

**STATE OF NEW YORK**  
**PUBLIC HEALTH AND HEALTH PLANNING COUNCIL**  
**ESTABLISHMENT AND PROJECT REVIEW COMMITTEE**

**AGENDA**

*June 9, 2016*

*Immediately following the Full Council's Department Reports  
(which is scheduled to begin after the Committee on Codes, Regulations and Legislation  
Beginning at 9:30 a.m.)*

*90 Church Street 4<sup>th</sup> Floor, Room 4A & 4B, New York City*

**I. COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW**

Peter Robinson Chair

**A. Applications for Establishment/Construction of Health Care  
Facilities/Agencies**

**Acute Care Services – Establish/Construct**

<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1. 161077 E	Woman's Christian Association (Chautauqua County) Mr. Holt - Recusal



**Project # 161077-E  
Woman's Christian Association**

**Program:** Hospital  
**Purpose:** Establishment

**County:** Chautauqua  
**Acknowledged:** February 19, 2016

**Executive Summary**

**Description**

UPMC Chautauqua Services, Inc. (UPMCCS), an existing corporation, requests approval to become the active parent and co-operator of The Women's Christian Association of Jamestown, NY d/b/a Women's Christian Association Hospital (WCA). WCA is a 317-bed, voluntary not-for-profit, Article 28 hospital located in Jamestown (Chautauqua County). The Hospital operates a 277-bed facility (main campus) located at 207 Foote Avenue, a 40-bed facility (psychiatric service) located at 61 Glasgow Avenue and three extension clinics sites. There will be no change in authorized services, the number or type of beds, or staffing as a result of approval of this project. In addition, there are no projected changes in the utilization, revenue or expenses of the hospital as a direct result of this project. Upon approval of this application, the entity will be renamed UPMC Chautauqua at WCA.

UPMCCS will be the sole member of the hospital. The sole member and passive parent of UPMCCS is UPMC Hamot (Hamot), a Pennsylvania not-for-profit corporation, which is a subsidiary of the University of Pittsburgh Medical Center (UPMC). Hamot operates a tertiary acute care hospital in Erie, Pennsylvania, which is located 50 miles west of WCA. The Hospital will enter into an administrative services agreement with UPMC.

As active parent and co-operator, UPMCCS will have the following rights, powers and authority with respect to WCA Hospital:

- Appointment or dismissal of hospital management level employees and medical staff;

- Approval of hospital operating and capital budgets;
- Adoption or approval of hospital operating policies and procedures;
- Approval of certificate of need applications filed by on or behalf of the hospital;
- Approval of hospital debt necessary to finance the cost of compliance with operational or physical plant standards required by law;
- Approval of hospital contracts for management or for clinical services;
- Approval of settlements of administrative proceedings or litigation to which the hospital is a party, except approval of settlements or litigation that exceed insurance coverage or any applicable self-insurance funds.

The purpose of this transaction is to establish an integrated care network with the objective of improving quality, increasing access and lowering the costs of healthcare in the community served by WCA Hospital.

BFA Attachment A presents the organizational chart post-closing.

OPCHSM Recommendation  
Contingent Approval

#### Need Summary

This transition will help establish an integrated health system and is expected to improve the quality of care, access to care, and to lower costs. The facility will continue to serve the patients in Chautauqua County, but with a more streamlined approach.

There will not be any change in beds or services.

#### Program Summary

Based on the information reviewed, staff found nothing that would reflect adversely upon the applicant's character and competence or standing in the community.

#### Financial Summary

There are no project costs associated with this application.

## Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

**Approval contingent upon:**

1. Submission of documentation of approval by the Office of Mental Health, acceptable to the Department. [PMU]
2. Submission of documentation of approval by the Office of Alcoholism and Substance Abuse Services, acceptable to the Department. [PMU]
3. Submission of an executed administrative services agreement, acceptable to the Department of Health. [BFA]
4. Submission of an executed Administrative Services Agreement, acceptable to the Department. [HSP]
5. Submission of a photocopy of the certificate of incorporation of UPMC Chautauqua Services, Inc., which is acceptable to the department. [CSL]
6. Submission of a photocopy of the by-laws of UPMC Chautauqua Services, Inc., which is acceptable to the department. [CSL]
7. Submission of a photocopy of the certificate of incorporation of UPMC Chautauqua at WCA, Inc., which is acceptable to the department. [CSL]
8. Submission of a photocopy of the by-laws of UPMC Chautauqua at WCA, Inc., which is acceptable to the department. [CSL]
9. Submission of a photocopy of the certificate of incorporation of WCA Group, Inc., which is acceptable to the department. [CSL]
10. Submission of a photocopy of the by-laws of WCA Group, Inc., which is acceptable to the department. [CSL]

