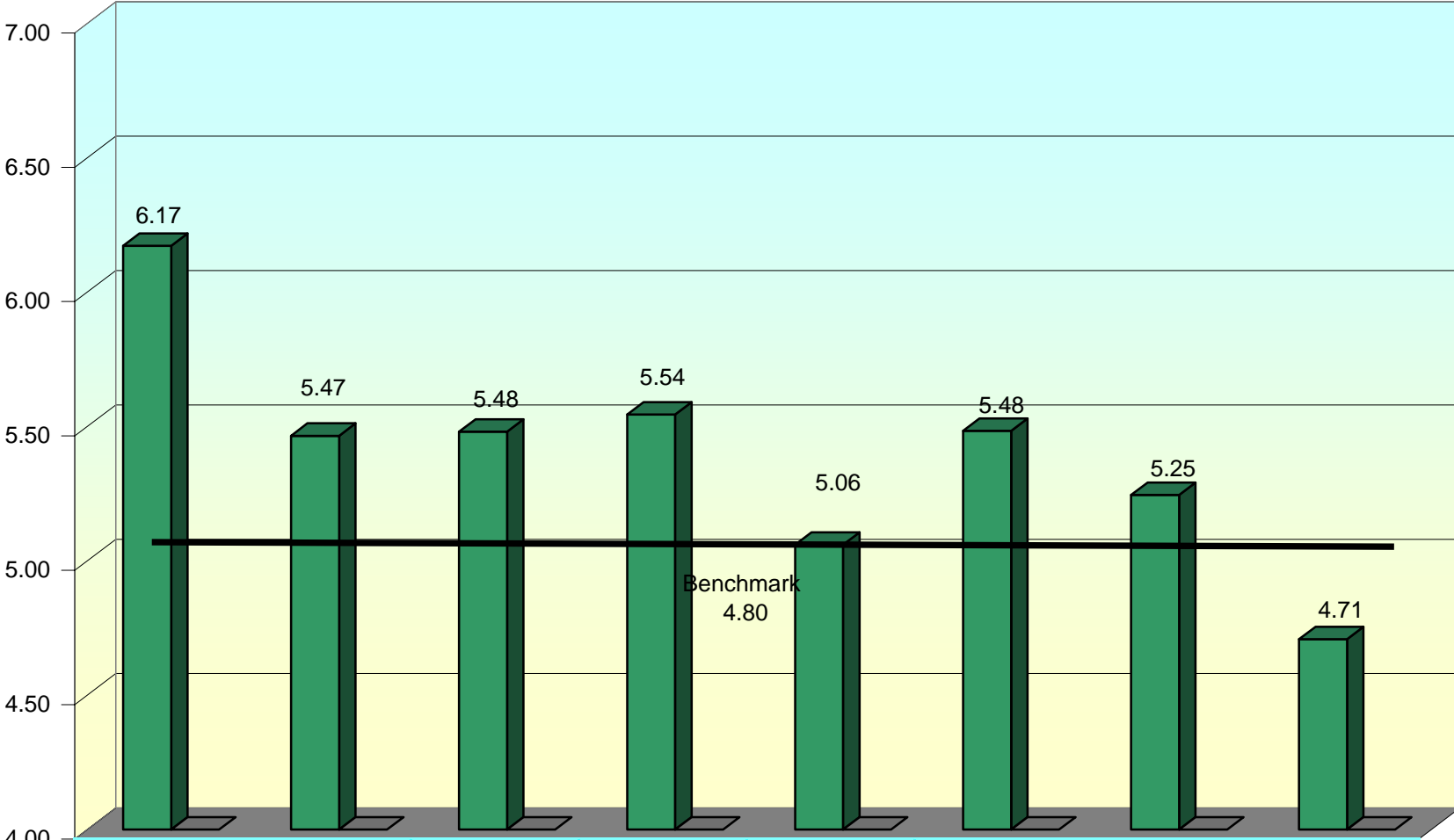


FTE's	3,263.3	2,992.1	3,104.1	2,797.3	2,624.1	2,665.9	2,725.4	2,860.5
% Change	-5.88%	-8.31%	3.74%	-9.89%	-6.19%	1.59%	2.23%	4.96%

