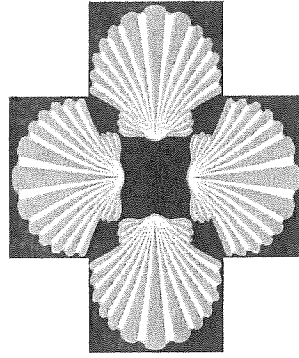


Southeast Georgia Health System

Business Plan for the Fiscal Years Ending April 30, 2014 - 2017

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**COOPERATIVE
HEALTHCARE
SERVICES, INC.**

**Cooperative Healthcare
Services, Inc.**

**COOPERATIVE HEALTHCARE SERVICES, INC.
STATEMENT OF REVENUES AND EXPENSES**

	2012	2013	2014	Budget 2015	Forecast 2016	Forecast 2017
	\$	\$	\$	\$	\$	\$
				%	%	%
GROSS PATIENT REVENUE						
Room Accommodation	-	-	-	-	-	-
IP Ancillary Revenue	-	-	-	-	-	-
Total Inpatient Revenue	-	-	-	-	-	-
Total Outpatient Revenue	87,838,000	107,893,000	104,928,000	109,050,000	109,050,000	109,050,000
Total Patient Revenue	87,838,000	107,893,000	104,928,000	109,050,000	109,050,000	109,050,000
REVENUE DEDUCTIONS						
Medicare & Medicaid	30,553,000	37,010,000	34,995,000	36,212,000	37,830,000	37,452,000
Charity Care	4,675,000	5,721,000	6,251,000	5,108,000	5,108,000	5,108,000
Other Revenue Deductions	19,700,000	24,338,000	22,634,000	20,697,000	20,697,000	20,697,000
Bad Debt Expense	4,940,000	5,447,000	4,414,000	5,167,000	5,167,000	5,167,000
Total Revenue Deductions	59,868,000	72,516,000	68,294,000	69,184,000	68,802,000	68,424,000
NET OPERATING REVENUE						
Other Operating Revenue	27,970,000	35,377,000	36,634,000	39,866,000	40,248,000	40,626,000
Total Operating Revenue	1,197,000	2,119,000	3,929,000	4,558,000	4,499,000	4,464,000
TOTAL OPERATING REVENUE	29,167,000	37,496,000	40,563,000	44,424,000	44,747,000	45,090,000
EXPENSES						
Wages	32,115,000	40,510,000	46,675,000	48,129,000	49,092,000	50,074,000
Benefits	6,011,000	7,571,000	8,523,000	8,402,000	8,654,000	8,914,000
Contract Personnel	797,000	1,890,000	2,125,000	1,411,000	1,425,000	1,439,000
Supplies	1,328,000	1,616,000	1,325,000	1,248,000	1,273,000	1,298,000
Drugs and IV's	3,124,000	3,364,000	2,412,000	1,093,000	1,115,000	1,137,000
Physician Fees	1,434,000	1,930,000	1,726,000	219,000	223,000	227,000
Professional Fees	122,000	207,000	284,000	225,000	230,000	235,000
Insurance	100,000	117,000	(92,000)	96,000	99,000	102,000
Utilities	460,000	534,000	481,000	510,000	520,000	530,000
Outside Services	2,325,000	2,528,000	3,690,000	3,051,000	3,112,000	3,174,000
Depreciation	528,000	607,000	680,000	709,000	737,000	766,000
Provider Tax Expense	-	-	-	-	-	-
Other Expense	3,345,000	3,584,000	4,118,000	4,358,000	4,445,000	4,534,000
Total Expense	51,689,000	64,452,000	71,947,000	69,451,000	70,925,000	72,430,000
EXCESS REVENUE OVER EXPENSE	(22,522,000)	(26,956,000)	(31,384,000)	(25,027,000)	(26,178,000)	(27,340,000)
FROM OPERATIONS						
Operating Margin	-80.8%	-76.4%	-85.8%	-62.9%	-65.2%	-67.4%
NON-OPERATING REVENUE (Expenses)						
Investment Income	3,000	41,000	5,000	-	-	-
Interest Expense	(73,000)	(73,000)	(64,000)	(52,000)	(53,000)	(54,000)
Realized Gain (Loss) From Investments	-	-	-	-	-	-
Unrealized Gain (Loss) From Investments	-	-	-	-	-	-
Impairment Loss on Goodwill	-	-	-	-	-	-
Write-off of Variable Bond Insurance Cost	-	-	-	-	-	-
Other Non-Operating Revenue(Expense)	(139,000)	225,000	(99,000)	(60,000)	(61,000)	(62,000)
Other Revenue (Minority Interest)	(209,000)	147,000	(158,000)	(112,000)	(114,000)	(116,000)
TOTAL NON-OPERATING REVENUE (Expenses)	(22,731,000)	(26,809,000)	(31,542,000)	(25,139,000)	(26,292,000)	(27,456,000)
EXCESS REVENUE OVER EXPENSE	-81.3%	-75.5%	-86.1%	-63.7%	-65.3%	-67.8%
Total Margin						