**Approval conditional upon:**

1. The project must be completed within one year from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]

Council Action Date

**June 9, 2016**

## Need Analysis

### Background

Woman's Christian Association (207 Foote Av)		WCA-Jones (51 Glasgow Av)	
	Beds		Beds
Chemical Dependence Rehab	13	Psychiatric	40
Coronary Care	16		
Intensive Care	7		
Maternity	26		
Medical / Surgical	195		
Pediatric	10		
Physical Medicine and Rehab	10		
Total	277		

This approval will also strengthen the financial viability of the facility and increase recruitment opportunities to better provide healthcare services to the residents in the area.

### Conclusion

This project will allow the health system to operate in a more cost effective manner, provide a more streamlined approach to patient health, and offer better access to care.

### Recommendation

**From a need perspective, approval is recommended.**

## Program Analysis

### Project Proposal

UPMC Chautauqua Services, Inc. (UPMCCS) seeks approval to be established as the active parent and co-operator of The Woman's Christian Association of Jamestown, NY d/b/a WCA Hospital (WCA). WCA is an existing not-for-profit hospital located at 207 Foote Avenue in Jamestown (Chautauqua County) that offers a wide array of certified services at two inpatient sites and four extension clinics.

Approval of this application will give UPMCCS the ability to exercise the Article 28 active powers over the Hospital. UPMCCS will be the sole member of the Hospital. The sole member and passive parent of UPMCCS is UPMC Hamot (Hamot), a Pennsylvania not-for-profit corporation, which is located 50 miles due west of WCA and is a subsidiary of UPMC (University of Pittsburgh Medical Center). Hamot operates a tertiary acute care hospital in Erie, Pennsylvania. The Hospital will become a third-tier subsidiary of, and will enter into an Administrative Services Agreement with UPMC (a Pennsylvania not-for-profit corporation headquartered in Pittsburgh, Pennsylvania).

This proposal aims to preserve the continued operations of WCA as an economically viable hospital by allowing WCA to benefit from operating financially and administratively within the UPMC health system. UPMC seeks to closely align WCA and Hamot so they can achieve an integrated, coordinated and regional approach to delivering accessible and quality healthcare in their service areas.

There are no projected changes in staffing, authorized services, or the number or type of beds at either hospital as a result of the proposed change in governance structure. The Hospital will remain a separate not-for-profit corporation certified under Article 28, and will maintain a separate operating certificate following completion of the project. Upon approval, WCA Hospital will be renamed UPMC Chautauqua at WCA.

## Character and Competence

The proposed Directors of UPMC Chautauqua Services, Inc. and UPMC Chautauqua at WCA are:

<u>Name</u>	<u>Designee From</u>
Anna M. Dibble	WCA
William A. Geary, MD, PhD	WCA
Cristie L. Herbst	WCA
Brenda J. Ireland	WCA
Steven D. Kilburn	WCA
Michael P. Sullivan	WCA
Bradley N. Dinger	UPMCCS
Vincent J. Fiorenzo	UPMCCS
Camellia A. Herisko	UPMCCS
Edward T. Karlovich	UPMCCS
Mark H. Raimy	UPMCCS
David C. Russell	UPMCCS

All proposed board members are subject to a character and competence review. Staff from the Division of Certification & Surveillance reviewed the disclosure information submitted regarding licenses held, formal education, training in pertinent health and/or related areas, employment history, a record of legal actions, and a disclosure of the applicant's ownership interest in other health care facilities. Licensed individuals were checked against the Office of Medicaid Management, the Office of Professional Medical Conduct, and the Education Department databases as well as the US Department of Health and Human Services Office of the Inspector General Medicare exclusion database.