## Nassau University Medical Center Salary & Benefits as % of Operating Costs

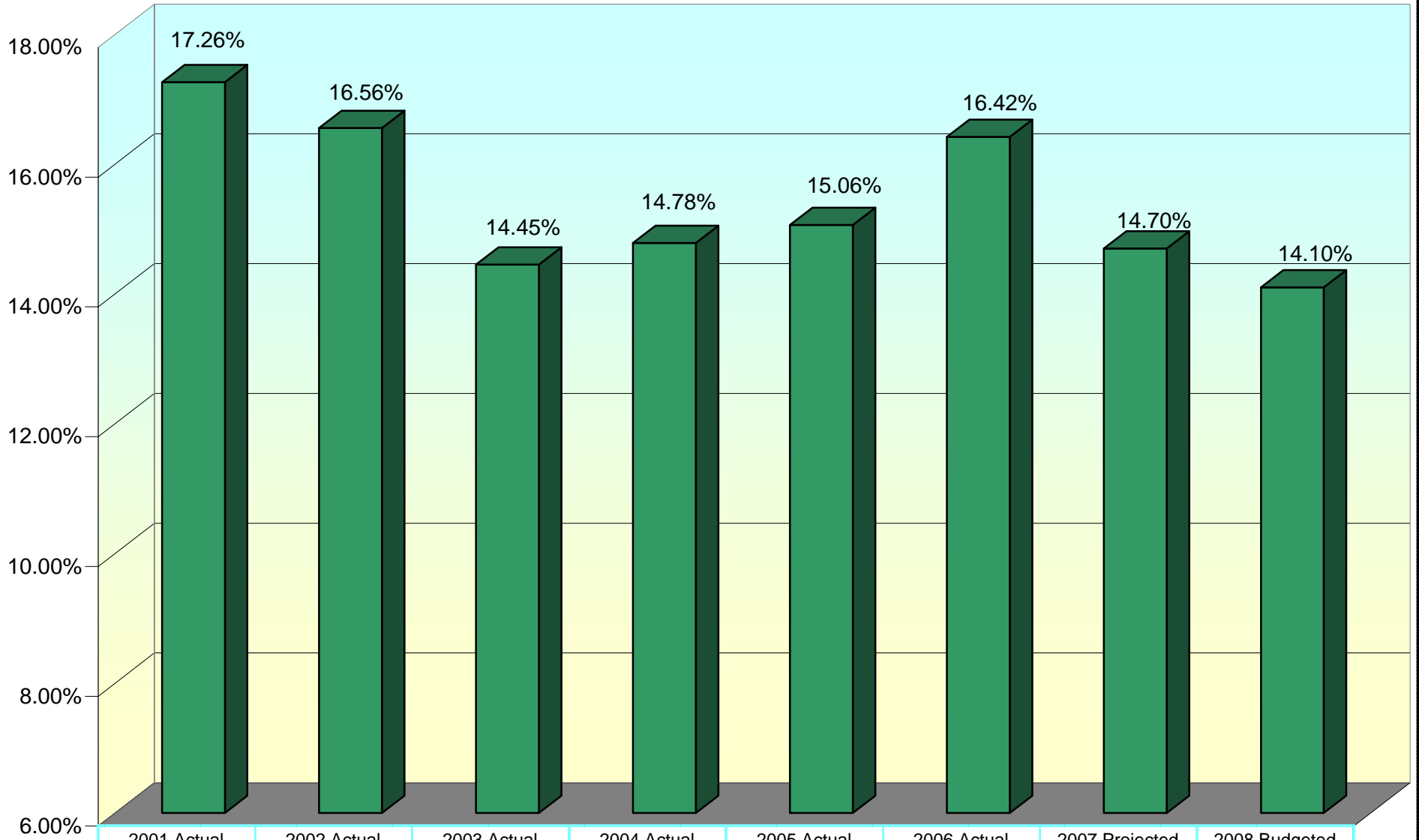


# Nassau University Medical Center - FTE Per Adjusted Occupied Bed



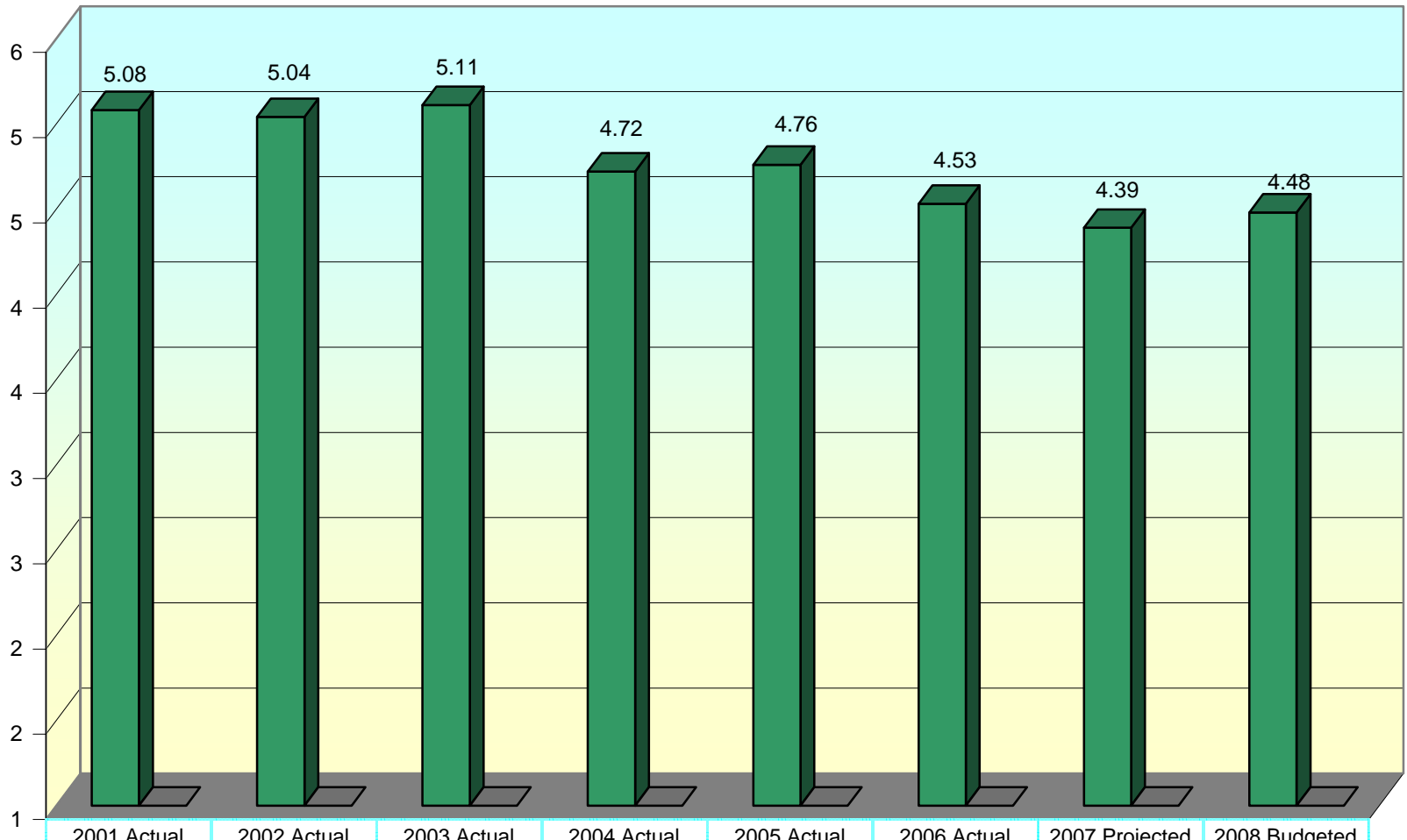
	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Projected	2008 Budgeted
FTE/AOB	6.17	5.47	5.48	5.54	5.06	5.48	5.25	4.71
% Change	-5.18%	-11.45%	0.28%	1.16%	-8.74%	8.39%	-4.35%	-10.24%

## Nassau University Medical Center Bad Debt as % of Patient Revenue



B/D as % Pt. Rev.	17.26%	16.56%	14.45%	14.78%	15.06%	16.42%	14.70%	14.10%
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### Nassau University Medical Center - Length of Stay (LOS) - Adult & Peds



	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Projected	2008 Budgeted
LOS - Adult & Peds	5.08	5.04	5.11	4.72	4.76	4.53	4.39	4.48
% Change	-3.79%	-0.79%	1.39%	-7.63%	0.85%	-4.83%	-3.09%	2.05%

**Nassau Health Care Corporation and Subsidiaries**

**Projected Revenue & Expenses**

**A. Holly Patterson Extended Care Facility**

**Comparative**

(In Thousands)

