NASSAU HEALTH CARE CORPORATION
& SUBSIDIARIES

OPERATING BUDGET

FISCAL YEAR ENDED DECEMBER 31, 2017
The proposed operating budget for 2017 is a comprehensive plan to improve the financial position of the Hospital and ensure long term stability. The budget includes reductions to, among other items: salaries and related fringe benefits, clinical support contracts, contract labor, and supplies and expenses. These reductions are necessitated by the projected growth of the 2016 salaries in 2017. The 2016 consolidated salaries are projected to be $249.0 million; however, in 2017 the salary and fringe benefit expense would have been $29.6 million greater, absent the reduction initiatives contained in this Proposed Budget. Other major items contributing to the need for expense reductions are: the loss of the Mission Payment ($13 million), increased debt service costs ($9 million) and unfunded state grants ($16 million). To balance the 2017 budget, NHCC expenses, mostly associated with temporary personnel and contracts for other outsourced services will be significantly reduced. As well, staffing matrices will be adjusted down to reflect appropriate levels. Revenue cycle enhancements constitute a small portion of the overall improvement plan. Details of both Revenue improvements and expense reductions follow.

Net Patient Service Revenue (NPSR) is budgeted at $405.7 million, an increase of $9.6 million from the 2016 projections. The increase is primarily driven by improved billing and collection efforts, recovery of some accounts denied by insurers, an increase in general clinic volumes and an increase to Medicaid Disproportionate Share (“DSH”) funding. Except for the general clinics, outpatient activity is expected to be flat compared to 2016. Clinic visits are expected to increase by 7,000, which is an increase of approximately 4.4%. The increase is attributed to organizational changes and the new clinic space.

The operating budget includes $10 million of grant funding from the program known as VBP-QIP. This program is currently on hold until an indemnification issue is resolved between the City of New
York and New York State. It is likely that a resolution will be forthcoming in early January. Two other grants, Care Restructuring Enhancement Pilots Program (CREP), and Essential Hospital-Debt Relief, at $16 million and $14 million respectively, have not been included in the 2017 budget. The CREP award has not been finalized between the New York State Department of Health (NYS DOH) and the Centers for Medicare and Medicaid Services (CMS). The Essential Hospital Grant-Debt Relief, although awarded last year, and applied for in 2017 and 2018, is at best questionable.

The 2017 budget will be an ongoing process. Management will be continually monitoring the assumptions contained in the budget to ensure the success of various initiatives, and 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 presented in this budget will be subject to continuous review and evaluation as needs dictate. The variances that do occur will be managed.
Revenue Assumptions

The budget assumes that 2017 inpatient volumes - discharges, patient days and length of stay will be relatively unchanged from 2016. The table below outlines historical discharge data:

<table>
<thead>
<tr>
<th>Year</th>
<th>Discharge Volumes</th>
<th>% Change from Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Budget</td>
<td>20,553</td>
<td>-0.37%</td>
</tr>
<tr>
<td>2016</td>
<td>20,629</td>
<td>-0.26%</td>
</tr>
<tr>
<td>2015</td>
<td>20,683</td>
<td>-0.23%</td>
</tr>
<tr>
<td>2014</td>
<td>20,730</td>
<td>-1.67%</td>
</tr>
<tr>
<td>2013</td>
<td>21,082</td>
<td>-5.66%</td>
</tr>
<tr>
<td>2012</td>
<td>22,347</td>
<td>-7.30%</td>
</tr>
<tr>
<td>2011</td>
<td>24,108</td>
<td>3.47%</td>
</tr>
<tr>
<td>2010</td>
<td>23,299</td>
<td>-2.36%</td>
</tr>
<tr>
<td>2009</td>
<td>23,861</td>
<td>0.09%</td>
</tr>
</tbody>
</table>

Outpatient clinic volumes are budgeted with small increases considering that activity in 2016 has not achieved expected goals. The new primary care space is expected to drive the volume increases. The Ambulatory Surgical Unit is expected to show a modest increase over 2016, which showed a decrease of 11% (603 visits) compared to 2015 actual. The 2017 Emergency Room visits are flat to 2016.