Dr. Geary disclosed a pending malpractice case currently in discovery regarding a prostate biopsy diagnosis. Dr. Herisko disclosed that Western Psychiatric Institute and Clinic (WPIC) has been subject to civil and administrative actions in the normal course of its business as an acute care psychiatric hospital. Further, she disclosed that, in 2012, she testified as a witness in two matters. The first related to a grand jury investigation into the reporting practices of WPIC in cases involving alleged sexual assault by one patient on another. The second case involved the U.S. Department of Labor (Occupational Health and Safety Administration) regarding workplace violence and assaults by WPIC patients on staff. Both matters were concluded with no criminal charges or citations. Messrs. Fiorenzo and Raimy, disclosed that UPMC Hamot has been subject to civil and administrative actions in the normal course of its business as an acute care general hospital. In addition, in November 2010, the U.S. Department of Justice opened an investigation into numerous hospitals (to include UPMC Hamot), as to whether claims were submitted to Medicare for payment related to the implantation of implantable cardioverter defibrillators that were excluded from Medicare coverage. In December 2014, UPMC entered into a settlement agreement but did not admit to any liability and expressly denied the allegations.

Additionally, the staff from the Division of Certification & Surveillance reviewed the ten-year surveillance history of all associated facilities. Sources of information included the files, records, and reports found in the Department of Health. Included in the review were the results of any incident and/or complaint investigations, independent professional reviews, and/or comprehensive/focused inspections. The review found that any citations were properly corrected with appropriate remedial action.

## Recommendation

**From a programmatic perspective, contingent approval is recommended.**

## Financial Analysis

### Administrative Services Agreement

The applicant has submitted a draft administrative services agreement, which is summarized below:

Contractor:	UPMC
Facility:	UPMC Chautauqua Services
Services Provided:	UPMC will provide the following services: payroll, processing employees unemployment insurance premiums, disability premiums and workers compensation premiums, compiling and records billing, accounting and other medical data for billing purposes, compiling information and records to draw up purchase orders for procurement of materials and services, making payments to vendors and posting payment to status of accounts, general administrative duties, planning and executing a public relations program or corporate communications policy, gathering and reviewing information in accounting records for use in preparing financial statements, processing tax payments according to prescribed laws and regulations, overseeing audits conducted by tax authorities, compiling data to prepare budget and assumed contracts for management, provide staffing and recruiting services and provide information technology services.
Term:	1 year term with an automatic 1 year renewal term.
Fee:	The fee will be equal to the Contractors incurred expenses.

### Capability and Feasibility

There are no issues of capability or feasibility, as there are no project cost or budgets associated with this application.

BFA Attachment B is the certified financial statements of UPMC and Subsidiaries for the periods ending June 30, 2014, and June 30, 2015. As shown, the entity had an average negative working capital position, an average positive net asset position, and achieved an average after tax operating income of \$210,307,500 for the period two-year period ending June 30, 2015.

BFA Attachment C is the 2013 and 2014 certified financial statements of The Woman's Christian Association of Jamestown, NY. As shown, the entity had an average positive working capital position and an average positive net asset position from 2013 through 2014. Also, the entity incurred average operating losses of \$1,358,071 from 2013 through 2014. The applicant indicated that the losses were due to the following:

- The hospital is seeing an ongoing shift from inpatient admissions to outpatient observations. This creates financial challenges as patients continue to receive nursing care, ancillary testing and pharmaceuticals, while reimbursement is significantly less for observation than for inpatient care.
- WCA had an increase in the percentage of Medicaid beneficiaries and a decrease in the percent of patients with commercial insurance.
- The hospital also saw an increase in its bad debt and charity care. Some of this is related to high deductible plans being offered by employers, including WCA. In 2014, the increase was \$1.5 million over 2013.
- A large contributing factor was the hospital's implementation of its electronic health record. WCA used \$11 million in cash over a 36-month period to implement the HER system.

The hospital implemented the following initiatives to improve operations: hired a consultant to work with management to identify ways to increase revenues and reduce expenses, implemented staff reductions at both the management and staff levels, closely monitored supply costs, improved its accounts receivable collection, and reduced its length of stay.

BFA Attachment D is the October 31, 2015 internal financial statements of the Woman's Christian Association of Jamestown, NY. As shown, the entity had a positive working capital position and a positive net asset position for the period ending October 31, 2015. Also, the hospital incurred an operating loss of \$1,467,868 through October 31, 2015.