	<u>Audited FYE 12/31/2001</u>	<u>Audited FYE 12/31/2002</u>	<u>Audited FYE 12/31/2003</u>	<u>Audited FYE 12/31/2004</u>	<u>Audited FYE 12/31/2005</u>	<u>Audited FYE 12/31/2006</u>	<u>Actual YTD 08/31/2007</u>	<u>2007 Actual SEPT</u>	<u>2007 Projected OCT</u>	<u>2007 Projected NOV</u>	<u>2007 Projected DEC</u>	<u>Projected FYE 12/31/2007</u>	<u>Budgeted FYE 12/30/2008</u>
<b>Operating Revenues:</b>													
Net patient service revenue	54,458	56,891	49,811	47,141	46,862	50,306	34,957	4,360	4,517	4,380	4,517	52,731	55,993
NYS Intergovernmental transfer	7,293	6,360	5,823	2,118	1,150	1,150	384	48	48	48	48	576	-
Nassau County Billings	775	1,235	580	511	576	576	351	44	44	44	44	527	553
Historical Mission Payments	2,806	2,808	2,808	2,808	2,808	2,808	1,872	234	234	234	234	2,808	2,808
Federal & State Aid	-	441	-	571	82	82	-	-	-	-	-	-	-
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	132	124	117	28	28	29	-	-	-	-	29	36
<b>Total operating revenue</b>	<b>65,332</b>	<b>67,867</b>	<b>59,146</b>	<b>53,266</b>	<b>51,506</b>	<b>54,950</b>	<b>37,593</b>	<b>4,686</b>	<b>4,843</b>	<b>4,706</b>	<b>4,843</b>	<b>56,671</b>	<b>59,390</b>
<b>Operating Expenses:</b>													
Salaries	40,681	41,366	35,745	31,793	30,283	30,755	19,579	2,442	2,523	2,442	2,523	29,509	31,304
Fringe Benefits	10,030	11,482	11,418	13,712	13,020	11,532	8,574	1,064	1,099	1,064	1,099	12,900	12,431
Supplies	1,364	3,420	5,411	4,148	3,374	3,282	2,405	278	287	278	287	3,535	3,591
Expenses	15,769	8,469	7,910	5,513	5,904	5,185	3,645	384	397	384	397	5,207	5,792
Utilities	1,274	1,095	1,118	1,274	1,806	1,658	1,306	161	166	161	166	1,960	2,077
Depreciation Expense	1,699	1,289	1,208	1,156	1,186	1,239	766	101	101	101	101	1,170	1,200
Interest & Amortization	3,082	3,123	3,124	3,154	2,653	2,696	2,232	279	279	279	279	3,348	3,352
Bad Debt Expense	800	2,633	399	350	386	710	541	68	70	68	70	817	852
<b>Total operating expenses</b>	<b>74,699</b>	<b>72,877</b>	<b>66,333</b>	<b>61,100</b>	<b>58,612</b>	<b>57,057</b>	<b>39,048</b>	<b>4,777</b>	<b>4,922</b>	<b>4,777</b>	<b>4,922</b>	<b>58,446</b>	<b>60,599</b>
<b>Gain (Loss) From Operations</b>	<b>(9,367)</b>	<b>(5,010)</b>	<b>(7,187)</b>	<b>(7,834)</b>	<b>(7,106)</b>	<b>(2,107)</b>	<b>(1,455)</b>	<b>(91)</b>	<b>(79)</b>	<b>(71)</b>	<b>(79)</b>	<b>(1,775)</b>	<b>(1,209)</b>
<b>NonOperating Revenues:</b>													
Investment Income	1,705	781	594	984	274	129	400	50	50	50	50	600	599
<b>Net income (loss) before Other</b>	<b>(7,662)</b>	<b>(4,229)</b>	<b>(6,593)</b>	<b>(6,850)</b>	<b>(6,832)</b>	<b>(1,978)</b>	<b>(1,055)</b>	<b>(41)</b>	<b>(29)</b>	<b>(21)</b>	<b>(29)</b>	<b>(1,175)</b>	<b>(610)</b>
<b>Other Operating Items:</b>													
Post Employment Benefits (OPEB)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating/Derivatives	-	-	(1,414)	(848)	341	(541)	187	(44)	(44)	(44)	(45)	187	533
Amortization of Refunding Loss	-	-	-	(228)	(545)	(541)	(360)	(44)	(44)	(44)	(45)	(537)	(533)
<b>Total Other Operating Items</b>	<b>-</b>	<b>-</b>	<b>(1,414)</b>	<b>(1,076)</b>	<b>(204)</b>	<b>(541)</b>	<b>(173)</b>	<b>(44)</b>	<b>(44)</b>	<b>(44)</b>	<b>(45)</b>	<b>(350)</b>	<b>-</b>
<b>Net income (loss)</b>	<b>(7,662)</b>	<b>(4,229)</b>	<b>(8,007)</b>	<b>(7,926)</b>	<b>(7,036)</b>	<b>(2,519)</b>	<b>(1,228)</b>	<b>(85)</b>	<b>(73)</b>	<b>(65)</b>	<b>(74)</b>	<b>(1,525)</b>	<b>(610)</b>

**Nassau Health Care Corporation and Subsidiaries**  
**Budgeted Revenue & Expenses**  
**A. Holly Patterson Extended Care Facility**  
**For the twelve months ended 12/31/08**  
(In Thousands)