COOPERATIVE HEALTHCARE SERVICES, INC.
STATISTICAL BUDGET
OPERATING STATISTICS COMPARISONS

	2012	2013	2014	%	Budget 2015	%	Forecast 2016	%	Forecast 2017	%
OUTPATIENT STATISTICS										
1	7,035	6,828	6,349	(7.0)	6,660	4.9	6,660	-	6,660	-
Center for Infectious Disease										
2	0	7,685	7,925	3.1	7,800	(1.6)	7,800	-	7,800	-
SE GA Phys Assoc - Hematology/Oncology-Mor										
3	1,769	805	711	(11.7)	800	12.5	800	-	800	-
SE GA Phys Assoc - Brunswick General										
4	5,135	5,591	6,103	9.2	5,450	(10.7)	5,450	-	5,450	-
SE GA Phys Assoc - Brunswick Pediatrics										
5	19,188	18,277	18,688	2.2	17,820	(4.6)	17,820	-	17,820	-
SE GA Phys Assoc - Pulmonology										
6	18,922	9,333	11,143	19.4	4,030	(63.8)	4,030	-	4,030	-
SE GA Phys Assoc - Medical Oncology										
7	1,941	4,769	7,431	55.8	7,690	3.5	7,690	-	7,690	-
SE GA Phys Assoc - Neuroscience										
8	12,928	18,107	19,133	5.7	20,810	8.8	20,810	-	20,810	-
SE GA Phys Assoc - Hospital Medicine										
9	0	4,941	4,701	(4.9)	4,710	0.2	4,710	-	4,710	-
CMAP										
10	9,914	9,627	8,949	(7.0)	9,390	4.9	9,390	-	9,390	-
Diabetes Center										
11	0	2,420	1,771	(26.8)	1,700	(4.0)	1,700	-	1,700	-
SGPA OB/GYN - Nicklsh										
12	0	6,088	7,169	17.8	7,010	(2.2)	7,010	-	7,010	-
Southeastern OB/GYN, PC										
13	0	1,719	4,009	133.2	5,140	28.2	5,140	-	5,140	-
SGPA Hospital Medicine-Camden										
14	0	4,689	7,448	58.8	7,640	2.6	7,640	-	7,640	-
SGPA-Rheumatology										
15	0	6,299	8,206	30.3	8,220	0.2	8,220	-	8,220	-
SGPA-Urology										
16	4,862	5,416	3,551	(34.4)	0	-	0	-	0	-
Camden Family Medicine Center										
17	0	0	0	0	20,230	-	20,230	-	20,230	-
Glynn Internal Medicine										
18	0	0	0	0	11,960	-	11,960	-	11,960	-
St Simons Family Medicine										
19	4,113	4,919	4,383	(10.9)	4,800	9.5	4,800	-	4,800	-
Brantley Family Medicine Center										
20	11,580	14,519	12,907	(11.1)	18,650	44.5	18,650	-	18,650	-
Community Care Center										
21	79	75	211	181.3	230	9.0	230	-	230	-
Occupational Medicine										
22	4,181	3,956	3,681	(7.0)	3,860	4.9	3,860	-	3,860	-
McIntosh Family Medicine Center										
23	11,341	13,349	12,964	(2.9)	12,810	(1.2)	12,810	-	12,810	-
St. Simons Immediate Care Center										

COOPERATIVE HEALTHCARE SERVICES, INC.
STATISTICAL BUDGET
OPERATING STATISTICS COMPARISONS

	2012	2013	2014	%	Budget 2015	%	Forecast 2016	%	Forecast 2017	%
Glynco Immediate Care Center	24	12,370	14,641	13,372 (8.7)	13,600	1.7	13,600	-	13,600	-
SE GA Phys Assoc - ENT Surgery Center	25	7,456	11,669	10,758 (7.8)	11,380	5.8	11,380	-	11,380	-
Glynn Immediate Care Center	26	14,613	17,313	15,513 (10.4)	15,320	(1.2)	15,320	-	15,320	-
Glynn Family Medicine Center	27	10,342	12,789	8,936 (30.1)	9,590	7.3	9,590	-	9,590	-
Summit Sports Medicine	28	34,862	41,853	29,466 (29.6)	33,480	13.6	33,480	-	33,480	-
SE GA Phys Assoc - Radiation/Oncology	29	6,959	5,433	8,675 59.7	10,750	23.9	10,750	-	10,750	-
SE GA Phys Assoc - St. Simons Pediatrics	30	8,073	7,895	7,626 (3.4)	7,700	1.0	7,700	-	7,700	-
SE GA Phys Assoc - Gastroenterology	31	1,073	1,103	7,493 579.3	9,360	24.9	9,360	-	9,360	-
SE GA Phys Assoc - Camden Pediatrics	32	8,712	9,432	7,423 (21.3)	10,060	35.5	10,060	-	10,060	-
SE GA Phys Assoc - Camden Primary Care	33	16,807	17,266	16,776 (2.8)	21,820	24.8	21,820	-	21,820	-
SE GA Phys Assoc - OB/GYN	34	6,135	4,363	6,355 45.7	5,970	(6.1)	5,970	-	5,970	-
SE GA Phys Assoc - Camden General Surgery	35	1,962	2,215	1,472 (33.5)	2,210	50.1	2,210	-	2,210	-
SE GA Phys Assoc - Thoracic Surgery	36	435	507	501 (1.2)	510	1.8	510	-	510	-
SE GA Phys Assoc-General and Vascular Surge	37	7,540	12,243	7,822 (36.1)	7,960	1.8	7,960	-	7,960	-
TOTAL OUTPATIENT STATISTICS		250,327	308,134	299,621 (2.8)	347,120	15.9	347,120	-	347,120	-
Total FTE's		314	378	440 16.5	463	5.1	464	0.2	464	0.0
Days Cash on Hand		0.8	1.7	5.3 205.5	5.8	8.9	6.0	2.9	6.1	2.8
Net Days in Accounts Receivable		101.3	81.8	85.6 4.7	78.0	(6.9)	78.0	0.0	78.0	0.0