Subject to the noted contingency, it appears that the applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

**From a financial perspective, contingent approval is recommended.**

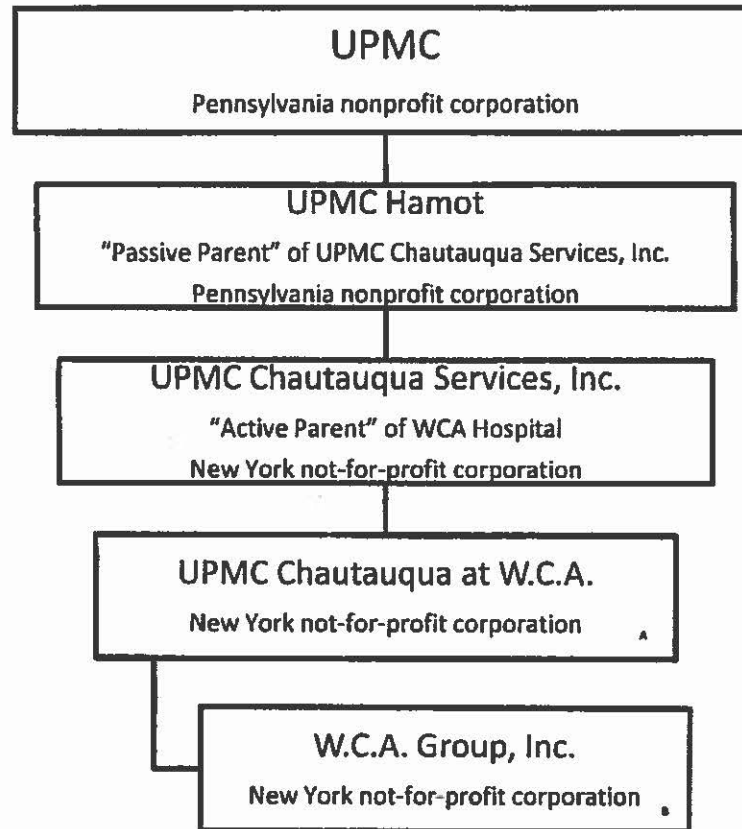
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## Attachments

BFA Attachment A	Organizational Chart Post-Closing
BFA Attachment B	June 30, 2014 and June 30, 2015 certified financial statements of UPMC and Subsidiaries
BFA Attachment C	2013 and 2014 certified financial statements of Woman's Christian Association of Jamestown, NY.
BFA Attachment D	October 31, 2015 internal financial statements of Woman's Christian Association of Jamestown, NY.



# Proposed Post-Transaction Organization Chart



A f/k/a Woman's Christian Association of Jamestown, N.Y. d/b/a WCA Hospital

B Former "Passive Parent" of WCA Hospital

## CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS)

	June 30	
	2015	2014
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 290,291	\$ 449,539
Accounts receivable, net of allowance for uncollectable accounts of \$100,249 at June 30, 2015 and \$121,740 at June 30, 2014	837,251	694,090
Other receivables	840,719	569,102
Other current assets	155,018	165,287
<b>Total current assets</b>	<b>2,123,279</b>	<b>1,878,018</b>
Board-designated, restricted, trustee and other investments	4,573,337	4,272,766
Beneficial interests in foundations and trusts	456,404	461,504
Property, buildings and equipment:		
Land and land improvements	349,587	330,615
Buildings and fixed equipment	4,872,612	4,695,017
Movable equipment	2,527,843	2,393,772
Capital leases	119,221	129,992
Construction in progress	166,041	162,481
	<b>8,035,304</b>	<b>7,711,877</b>
Less allowance for depreciation	(4,374,512)	(4,037,036)
	<b>3,660,792</b>	<b>3,674,841</b>
Other assets	279,794	295,238
<b>Total assets</b>	<b>\$ 11,093,606</b>	<b>\$ 10,582,367</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 420,766	\$ 411,250
Accrued salaries and related benefits	623,557	551,752
Current portion of insurance reserves	478,069	405,777
Current portion of long-term obligations	160,114	325,519
Other current liabilities	336,808	291,672
<b>Total current liabilities</b>	<b>2,019,314</b>	<b>1,985,970</b>
Long-term obligations	2,975,573	2,804,541
Pension liability	216,846	170,532
Long-term insurance reserves	277,855	264,565
Other noncurrent liabilities	162,922	171,204
<b>Total liabilities</b>	<b>5,652,510</b>	<b>5,396,812</b>
Unrestricted net assets	4,789,288	4,528,034
Restricted net assets	651,808	657,521
<b>Total net assets</b>	<b>5,441,096</b>	<b>5,185,555</b>
<b>Total liabilities and net assets</b>	<b>\$ 11,093,606</b>	<b>\$ 10,582,367</b>