	2008 Budgeted												2008	Projected	Audited
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	FYE 12/31/2007	FYE 12/31/2006
<b>Operating Revenues:</b>															
Net patient service revenue	4,705	4,425	4,705	4,564	4,705	4,565	4,767	4,767	4,627	4,768	4,627	4,768	55,993	52,731	50,306
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	576	1,150
Nassau County Billings	46	46	46	46	46	46	46	46	46	46	46	47	553	527	576
Historical Mission Payments	234	234	234	234	234	234	234	234	234	234	234	234	2,808	2,808	2,808
Federal & State Aid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	3	3	3	3	3	3	3	3	3	3	3	3	36	29	28
<b>Total operating revenue</b>	<b>4,988</b>	<b>4,708</b>	<b>4,988</b>	<b>4,847</b>	<b>4,988</b>	<b>4,848</b>	<b>5,050</b>	<b>5,050</b>	<b>4,910</b>	<b>5,051</b>	<b>4,910</b>	<b>5,052</b>	<b>59,390</b>	<b>56,671</b>	<b>54,950</b>
<b>Operating Expenses:</b>															
Salaries	2,751	2,580	2,551	2,466	2,651	2,466	2,651	2,551	2,566	2,651	2,766	2,654	31,304	29,509	30,755
Fringe Benefits	1,101	1,033	1,022	981	1,054	981	1,051	1,010	1,015	1,048	1,091	1,044	12,431	12,900	11,532
Supplies	304	285	304	294	304	294	304	304	294	304	294	306	3,591	3,535	3,282
Expenses	492	459	491	475	491	475	491	491	475	491	475	486	5,792	5,207	5,185
Utilities	176	165	176	170	176	170	176	176	170	176	170	176	2,077	1,960	1,658
Depreciation Expense	100	100	100	100	100	100	100	100	100	100	100	100	1,200	1,170	1,239
Interest & Amortization	279	279	279	279	279	279	279	279	280	280	280	280	3,352	3,348	2,696
Bad Debt Expense	72	68	72	70	72	70	72	72	70	72	70	72	852	817	710
<b>Total operating expenses</b>	<b>5,275</b>	<b>4,969</b>	<b>4,995</b>	<b>4,835</b>	<b>5,127</b>	<b>4,835</b>	<b>5,124</b>	<b>4,983</b>	<b>4,970</b>	<b>5,122</b>	<b>5,246</b>	<b>5,118</b>	<b>60,599</b>	<b>58,446</b>	<b>57,057</b>
<b>Gain (Loss) From Operations</b>	<b>(287)</b>	<b>(261)</b>	<b>(7)</b>	<b>12</b>	<b>(139)</b>	<b>13</b>	<b>(74)</b>	<b>67</b>	<b>(60)</b>	<b>(71)</b>	<b>(336)</b>	<b>(66)</b>	<b>(1,209)</b>	<b>(1,775)</b>	<b>(2,107)</b>
<b>NonOperating Revenues:</b>															
Investment Income	50	50	50	50	50	50	50	50	50	50	50	49	599	600	129
<b>Net income (loss) before Other</b>	<b>(237)</b>	<b>(211)</b>	<b>43</b>	<b>62</b>	<b>(89)</b>	<b>63</b>	<b>(24)</b>	<b>117</b>	<b>(10)</b>	<b>(21)</b>	<b>(286)</b>	<b>(17)</b>	<b>(610)</b>	<b>(1,175)</b>	<b>(1,978)</b>
<b>Other Operating Items:</b>															
Post Employment Benefits (OPEB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating/Derivatives	44	44	44	44	44	44	44	45	45	45	45	45	533	187	-
Amortization of Refunding Loss	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(45)	(45)	(45)	(45)	(45)	(533)	(537)	(541)
<b>Total Other Operating Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(350)</b>	<b>(541)</b>
<b>Net income (loss)</b>	<b>(237)</b>	<b>(211)</b>	<b>43</b>	<b>62</b>	<b>(89)</b>	<b>63</b>	<b>(24)</b>	<b>117</b>	<b>(10)</b>	<b>(21)</b>	<b>(286)</b>	<b>(17)</b>	<b>(610)</b>	<b>(1,525)</b>	<b>(2,519)</b>

**Nassau Health Care Corporation and Subsidiaries**

**Key Operating Statistics**

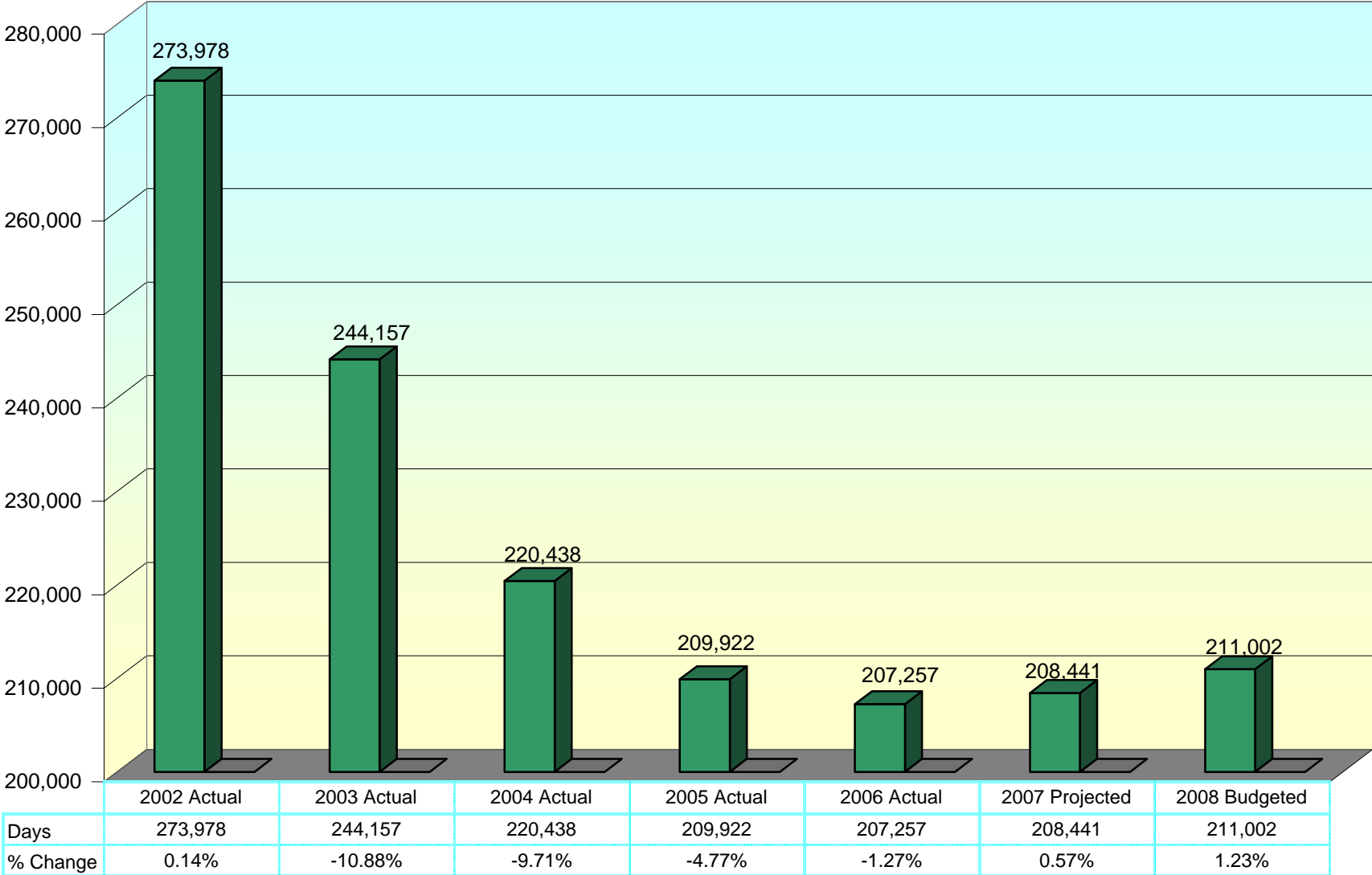
**A. Holly Patterson Extended Care Facility**

