



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

**NASSAU HEALTH CARE CORPORATION  
& SUBSIDIARIES**

**Report on Operations**

**FISCAL YEAR ENDED DECEMBER 31, 2019**

The Nassau Health Care Corporation (the “Corporation” or “NHCC”) closed 2019 with an operating loss before OPEB and NYS Actuarial Pension Adjustment of approximately \$20.7 million. Operating revenue decreased by \$12.6 million to \$575.0 million, primarily due to a decrease in disproportionate share payments, which is funded through the intergovernmental transfers (IGT), and adjustments to prior-year reimbursement rates. Operating expenses decreased by \$6.6 million to \$595.8 million, primarily due to a decrease in professional liability insurance, offset by an increase in payroll expense due to a 1% collective bargaining agreement increase and additional hiring at A. Holly Patterson Extended Care Facility.

NHCC has experienced recurring operating losses, has a total negative net position of \$810.8 million at December 31, 2019, and is dependent on the continuation of federal, state, and local subsidies, certain of which are scheduled to end or be reduced. These matters raise substantial doubt about NHCC’s ability to continue as a going concern. NHCC is continuously striving to improve its operating results by continuing to progress with collecting on patient accounts, through cash flows provided by government subsidies, for the funding of capital projects, and by participating in the Delivery System Reform Incentive Program and certain other value-based payment programs. NHCC has also undertaken a number of initiatives, including the renegotiation of commercial managed care contracts, changes to medical management practices, improved supply chain, inventory management, rightsizing of personnel and further cost reductions.

**Net Patient Service Revenue**

Total net patient service revenue of \$457.5 million for the year ended December 31, 2019, a decrease of \$14.1 million from the prior year. IGT revenue in 2019 was \$74.8 million, which was \$9.7 million less than the 2018 amount.

**Expenses**

Total operating expenses before OPEB and NYS Actuarial Pension Adjustment expenses were \$595.8 million for the year ended December 31, 2019, a decrease of \$6.6 million from the prior year.

Salaries of \$273.6 million increased \$5.7 million, which was the result of an increase in FTEs for services at A. Holly Patterson Extended Care Facility and a 1% increase in union salaries. Employee benefit costs, before OPEB and NYS Actuarial Pension Adjustment expenses were \$139.0 million, an increase of \$0.5 million from prior year. Supplies and other expenses were \$165.2 million, a decrease of \$11.9 million primarily related to a decrease in self-insurance liability costs and reduced temporary agency personnel cost at A. Holly Patterson Extended Care Facility as a result of hiring personnel.

Overall volumes at the Nassau University Medical Center and A. Holly Patterson Extended Care Facility were in line with the previous year as evidenced in the table below.

	Nassau University Medical Center				AHP Extended Care Facility	
	Patient Days	Discharges	Avg Daily Census	Ambulatory Visits	AHP Resident Days	Avg Daily Census
2018	124,270	19,829	340.5	276,996	165,818	454.3
2019	118,216	20,068	323.9	276,173	165,471	453.3