See accompanying notes

**CONSOLIDATED STATEMENTS OF  
OPERATIONS AND CHANGES IN NET ASSETS**  
(IN THOUSANDS)

	Twelve Months Ended June 30	
	2015	2014
<b>UNRESTRICTED NET ASSETS</b>		
Net patient service revenue:		
Patient service revenue (net of contractual allowances and discounts)	\$5,853,562	\$5,989,391
Provision for bad debts	(202,453)	(212,519)
Net patient service revenue less provision for bad debts	5,651,109	5,776,872
Insurance enrollment revenue	5,315,019	4,813,036
Other revenue	1,054,036	826,004
<b>Total operating revenues</b>	<b>12,020,164</b>	<b>11,415,912</b>
Expenses:		
Salaries, professional fees and employee benefits	4,496,243	4,440,575
Supplies, purchased services and general	6,720,075	6,331,112
Depreciation and amortization	465,555	453,996
<b>Total operating expenses</b>	<b>11,681,873</b>	<b>11,225,683</b>
Operating income (excluding Beacon investment divestiture, other operating income (loss), and income tax benefit (expense))	338,291	190,229
Beacon investment divestiture	-	(106,000)
Other operating income (loss)	899	(9,476)
Income tax benefit (expense)	11,863	(4,791)
<b>After-tax operating income</b>	<b>\$351,053</b>	<b>\$69,962</b>
Investing and financing activities:		
Investment revenue	182,359	529,642
Interest expense	(116,735)	(129,992)
Gain (loss) on extinguishment of debt	132	(6,152)
<b>Gain from investing and financing activities</b>	<b>65,756</b>	<b>393,498</b>
Excess of revenues over expenses	416,809	463,460
Net change in pension liability	(128,073)	77,438
Other changes in unrestricted net assets	(27,482)	(15,119)
<b>Increase in unrestricted net assets</b>	<b>261,254</b>	<b>525,779</b>
<b>RESTRICTED NET ASSETS</b>		
Contributions and other changes	8,277	799
Net realized and unrealized gains on restricted investments	3,061	12,748
Assets released from restriction for operations and capital purchases	(11,951)	(14,917)
Net (decrease) increase in beneficial interests in foundations	(5,100)	44,440
<b>(Decrease) increase in restricted net assets</b>	<b>(5,713)</b>	<b>43,070</b>
<b>Increase in net assets</b>	<b>255,541</b>	<b>568,849</b>
Net assets, beginning of period	5,185,555	4,616,706
<b>Net assets, end of period</b>	<b>\$5,441,096</b>	<b>\$5,185,555</b>

See accompanying notes

THE WOMAN'S CHRISTIAN ASSOCIATION OF JAMESTOWN, N.Y.

CONSOLIDATED BALANCE SHEETS

December 31, 2014 and 2013

ASSETS	2014	2013
<b>Current assets:</b>		
Cash and cash equivalents	\$ 5,213,004	\$ 3,561,550
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$1,127,000 (\$1,451,000 - 2013)	13,180,632	14,305,098
Other receivables - affiliates	834	694
Supplies	2,986,262	2,655,210
Prepaid expenses and other current assets	1,796,755	1,655,669
Assets limited as to use - current portion	744,342	915,946
Estimated amounts due from third-party payors	556,333	778,443
<b>Total current assets</b>	<u>24,477,962</u>	<u>23,872,610</u>
Property, plant and equipment, net	42,882,134	45,229,826
Assets limited as to use, net	5,374,645	5,615,832
Beneficial interest in the net assets of W.C.A. Foundation	13,552,109	12,859,179
Other long-term receivable	875,000	500,000
Other assets, net	1,367,536	1,428,314
<b>Total assets</b>	<u>\$ 88,529,386</u>	<u>\$ 89,505,761</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Line of credit	\$ 1,500,000	\$ 2,500,000
Due to related parties	2,000,000	-
Current portion of long-term debt	2,620,686	1,290,000
Current portion of capital lease obligations	516,517	544,855
Accounts payable and accrued expenses	7,146,703	9,248,865
Accrued payroll and benefits	3,803,380	4,607,087
Deferred revenue	269,616	809,141
Estimated amounts due to third-party payors	2,504,788	2,836,317
<b>Total current liabilities</b>	<u>20,361,690</u>	<u>21,836,265</u>
Long-term debt, net of unamortized discount	27,323,105	24,892,853
Capital lease obligations, net	300,793	817,310
Other long-term liability	875,000	500,000
Accrued pension liability	31,661,659	18,257,238
<b>Total liabilities</b>	<u>80,522,247</u>	<u>66,303,666</u>
<b>Net assets:</b>		
Unrestricted		
Pension liability adjustment	(37,075,302)	(21,045,448)
Other	29,413,219	27,681,246
<b>Total unrestricted net assets (deficit)</b>	<u>(7,662,083)</u>	<u>6,635,798</u>
Temporarily restricted	12,827,507	13,765,079
Permanently restricted	2,841,715	2,801,218
<b>Total net assets</b>	<u>8,007,139</u>	<u>23,202,095</u>
<b>Total liabilities and net assets</b>	<u>\$ 88,529,386</u>	<u>\$ 89,505,761</u>