For the twelve months ended 12/31/08

(In Thousands)

	2000	2001	2002	2003	2004	2005	2006	8/2007	2007	2008														
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Budgeted</u>														
										<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>		
<b><u>PATIENT DAYS:</u></b>																								
Geriatrics	292,084	260,482	261,057	230,618	207,442	198,461	195,100	129,542	195,776	16,741	15,660	16,741	16,199	16,741	16,199	16,741	16,741	16,199	16,741	16,199	16,741	16,741	197,643	
HIV	7,253	6,784	7,160	7,286	7,277	7,270	7,300	4,860	7,300	620	580	620	600	620	600	620	620	600	620	600	620	600	620	7,320
Ventilator	6,897	6,330	5,761	6,253	5,719	4,191	4,857	3,545	5,365	464	435	464	450	464	450	558	558	540	558	540	558	540	558	6,039
Total	306,234	273,596	273,978	244,157	220,438	209,922	207,257	137,947	208,441	17,825	16,675	17,825	17,249	17,825	17,249	17,919	17,919	17,339	17,919	17,339	17,919	17,919	211,002	
<b><u>Average Daily Census</u></b>																								
Geriatrics	798.0	713.6	715.2	631.8	566.8	543.7	534.5	533.1	536.4	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0
HIV	19.8	18.6	19.6	20.0	19.9	19.9	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Ventilator	18.8	17.3	15.8	17.1	15.6	11.5	13.3	14.6	14.7	15.0	15.0	15.0	15.0	15.0	15.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	16.5
Total	836.6	749.5	750.6	668.9	602.3	575.1	567.8	567.7	571.1	575.0	575.0	575.0	575.0	575.0	575.0	578.0	578.0	578.0	578.0	578.0	578.0	578.0	578.0	576.5
<b><u>PERCENT OCCUPANCY:</u></b>																								
Geriatrics	94.0%	84.1%	84.2%	74.4%	66.8%	64.0%	63.0%	97.1%	97.7%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%
HIV	99.1%	92.9%	98.1%	99.8%	99.4%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Ventilator	94.2%	86.7%	78.9%	85.7%	78.1%	57.4%	66.5%	72.9%	73.5%	74.8%	75.0%	74.8%	75.0%	74.8%	75.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	82.5%
Total	94.1%	84.3%	84.4%	75.2%	67.7%	64.7%	63.9%	96.4%	97.0%	97.6%	97.6%	97.6%	97.6%	97.6%	97.6%	98.1%	98.1%	98.1%	98.1%	98.1%	98.1%	98.1%	98.1%	97.9%
<b><u>LABOR STATISTICS:</u></b>																								
Full-Time Equivalent (FTE) Total	1,006.3	986.3	884.1	813.8	642.2	634.0	606.8	607.4	608.0	614.1	614.1	614.1	614.1	614.1	614.1	614.1	614.1	614.1	614.1	614.1	614.1	614.1	614.1	614.1
Labor Cost Per Man Hour	27.48	28.14	32.72	31.72	38.64	37.38	38.15	38.25	38.33	40.54	40.65	37.60	37.49	38.99	37.49	38.96	37.48	38.94	38.93	41.94	38.92	38.98	38.98	
FTE's Per Occupied Bed	1.20	1.32	1.18	1.22	1.07	1.10	1.07	1.07	1.06	1.07	1.07	1.07	1.07	1.07	1.07	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.07
Payroll as a % of Patient Revenue	84.89%	93.12%	92.89%	94.68%	96.53%	92.41%	84.06%	80.54%	80.43%	81.87%	81.65%	75.94%	75.53%	78.75%	75.51%	77.66%	74.70%	77.39%	77.58%	83.36%	77.56%	77.56%	78.11%	
Overtime as a % of Payroll	7.98%	5.56%	4.08%	3.53%	0.90%	1.49%	2.78%	2.66%	2.84%	2.33%	2.32%	2.51%	2.52%	2.42%	2.52%	2.42%	2.52%	2.42%	2.43%	2.25%	2.43%	2.43%	2.42%	
<b><u>CREDIT AND COLLECTION STATISTICS:</u></b>																								
Bad Debts as a % of Patient Revenue	2.47%	1.47%	4.63%	0.80%	0.74%	0.82%	1.41%	1.55%	1.55%	1.53%	1.54%	1.53%	1.53%	1.53%	1.53%	1.51%	1.51%	1.51%	1.51%	1.51%	1.51%	1.51%	1.52%	

### A. Holly Patterson Extended Care Facility - Resident days



**Nassau Health Care Corporation and Subsidiaries**

**Projected Revenue & Expenses**

**Community Health Centers**

**Comparative**

(In Thousands)