Overall, total operating revenues are expected to increase $10.0 million, due to a projected increase in DSH funding of $8.0 and a modest increase in Net Patient Service Revenue of $2.0 million.
### Summary by Service

<table>
<thead>
<tr>
<th>Service</th>
<th>2017 Budget Discharges</th>
<th>2017 Budget Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult &amp; Peds</td>
<td>14,839</td>
<td>182,299,053</td>
</tr>
<tr>
<td>Newborn</td>
<td>1,366</td>
<td>8,821,861</td>
</tr>
<tr>
<td>Detox</td>
<td>1,174</td>
<td>4,195,649</td>
</tr>
<tr>
<td>Residential Rehab</td>
<td>274</td>
<td>3,140,800</td>
</tr>
<tr>
<td>Psyh</td>
<td>2,432</td>
<td>28,923,100</td>
</tr>
<tr>
<td>Rehab</td>
<td>468</td>
<td>12,090,610</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20,553</strong></td>
<td><strong>$239,471,074</strong></td>
</tr>
</tbody>
</table>

### Summary by Payer

<table>
<thead>
<tr>
<th>Payer</th>
<th>2017 Budget Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDICARE</td>
<td>78,639,551</td>
</tr>
<tr>
<td>BLUE CROSS</td>
<td>12,298,362</td>
</tr>
<tr>
<td>MEDICAID</td>
<td>35,955,512</td>
</tr>
<tr>
<td>WORKERS COMP</td>
<td>1,746,097</td>
</tr>
<tr>
<td>SELF PAY</td>
<td>10,220,177</td>
</tr>
<tr>
<td>COMMERCIAL INS.</td>
<td>2,286,216</td>
</tr>
<tr>
<td>NO-FAULT</td>
<td>10,537,765</td>
</tr>
<tr>
<td>HMO MEDICARE</td>
<td>21,740,580</td>
</tr>
<tr>
<td>HMO-COMMERCIAL</td>
<td>20,398,428</td>
</tr>
<tr>
<td>HMO-MEDICAID</td>
<td>45,648,385</td>
</tr>
<tr>
<td>HMO-BX</td>
<td>-</td>
</tr>
<tr>
<td>PRISON</td>
<td>-</td>
</tr>
<tr>
<td>COUNTY</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$239,471,074</strong></td>
</tr>
</tbody>
</table>

### Summary by Service

<table>
<thead>
<tr>
<th>Service</th>
<th>2017 Budget Visits</th>
<th>2017 Budget Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amb Surg</td>
<td>4,839</td>
<td>11,261,577</td>
</tr>
<tr>
<td>Ambulance</td>
<td>-</td>
<td>653,257</td>
</tr>
<tr>
<td>Dental Clinic</td>
<td>7,294</td>
<td>438,703</td>
</tr>
<tr>
<td>Dialysis</td>
<td>23,540</td>
<td>4,183,274</td>
</tr>
<tr>
<td>ER</td>
<td>72,641</td>
<td>47,301,212</td>
</tr>
<tr>
<td>General Clinic</td>
<td>160,438</td>
<td>27,225,065</td>
</tr>
<tr>
<td>Mental Health</td>
<td>13,685</td>
<td>1,837,449</td>
</tr>
<tr>
<td>Ref Amb</td>
<td>5,514</td>
<td>6,551,739</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>287,951</strong></td>
<td><strong>$99,452,277</strong></td>
</tr>
</tbody>
</table>