**THE WOMAN'S CHRISTIAN ASSOCIATION OF JAMESTOWN, N.Y.**

**CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**For the Years Ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Unrestricted revenue, gains and other support:</b>		
Net patient service revenue	\$ 103,145,323	\$ 103,222,521
Provision for bad debts	(5,980,643)	(5,093,189)
Net patient service revenue, less provision for bad debts	97,164,680	98,129,332
Other revenue	4,743,156	5,283,796
<b>Total unrestricted revenue, gains and other support</b>	<u>101,907,836</u>	<u>103,413,128</u>
<b>Expenses:</b>		
Salaries and wages	40,370,420	42,698,609
Employee benefits	10,696,558	12,249,307
Supplies	14,915,327	15,648,704
Professional fees	8,337,174	8,176,782
Purchased services	7,937,184	10,912,380
Other	9,944,410	8,009,724
Malpractice insurance	1,086,260	996,257
Interest	2,211,895	2,390,441
Depreciation and amortization	6,242,497	5,213,177
<b>Total operating expenses</b>	<u>101,741,725</u>	<u>106,295,381</u>
<b>Income (loss) from operations</b>	166,111	(2,882,253)
<b>Other income:</b>		
Contributions	10,714	11,074
Investment income	273,461	196,276
Gain on sale of capital assets	-	215,299
Equity investment income	50,000	223,080
Total other income	<u>334,175</u>	<u>645,729</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>\$ 500,286</u>	<u>\$ (2,236,524)</u>

**WCA HOSPITAL  
JAMESTOWN, NEW YORK  
BALANCE SHEET  
AS OF OCTOBER 31, 2015**

<b>ASSETS</b>	<b>YEAR-TO-DATE</b>	<b>PRIOR YEAR-TO-DATE</b>
<b>CURRENT ASSETS:</b>		
CASH AND CASH EQUIVALENTS	\$4,240,794	\$3,315,343
ACCOUNTS RECEIVABLE-NET	10,964,990	14,697,113
OTHER RECEIVABLES-AFFILIATES	685	515
SUPPLIES	3,035,125	3,230,052
PREPAID EXPENSES AND OTHER	1,772,616	1,950,860
DUE FROM THIRD-PARTY PAYOR SETTLEMENTS	0	0
<b>TOTAL CURRENT ASSETS</b>	<b>20,014,210</b>	<b>23,193,883</b>
PROPERTY, PLANT, AND EQUIPMENT - NET	39,183,411	43,244,735
ASSETS WHOSE USE IS LIMITED	8,160,453	8,843,138
ASSETS HELD BY OTHERS	13,552,109	12,859,179
OTHER ASSETS, NET	<u>1,339,074</u>	<u>1,398,995</u>
<b>TOTAL ASSETS</b>	<b><u>\$82,248,257</u></b>	<b><u>\$89,537,930</u></b>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>CURRENT LIABILITIES:</b>		
DEFERRED REVENUE	\$228,548	\$205,687
SHORT-TERM BORROWINGS	0	4,495,000
CURRENT PORTION OF LONG-TERM DEBT	2,850,289	3,632,382
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	6,915,982	6,442,389
ACCRUED PAYROLL AND BENEFITS	4,085,825	3,908,389
DUE TO THIRD PARTY PAYOR SETTLEMENTS	2,259,399	2,393,528
<b>TOTAL CURRENT LIABILITIES</b>	<b>16,280,633</b>	<b>23,218,185</b>
LONG-TERM DEBT	27,390,151	23,691,721
DEFERRED EHR REVENUE	0	0
ACCRUED PENSION LIABILITY	31,995,046	15,408,544
<b>NET ASSETS:</b>		
<b>UNRESTRICTED:</b>		
PENSION LIABILITY ADJUSTMENT	(37,075,302)	(21,045,448)
OTHER	28,785,919	26,282,101
TEMPORARILY RESTRICTED	12,023,095	13,223,609
PERMANENTLY RESTRICTED	<u>2,841,715</u>	<u>2,801,218</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$82,248,257</u></b>	<b><u>\$89,537,930</u></b>