	<u>Audited FYE 12/31/2001</u>	<u>Audited FYE 12/31/2002</u>	<u>Audited FYE 12/31/2003</u>	<u>Audited FYE 12/31/2004</u>	<u>Audited FYE 12/31/2005</u>	<u>Audited FYE 12/31/2006</u>	<u>Actual YTD 08/31/2007</u>	<u>2007 Actual SEPT</u>	<u>2007 Projected OCT</u>	<u>2007 Projected NOV</u>	<u>2007 Projected DEC</u>	<u>Projected FYE 12/31/2007</u>	<u>Budgeted FYE 12/30/2008</u>
<b>Operating Revenues:</b>													
Net patient service revenue	8,153	7,710	7,040	3,470	8,094	8,908	5,440	573	662	594	592	7,861	7,971
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	-	-	-	-	-	-	-
Historical Mission Payments	5,000	5,000	5,000	5,000	5,000	5,000	3,335	416	417	416	416	5,000	5,000
Federal & State Aid	1,901	1,404	1,724	1,615	2,005	1,620	1,176	147	147	147	147	1,764	1,758
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1	-	1	1	1	-	-	-	-	-	-	-	-
<b>Total operating revenue</b>	<b>15,055</b>	<b>14,114</b>	<b>13,765</b>	<b>10,086</b>	<b>15,100</b>	<b>15,528</b>	<b>9,951</b>	<b>1,136</b>	<b>1,226</b>	<b>1,157</b>	<b>1,155</b>	<b>14,625</b>	<b>14,729</b>
<b>Operating Expenses:</b>													
Salaries	7,763	8,292	7,512	6,476	8,890	8,830	4,965	643	664	643	664	7,579	7,882
Fringe Benefits	1,535	1,823	1,984	2,309	2,954	2,903	1,689	217	224	217	224	2,571	2,742
Supplies	363	268	1,433	262	330	336	313	26	27	26	27	419	302
Expenses	3,499	1,724	1,816	2,270	1,876	2,013	1,568	178	184	178	184	2,292	2,763
Utilities	107	175	116	149	176	254	194	23	24	25	26	292	282
Depreciation Expense	104	106	91	76	72	40	64	6	6	6	6	88	84
Interest & Amortization	373	378	378	398	322	328	289	36	36	36	36	433	437
Bad Debt Expense	1,554	2,548	1,739	1,851	379	2,376	1,670	184	221	192	192	2,459	2,529
<b>Total operating expenses</b>	<b>15,298</b>	<b>15,314</b>	<b>15,069</b>	<b>13,791</b>	<b>14,999</b>	<b>17,080</b>	<b>10,752</b>	<b>1,313</b>	<b>1,386</b>	<b>1,323</b>	<b>1,359</b>	<b>16,133</b>	<b>17,021</b>
<b>Gain (Loss) From Operations</b>	<b>(243)</b>	<b>(1,200)</b>	<b>(1,304)</b>	<b>(3,705)</b>	<b>101</b>	<b>(1,552)</b>	<b>(801)</b>	<b>(177)</b>	<b>(160)</b>	<b>(166)</b>	<b>(204)</b>	<b>(1,508)</b>	<b>(2,292)</b>
<b>NonOperating Revenues:</b>													
Investment Income	315	147	78	128	36	82	54	6	6	6	6	78	78
<b>Net income (loss) before Other</b>	<b>72</b>	<b>(1,053)</b>	<b>(1,226)</b>	<b>(3,577)</b>	<b>137</b>	<b>(1,470)</b>	<b>(747)</b>	<b>(171)</b>	<b>(154)</b>	<b>(160)</b>	<b>(198)</b>	<b>(1,430)</b>	<b>(2,214)</b>
<b>Other Operating Items:</b>													
Post Employment Benefits (OPEB)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating/Derivatives	-	-	(1,132)	(112)	45	105	26	-	-	-	-	26	69
Amortization of Refunding Loss	-	-	-	(30)	(71)	(71)	(48)	(6)	(6)	(5)	(5)	(70)	(69)
<b>Total Other Operating Items</b>	<b>-</b>	<b>-</b>	<b>(1,132)</b>	<b>(142)</b>	<b>(26)</b>	<b>34</b>	<b>(22)</b>	<b>(6)</b>	<b>(6)</b>	<b>(5)</b>	<b>(5)</b>	<b>(44)</b>	<b>-</b>
<b>Net income (loss)</b>	<b>72</b>	<b>(1,053)</b>	<b>(2,358)</b>	<b>(3,719)</b>	<b>111</b>	<b>(1,436)</b>	<b>(769)</b>	<b>(177)</b>	<b>(160)</b>	<b>(165)</b>	<b>(203)</b>	<b>(1,474)</b>	<b>(2,214)</b>

**Nassau Health Care Corporation and Subsidiaries**  
**Budgeted Revenue & Expenses**  
**Community Health Centers**  
**For the twelve months ended 12/31/08**  
(In Thousands)

	2008 Budgeted												2008	Projected FYE	Audited FYE
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	12/31/2007	12/31/2006
<b>Operating Revenues:</b>															
Net patient service revenue	670	644	668	690	669	664	659	659	668	715	575	690	7,971	7,861	8,908
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historical Mission Payments	417	417	417	417	417	417	417	417	416	416	416	416	5,000	5,000	5,000
Federal & State Aid	147	147	147	147	147	147	147	147	147	147	147	147	1,758	1,764	1,620
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating revenue</b>	<b>1,234</b>	<b>1,208</b>	<b>1,232</b>	<b>1,254</b>	<b>1,233</b>	<b>1,228</b>	<b>1,223</b>	<b>1,223</b>	<b>1,231</b>	<b>1,278</b>	<b>1,138</b>	<b>1,253</b>	<b>14,729</b>	<b>14,625</b>	<b>15,528</b>
<b>Operating Expenses:</b>															
Salaries	668	625	668	646	668	646	668	668	646	668	646	665	7,882	7,579	8,830
Fringe Benefits	239	224	238	229	235	226	234	233	222	226	216	220	2,742	2,571	2,903
Supplies	26	24	26	25	26	25	26	26	25	26	25	22	302	419	336
Expenses	235	220	234	226	234	226	234	234	226	234	226	234	2,763	2,292	2,013
Utilities	24	22	24	23	24	23	24	24	23	24	23	24	282	292	254
Depreciation Expense	7	7	7	7	7	7	7	7	7	7	7	7	84	88	40
Interest & Amortization	36	36	36	36	36	36	36	37	37	37	37	37	437	433	328
Bad Debt Expense	213	202	212	221	213	211	209	209	212	232	174	221	2,529	2,459	2,376
<b>Total operating expenses</b>	<b>1,448</b>	<b>1,360</b>	<b>1,445</b>	<b>1,413</b>	<b>1,443</b>	<b>1,400</b>	<b>1,438</b>	<b>1,438</b>	<b>1,398</b>	<b>1,454</b>	<b>1,354</b>	<b>1,430</b>	<b>17,021</b>	<b>16,133</b>	<b>17,080</b>
<b>Gain (Loss) From Operations</b>	<b>(215)</b>	<b>(153)</b>	<b>(214)</b>	<b>(160)</b>	<b>(211)</b>	<b>(173)</b>	<b>(216)</b>	<b>(216)</b>	<b>(168)</b>	<b>(177)</b>	<b>(217)</b>	<b>(178)</b>	<b>(2,292)</b>	<b>(1,508)</b>	<b>(1,552)</b>
<b>NonOperating Revenues:</b>															
Investment Income	7	7	7	7	7	7	7	7	7	7	7	7	78	78	82
<b>Net income (loss) before Other</b>	<b>(208)</b>	<b>(146)</b>	<b>(207)</b>	<b>(153)</b>	<b>(204)</b>	<b>(166)</b>	<b>(209)</b>	<b>(209)</b>	<b>(161)</b>	<b>(170)</b>	<b>(210)</b>	<b>(171)</b>	<b>(2,214)</b>	<b>(1,430)</b>	<b>(1,470)</b>
<b>Other Operating Items:</b>															
Post Employment Benefits (OPEB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating/Derivatives	6	6	6	6	6	6	6	6	6	5	5	5	69	26	105
Amortization of Refunding Loss	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(5)	(5)	(5)	(69)	(70)	(71)
<b>Total Other Operating Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(44)</b>	<b>34</b>
<b>Net income (loss)</b>	<b>(208)</b>	<b>(146)</b>	<b>(207)</b>	<b>(153)</b>	<b>(204)</b>	<b>(166)</b>	<b>(209)</b>	<b>(209)</b>	<b>(161)</b>	<b>(170)</b>	<b>(210)</b>	<b>(171)</b>	<b>(2,214)</b>	<b>(1,474)</b>	<b>(1,436)</b>