### Summary by Payer

<table>
<thead>
<tr>
<th>Payer</th>
<th>2017 Budget Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDICARE</td>
<td>7,096,331</td>
</tr>
<tr>
<td>BLUE CROSS</td>
<td>5,472,618</td>
</tr>
<tr>
<td>MEDICAID</td>
<td>5,862,112</td>
</tr>
<tr>
<td>WORKERS COMP</td>
<td>332,604</td>
</tr>
<tr>
<td>SELF PAY</td>
<td>55,125,254</td>
</tr>
<tr>
<td>COMMERCIAL INS.</td>
<td>2,004,615</td>
</tr>
<tr>
<td>NO-FAULT</td>
<td>492,262</td>
</tr>
<tr>
<td>HMO MEDICARE</td>
<td>1,912,927</td>
</tr>
<tr>
<td>HMO-COMMERCIAL</td>
<td>5,579,988</td>
</tr>
<tr>
<td>HMO-MEDICAID</td>
<td>14,239,354</td>
</tr>
<tr>
<td>HMO-BX</td>
<td>Pending Medicaid</td>
</tr>
<tr>
<td>Other</td>
<td>1,215,873</td>
</tr>
<tr>
<td>PRISON</td>
<td>COUNTY</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$99,452,277</strong></td>
</tr>
</tbody>
</table>
Expense Assumptions

Salary and Fringe Benefits expense is budgeted at $315.2 million, a decrease of $2.2 million compared to 2016 projections. The reduction reflects reorganizations to a variety of departments (Obstetrics and Gynecology (Ob/Gyn), Pediatrics, and Rehabilitation), as well as reductions within the general and medical service areas across the hospital.

Supplies and expenses are budgeted to decrease by a net of $3.5 million from 2016 projections. The reduction is driven by reduced reliance on contracted labor, the reduction or elimination of certain clinical contracts and supply cost reduction.

Utilities are projected to increase $475,000.

Depreciation expense is budgeted based upon historical information with consideration given to the current and future capital expenditure requirements and is relatively unchanged.
FACILITY SPECIFIC ASSUMPTIONS

A. Holly Patterson Extended Care Facility

Revenue Assumption

Total operating revenue is budgeted to be $0.2 million less than projected 2016 due to a decrease in the Upper Payment Limit (“UPL”) of $5.4 million. Occupancy levels are budgeted at an average daily census (ADC) of 514 for 2017. This compares to an ADC of 515 experienced through the first 10 months of 2016. Net patient revenue is projected to increase by $5.2 million driven by improved case mix.

Expense Assumptions

Salary and Fringe Benefits are budgeted at $53.5 million, an increase of $2.3 million from the 2016 projected actual. Supplies, expenses and utilities are budgeted to increase by $1.4 million from the 2016 projected actual.

Physician Faculty Practice Plan

Revenue Assumption

Revenue for 2017 is budgeted to increase by $2.4 million, offset by increased expenses of $1.1 million.
SECTION TWO