**WCA HOSPITAL  
JAMESTOWN, NEW YORK  
STATEMENT OF REVENUES AND EXPENSES  
OCTOBER 31, 2015**

**YEAR-TO-DATE**

<b>UNRESTRICTED REVENUE:</b>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAV/(UNF)</u>	<u>PERCENT CHANGE</u>	<u>PRIOR YEAR</u>	<u>VARIANCE FAV/(UNF)</u>	<u>PERCENT CHANGE</u>
1 NET PATIENT REVENUE	53,871,254	58,132,482	(4,261,248)	-4.8%	87,511,421	(3,640,187)	-4.2%
2 BAD DEBT EXPENSE	(4,378,908)	(4,495,532)	118,644	-2.6%	(5,055,552)	678,644	-13.4%
3 TOTAL PATIENT REVENUE	78,494,322	83,525,230	(4,142,804)	-5.0%	82,455,869	(2,961,543)	-3.6%
4 OTHER REVENUE	7,325,874	3,488,209	3,837,765	110.0%	2,086,937	5,239,037	251.0%
<b>TOTAL UNRESTRICTED REVENUE</b>	<b>82,620,300</b>	<b>87,125,139</b>	<b>(304,938)</b>	<b>-0.3%</b>	<b>84,542,806</b>	<b>2,277,494</b>	<b>2.7%</b>
<b>EXPENSES:</b>							
5 SALARIES	33,222,421	33,373,032	(549,449)	-1.6%	34,185,583	263,102	0.8%
6 BENEFITS	10,072,007	9,994,353	(78,554)	-0.8%	9,175,304	(897,603)	-9.8%
7 MEDICAL SURGICAL SUPPLIES	11,423,274	10,464,091	(859,183)	-8.2%	10,338,180	(1,085,094)	-10.5%
8 OTHER SUPPLIES	1,894,421	1,738,290	(255,131)	-14.7%	1,858,346	(136,076)	-7.3%
9 PHYSICIANS' PROFESSIONAL FEES	3,193,373	6,271,071	77,698	1.2%	6,975,913	(217,460)	-3.0%
10 INTEREST EXPENSE	1,816,427	1,989,923	173,496	8.7%	2,025,390	208,983	10.3%
11 DEPRECIATION	5,272,231	5,259,658	(12,603)	-0.2%	5,138,622	(133,639)	-2.6%
12 OTHER EXPENSE	17,583,024	17,193,274	(369,750)	-2.3%	17,640,587	57,563	0.3%
<b>TOTAL OPERATING EXPENSES:</b>	<b>88,278,168</b>	<b>86,284,692</b>	<b>(1,993,476)</b>	<b>-2.3%</b>	<b>86,337,928</b>	<b>(1,940,243)</b>	<b>-2.2%</b>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	<b>(1,457,868)</b>	<b>840,447</b>	<b>(2,298,316)</b>		<b>(1,795,119)</b>	<b>337,251</b>	
<b>OTHER INCOME(EXPENSES):</b>							
13 CONTRIBUTIONS	1,239	8,334	(7,095)		3,765	(2,526)	
14 INVESTMENT INCOME	288,863	153,346	113,317		210,967	55,696	
15 PRIOR YEAR RETROACTIVE ADJ	253,142	0	253,142		140,151	112,991	
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>(996,824)</b>	<b>1,002,127</b>	<b>(1,938,951)</b>		<b>(1,440,236)</b>	<b>503,412</b>	