**Nassau Health Care Corporation and Subsidiaries**  
**Key Operating Statistics**  
**Community Health Centers**  
**For the twelve months ended 12/31/08**

	2002	2003	2004	2005	2006	8/2007	2007	2008													
								Budgeted													
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>	
<b><u>AMBULATORY VISITS</u></b>																					
Elmont	11,393	10,773	8,510	9,261	8,924	5,886	8,832	745	708	745	780	744	745	745	745	744	816	603	780	8,900	
Freeport	13,761	11,647	11,955	15,035	15,704	11,410	17,124	1,439	1,371	1,439	1,508	1,439	1,439	1,439	1,439	1,438	1,576	1,165	1,508	17,200	
Hempstead	9,957	13,890	13,790	18,644	18,228	11,729	17,039	1,422	1,355	1,423	1,490	1,422	1,422	1,422	1,422	1,423	1,558	1,151	1,490	17,000	
Inwood	4,220	3,485	1,823	2,173	2,473	1,808	2,542	213	203	213	224	213	213	213	213	213	234	174	224	2,550	
Long Beach	942	1,061	408	761	630	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	
New Cassel	16,123	14,807	13,882	18,247	18,388	14,409	21,016	1,765	1,681	1,765	1,850	1,765	1,765	1,766	1,765	1,766	1,933	1,430	1,849	21,100	
Roosevelt	584	478	602	954	1,068	744	1,221	145	111	125	105	141	83	24	26	127	135	122	106	1,250	
Topic House	298	55	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	57,278	56,196	50,970	65,075	65,415	45,987	67,775	5,729	5,429	5,710	5,957	5,724	5,667	5,609	5,610	5,711	6,252	4,645	5,957	68,000	
<b><u>LABOR STATISTICS:</u></b>																					
Full-Time Equivalent (FTE) Total	135.0	128.4	96.6	103.7	94.9	98.8	103.9	109.7	109.7	109.7	109.7	109.7	109.7	109.7	109.7	109.7	109.7	109.7	109.7	109.7	
Labor Cost Per Man Hour	41.00	40.47	49.59	62.27	67.40	55.58	53.65	53.42	53.46	53.36	53.26	53.19	53.07	53.13	53.07	52.83	52.66	52.46	52.13	53.00	
Payroll as a % of Patient Revenue	131.19%	134.89%	253.17%	146.33%	131.71%	122.32%	129.12%	135.37%	131.83%	135.63%	126.81%	134.98%	131.33%	136.87%	136.72%	129.94%	125.03%	149.91%	128.26%	133.28%	
Overtime as a % of Payroll	0.21%	0.74%	1.27%	1.08%	0.83%	1.43%	1.66%	0.84%	0.84%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.86%	0.86%	0.87%	0.85%	
<b><u>CREDIT AND COLLECTION STATISTICS:</u></b>																					
Bad Debts as a % of Patient Revenue	33.05%	24.70%	53.34%	4.68%	26.67%	30.70%	31.28%	31.79%	31.37%	31.74%	32.03%	31.84%	31.78%	31.71%	31.71%	31.74%	32.45%	30.26%	32.03%	31.73%	

**Nassau Health Care Corporation and Subsidiaries**

**Projected Revenue & Expenses**

**Physician Faculty Practice Plan**

**Comparative**

(In Thousands)

	<u>Audited FYE 12/31/2001</u>	<u>Audited FYE 12/31/2002</u>	<u>Audited FYE 12/31/2003</u>	<u>Audited FYE 12/31/2004</u>	<u>Audited FYE 12/31/2005</u>	<u>Audited FYE 12/31/2006</u>	<u>Actual YTD 08/31/2007</u>	<u>2007 Actual SEPT</u>	<u>2007 Projected OCT</u>	<u>2007 Projected NOV</u>	<u>2007 Projected DEC</u>	<u>Projected FYE 12/31/2007</u>	<u>Budgeted FYE 12/30/2008</u>
<b>Operating Revenues:</b>													
Net patient service revenue	16,635	19,852	13,572	14,427	18,591	18,188	12,233	1,406	1,406	1,406	1,406	17,857	17,000
NYS Intergovernmental transfer												-	-
Nassau County Billings												-	-
Historical Mission Payments												-	-
Federal & State Aid												-	-
Practice Plan Revenue	(2,235)	(9,942)	(3,762)	(5,708)	(8,780)	(8,115)	(4,382)	(552)	(552)	(552)	(552)	(6,590)	(6,588)
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating revenue</b>	<b>14,400</b>	<b>9,910</b>	<b>9,810</b>	<b>8,719</b>	<b>9,811</b>	<b>10,073</b>	<b>7,851</b>	<b>854</b>	<b>854</b>	<b>854</b>	<b>854</b>	<b>11,267</b>	<b>10,412</b>
<b>Operating Expenses:</b>													
Salaries	12,756	7,858	7,967	6,466	7,876	7,995	6,051	655	655	655	655	8,671	8,020
Fringe Benefits	387	137	301	259	281	261	605	64	64	64	64	861	790
Supplies												-	-
Expenses	1,754	2,120	1,738	2,136	1,804	1,952	1,297	151	151	151	151	1,901	1,766
Utilities												-	-
Depreciation Expense												-	-
Interest & Amortization												-	-
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>14,897</b>	<b>10,115</b>	<b>10,006</b>	<b>8,861</b>	<b>9,961</b>	<b>10,208</b>	<b>7,953</b>	<b>870</b>	<b>870</b>	<b>870</b>	<b>870</b>	<b>11,433</b>	<b>10,576</b>
<b>Gain (Loss) From Operations</b>	<b>(497)</b>	<b>(205)</b>	<b>(196)</b>	<b>(142)</b>	<b>(150)</b>	<b>(135)</b>	<b>(102)</b>	<b>(16)</b>	<b>(16)</b>	<b>(16)</b>	<b>(16)</b>	<b>(166)</b>	<b>(164)</b>
<b>NonOperating Revenues:</b>													
Investment Income	497	205	196	142	150	135	102	16	16	16	16	166	164
<b>Net income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Nassau Health Care Corporation and Subsidiaries**