OPERATING BUDGET

FISCAL YEAR ENDED DECEMBER 31, 2017

COMPARATIVE FINANCIAL STATEMENT PRESENTATION
Nassau Health Care Corporation and Subsidiaries
Projected Revenue & Expenses
Consolidated
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Audited FYE 12/31/2015</th>
<th>Projected FYE 12/31/2016</th>
<th>Budgeted FYE 12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net patient service revenue</td>
<td>$383,253</td>
<td>$396,104</td>
<td>$405,704</td>
</tr>
<tr>
<td><strong>Other Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NYS IGT (DSH &amp; UPL)</td>
<td>47,338</td>
<td>51,877</td>
<td>54,500</td>
</tr>
<tr>
<td>DSRIP/IAAF</td>
<td>21,174</td>
<td>30,866</td>
<td>29,899</td>
</tr>
<tr>
<td>Nassau County Billings</td>
<td>16,713</td>
<td>18,480</td>
<td>18,480</td>
</tr>
<tr>
<td>Federal &amp; State Aid</td>
<td>6,130</td>
<td>16,300</td>
<td>16,000</td>
</tr>
<tr>
<td>Practice Plan Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>30,073</td>
<td>33,992</td>
<td>33,965</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>504,681</td>
<td>547,619</td>
<td>558,548</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>244,962</td>
<td>249,037</td>
<td>253,966</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>109,513</td>
<td>130,558</td>
<td>126,797</td>
</tr>
<tr>
<td>Supplies</td>
<td>40,350</td>
<td>44,237</td>
<td>42,353</td>
</tr>
<tr>
<td>Expenses</td>
<td>97,337</td>
<td>98,858</td>
<td>98,532</td>
</tr>
<tr>
<td>Utilities</td>
<td>14,844</td>
<td>15,503</td>
<td>16,038</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>21,314</td>
<td>20,640</td>
<td>20,862</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>528,320</td>
<td>558,832</td>
<td>558,548</td>
</tr>
<tr>
<td><strong>Income (loss) before OPEB expenses</strong></td>
<td>(23,639)</td>
<td>(11,213)</td>
<td>-</td>
</tr>
<tr>
<td>Employee benefits - OPEB</td>
<td>(34,045)</td>
<td>(34,691)</td>
<td>(35,384)</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(57,684)</td>
<td>(45,904)</td>
<td>(35,384)</td>
</tr>
<tr>
<td><strong>Non-Operating Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>158</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(13,564)</td>
<td>(11,828)</td>
<td>(10,485)</td>
</tr>
<tr>
<td><strong>Total Non-Operating Activities</strong></td>
<td>(13,406)</td>
<td>(11,816)</td>
<td>(10,473)</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>6,250</td>
<td>13,578</td>
<td>-</td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td>$ (64,840)</td>
<td>$ (44,143)</td>
<td>$ (45,857)</td>
</tr>
</tbody>
</table>
### Nassau Health Care Corporation and Subsidiaries

#### Projected Revenue & Expenses

**Consolidated - By Location**  
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Nassau University Medical Center Budget 2017</th>
<th>A. Holly Patterson Extended Care Fac. Budget 2017</th>
<th>Physician Faculty Practice Plan Budget 2017</th>
<th>Nassau Health Care Corp, LTD. Total Budget 2017</th>
<th>Total Budget 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net patient service revenue</td>
<td>$316,119 $99</td>
<td>$59,417 $19</td>
<td>$30,168 $7</td>
<td>$ - $ -</td>
<td>$405,704 $100</td>
</tr>
<tr>
<td><strong>Other Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NYS IGT (DSH &amp; UPL)</td>
<td>47,500</td>
<td>7,000</td>
<td>-</td>
<td>-</td>
<td>54,500</td>
</tr>
<tr>
<td>DSRIP</td>
<td>29,899</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>29,899</td>
</tr>
<tr>
<td>Nassau County Billings</td>
<td>18,480</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18,480</td>
</tr>
<tr>
<td>Federal &amp; State Aid</td>
<td>16,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16,000</td>
</tr>
<tr>
<td>Practice Plan Revenue</td>
<td>16,468</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16,468</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>23,445</td>
<td>420</td>
<td>10,000</td>
<td>-</td>
<td>33,965</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>$467,911</td>
<td>$66,937</td>
<td>$13,700</td>
<td>$10,000</td>
<td>$558,548</td>
</tr>
</tbody>
</table>

| **Operating Expenses:** |                                             |                                               |                                             |                                               |                   |
| Salaries | 208,738 | 33,628 | 11,600 | - | 253,966 |
| Fringe Benefits | 106,456 | 19,840 | 500 | - | 126,797 |
| Supplies | 37,811 | 4,542 | - | - | 42,353 |
| Expenses | 80,140 | 6,792 | 1,600 | 10,000 | 98,532 |
| Utilities | 14,720 | 1,318 | - | - | 16,038 |
| Depreciation Expense | 20,046 | 816 | - | - | 20,862 |
| **Total Operating Expenses** | $467,911 | $66,937 | $13,700 | $10,000 | $558,548 |