**Budgeted Revenue & Expenses**

**Physician Faculty Practice Plan**

For the twelve months ended 12/31/08

(In Thousands)

	2008 Budgeted												2008	Projected FYE	Audited FYE
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	12/31/2007	12/31/2006
<b>Operating Revenues:</b>															
Net patient service revenue	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,416	1,416	1,416	1,416	17,000	17,857	18,188
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historical Mission Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal & State Aid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Practice Plan Revenue	(549)	(549)	(549)	(549)	(549)	(549)	(549)	(549)	(549)	(549)	(549)	(549)	(6,588)	(6,590)	(8,115)
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating revenue</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>867</b>	<b>867</b>	<b>867</b>	<b>867</b>	<b>10,412</b>	<b>11,267</b>	<b>10,073</b>
<b>Operating Expenses:</b>															
Salaries	668	668	668	668	668	668	668	668	669	669	669	669	8,020	8,671	7,995
Fringe Benefits	66	66	66	66	66	66	66	66	66	66	65	65	790	861	261
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses	147	147	147	147	147	147	147	147	147	147	148	148	1,766	1,901	1,952
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>881</b>	<b>881</b>	<b>881</b>	<b>881</b>	<b>881</b>	<b>881</b>	<b>881</b>	<b>881</b>	<b>882</b>	<b>882</b>	<b>882</b>	<b>882</b>	<b>10,576</b>	<b>11,433</b>	<b>10,208</b>
<b>Gain (Loss) From Operations</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(164)</b>	<b>(166)</b>	<b>(135)</b>
<b>NonOperating Revenues:</b>															
Investment Income	13	13	13	13	13	13	13	13	15	15	15	15	164	166	135
<b>Net income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Nassau Health Care Corporation and Subsidiaries**

**Projected Revenue & Expenses**

**Nassau Health Care Corp, LTD.**

**Comparative**

(In Thousands)

	<u>Audited FYE 12/31/2001</u>	<u>Audited FYE 12/31/2002</u>	<u>Audited FYE 12/31/2003</u>	<u>Audited FYE 12/31/2004</u>	<u>Audited FYE 12/31/2005</u>	<u>Audited FYE 12/31/2006</u>	<u>Actual YTD 08/31/2007</u>	<u>2007 Actual SEPT</u>	<u>2007 Projected OCT</u>	<u>2007 Projected NOV</u>	<u>2007 Projected DEC</u>	<u>Projected FYE 12/31/2007</u>	<u>Budgeted FYE 12/30/2008</u>
<b>Operating Revenues:</b>													
Net patient service revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	-	-	-	-	-	-	-
Historical Mission Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal & State Aid	-	-	-	-	-	-	-	-	-	-	-	-	-
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	5,873	8,078	8,281	8,251	8,035	7,429	4,768	596	596	596	596	7,152	9,400
<b>Total operating revenue</b>	<b>5,873</b>	<b>8,078</b>	<b>8,281</b>	<b>8,251</b>	<b>8,035</b>	<b>7,429</b>	<b>4,768</b>	<b>596</b>	<b>596</b>	<b>596</b>	<b>596</b>	<b>7,152</b>	<b>9,400</b>
<b>Operating Expenses:</b>													
Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses	5,973	9,308	7,671	9,675	9,667	17,718	5,600	700	700	700	700	8,400	9,400
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>5,973</b>	<b>9,308</b>	<b>7,671</b>	<b>9,675</b>	<b>9,667</b>	<b>17,718</b>	<b>5,600</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>8,400</b>	<b>9,400</b>
<b>Gain (Loss) From Operations</b>	<b>(100)</b>	<b>(1,230)</b>	<b>610</b>	<b>(1,424)</b>	<b>(1,632)</b>	<b>(10,289)</b>	<b>(832)</b>	<b>(104)</b>	<b>(104)</b>	<b>(104)</b>	<b>(104)</b>	<b>(1,248)</b>	<b>-</b>
<b>NonOperating Revenues:</b>													
Investment Income	251	222	160	269	684	1,241	832	104	104	104	104	1,248	2,185
<b>Net income (loss)</b>	<b>151</b>	<b>(1,008)</b>	<b>770</b>	<b>(1,155)</b>	<b>(948)</b>	<b>(9,048)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,185</b>

**Nassau Health Care Corporation and Subsidiaries**

**Budgeted Revenue & Expenses**

**Nassau Health Care Corp, LTD.**

**For the twelve months ended 12/31/08**

(In Thousands)

	2008 Budgeted												2008	Projected	Audited
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	FYE 12/31/2007	FYE 12/31/2006
<b>Operating Revenues:</b>															
Net patient service revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historical Mission Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal & State Aid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	783	783	783	783	783	783	783	783	784	784	784	784	9,400	7,152	7,429
<b>Total operating revenue</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>784</b>	<b>784</b>	<b>784</b>	<b>784</b>	<b>9,400</b>	<b>7,152</b>	<b>7,429</b>
<b>Operating Expenses:</b>															
Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses	783	783	783	783	783	783	783	783	784	784	784	784	9,400	8,400	17,718
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>784</b>	<b>784</b>	<b>784</b>	<b>784</b>	<b>9,400</b>	<b>8,400</b>	<b>17,718</b>
<b>Gain (Loss) From Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,248)</b>	<b>(10,289)</b>
<b>NonOperating Revenues:</b>															
Investment Income	182	182	182	182	182	182	182	182	182	182	182	183	2,185	1,248	1,241
<b>Net income (loss)</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>183</b>	<b>2,185</b>	<b>-</b>	<b>(9,048)</b>