| **Income (loss) before OPEB expenses** | (0) | 0 | - | - | - |
| Employee benefits - OPEB | (28,910) | (6,474) | - | - | (35,384) |
| **Operating loss** | (28,910) | (6,474) | - | - | (35,384) |

| **Non-Operating Activates** |                                             |                                               |                                             |                                               |                   |
| Interest Income | 12 | - | - | - | 12 |
| Interest Expense | (8,536) | (2,849) | - | 900 | (10,485) |
| **Total Non-Operating Activities** | (8,524) | (2,849) | - | 900 | (10,473) |

| Capital contributions | - | - | - | - | - |

| **Change in Net Position** | $37,434 | $(9,323) | $ - | $900 | $(45,857) |
Nassau Health Care Corporation and Subsidiaries
Projected Revenue & Expenses
Nassau University Medical Center
Comparative
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Audited FYE 12/31/2015</th>
<th>Projected FYE 12/31/2016</th>
<th>Budgeted FYE 12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net patient service revenue</td>
<td>$302,897</td>
<td>$314,200</td>
<td>$316,119</td>
</tr>
<tr>
<td><strong>Other Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NYS IGT (DSH)</td>
<td>39,320</td>
<td>39,500</td>
<td>47,500</td>
</tr>
<tr>
<td>DSRIP / IAAF</td>
<td>21,174</td>
<td>30,866</td>
<td>29,899</td>
</tr>
<tr>
<td>Nassau County Billings</td>
<td>16,713</td>
<td>18,480</td>
<td>18,480</td>
</tr>
<tr>
<td>Federal &amp; State Aid</td>
<td>6,130</td>
<td>16,300</td>
<td>16,000</td>
</tr>
<tr>
<td>Practice Plan Revenue</td>
<td>10,975</td>
<td>15,098</td>
<td>16,468</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>21,187</td>
<td>23,435</td>
<td>23,445</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>418,396</td>
<td>457,879</td>
<td>467,911</td>
</tr>
</tbody>
</table>

| **Operating Expenses:**  |                         |                          |                         |
| Salaries                 | 204,452                 | 207,267                  | 208,738                 |
| Fringe Benefits          | 92,312                  | 110,092                  | 106,456                 |
| Supplies                 | 36,461                  | 40,445                   | 37,811                  |
| Expenses                 | 102,244                 | 81,055                   | 80,140                  |
| Utilities                | 13,567                  | 14,245                   | 14,720                  |
| Depreciation Expense     | 20,462                  | 19,824                   | 20,046                  |
| **Total Operating Expenses** |                         |                          |                         |
|                           | 469,498                 | 472,928                  | 467,911                 |

| **Income (loss) before OPEB expenses** | (51,102) | (15,049) | (0) |
| **Employee benefits - OPEB** | (28,227) | (28,344) | (28,910) |
| **Operating loss** | (79,329) | (43,393) | (28,910) |

| **Non-Operating Activities** |                          |                          |                         |
| Interest Income             | 136                      | 11                       | 12                      |
| Interest Expense            | (12,590)                 | (9,877)                  | (8,536)                 |
| **Total Non-Operating Activities** | (12,454) | (9,866) | (8,524) |
| **Capital contributions**   | -                        | 13,578                   |                         |
| **Change in Net Position**  | $ (91,783)               | $ (39,681)               | $ (37,434)              |
Nassau Health Care Corporation and Subsidiaries
Projected Revenue & Expenses
A. Holly Patterson Extended Care Facility
Comparative
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Audited FYE 12/31/2015</th>
<th>Projected FYE 12/31/2016</th>
<th>Budgeted FYE 12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net patient service revenue</td>
<td>$ 57,461</td>
<td>$ 54,176</td>
<td>$ 59,417</td>
</tr>
<tr>
<td><strong>Other Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NYS IGT (UPL)</td>
<td>8,018</td>
<td>12,377</td>
<td>7,000</td>
</tr>
<tr>
<td>DSRIP/IAAF</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nassau County Billings</td>
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</tr>
<tr>
<td>Federal &amp; State Aid</td>
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</tr>
<tr>
<td>Practice Plan Revenue</td>
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</tr>
<tr>
<td>Miscellaneous</td>
<td>549</td>
<td>558</td>
<td>520</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>66,028</td>
<td>67,111</td>
<td>66,937</td>
</tr>
</tbody>
</table>

| **Operating Expenses:** |                      |                          |                         |
| Salaries | 30,940                 | 31,132                   | 33,628                  |
| Fringe Benefits | 16,813                | 20,059                   | 19,840                  |
| Supplies | 3,889                  | 3,792                    | 4,542                   |
| Expenses | 7,457                  | 6,220                    | 6,792                   |
| Utilities | 1,277                  | 1,258                    | 1,318                   |
| Depreciation Expense | 852                    | 816                      | 816                     |
| **Total Operating Expenses** | 61,228                | 63,276                   | 66,937                  |

| **Income (loss) before OPEB expenses** | 4,800                  | 3,835                    | 0                       |
| Employee benefits - OPEB | (5,818)                 | (6,347)                  | (6,474)                 |
| **Operating loss** | (1,018)                | (2,512)                  | (6,474)                 |

| **Non-Operating Activities** | 17                      | 1                        | -                       |
| Interest Income | (1,874)                 | (2,851)                  | (2,849)                 |
| **Total Non-Operating Activities** | (1,857)                | (2,850)                  | (2,849)                 |

| Capital contributions | -                      | -                        | -                       |
| **Change in Net Position** | $ (2,875)            | $ (5,362)                | $ (9,323)               |
Nassau Health Care Corporation and Subsidiaries
Projected Revenue & Expenses
Physician Faculty Practice Plan
Comparative
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Audited FYE 12/31/2015</th>
<th>Projected FYE 12/31/2016</th>
<th>Budgeted FYE 12/31/2017</th>
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<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
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<tr>
<td>Net patient service revenue</td>
<td>$22,895</td>
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<td>NYS Intergovernmental transfer</td>
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<td>Interim Access Assurance Fund (IAAF)</td>
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<tr>
<td>Federal &amp; State Aid</td>
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<tr>
<td>Practice Plan Revenue</td>
<td>(10,975)</td>
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<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>11,920</td>
<td>12,629</td>
<td>13,700</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
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<tr>
<td>Salaries</td>
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<td>407</td>
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<td>-</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>11,920</td>
<td>12,629</td>
<td>13,700</td>
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<tr>
<td><strong>Income (loss) before OPEB expenses</strong></td>
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</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>Employee benefits - OPEB</td>
<td>-</td>
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<tr>
<td><strong>Operating loss</strong></td>
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</tr>
<tr>
<td><strong>Non-Operating Activities</strong></td>
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</tr>
<tr>
<td>Interest Income</td>
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<tr>
<td>Interest Expense</td>
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<td><strong>Total Non-Operating Activities</strong></td>
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</tr>
<tr>
<td>Capital contributions</td>
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<tr>
<td><strong>Change in Net Position</strong></td>
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### Nassau Health Care Corporation and Subsidiaries

**Projected Revenue & Expenses**

**Nassau Health Care Corp, LTD.**

**Comparative**

(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Audited FYE 12/31/2015</th>
<th>Projected FYE 12/31/2016</th>
<th>Budgeted FYE 12/31/2017</th>
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<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
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<tr>
<td>Net patient service revenue</td>
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<td>Other Operating Revenues:</td>
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<tr>
<td>Federal &amp; State Aid</td>
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<td>Practice Plan Revenue</td>
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<tr>
<td>Miscellaneous</td>
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<tr>
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<td>Utilities</td>
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<tr>
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<td>10,000</td>
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<td><strong>Income (loss) before OPEB expenses</strong></td>
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