Board of Directors Special Meeting

February 9, 2024 6:00 p.m.

AGENDA

I. Call to Order
   1. Roll Call
   2. Agenda Additions or Corrections and Motion to Approve ..... (action)
   3. Public Input

II. Consideration of Resolution 2024-01 Banking Signature Authority & Motion ..... (action)

III. Consideration of Additional Information Regarding Proposed EHR/ERP & Motion .. (action)

IV. Open Discussion & Adjournment

Southern Coos Health District
Resolution 2024-01
Banking Signature Authority

BE IT RESOLVED that the Board of Directors of the Southern Coos Health District hereby officially requests removal of Jeremiah Dodrill, former Chief Financial Officer, from all banking accounts and all banking services including credit card and online banking, and requests the addition of Thomas Bedell, SCHD Board Treasurer as a new authorized signer. Raymond Hino, CEO and Brent Bischoff, SCHD Board Chairman are to remain signers.

The above resolution is approved and declared adopted by the Board of Directors for the Southern Coos Health District on the 9th day of February 2024.

AYES_____ NAYS_____

ATTEST:

_____ _____

Brent Bischoff, Chairman Mary Schamehorn, Secretary

DATE: February 5, 2024

TO: Board of Directors

FROM: Raymond T. Hino, CEO

SUBJECT: Electronic Health Record (EHR) and Enterprise Resource Planning (ERP) System Implementation Project

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Recommended Action

The management team of Southern Coos Hospital & Health Center (SCHHC) recommends that the Board of Directors approve the acquisition and implementation of the Providence/Tegria Electronic Health Record (EHR) system and the Sage/Intacct Enterprise Resource Planning (ERP) system for a Total Cost of Ownership (TCO) budget of $8,224,461.00 over 5 years with a Net Cost of Ownership, after software decommissioning of $2,642,518.00. The following actions are recommended for approval:

- Execute an agreement with Providence/Tegria for the purchase and installation of their community connect Epic Electronic Health Record (EHR) system at a total cost of $1,901,524 for implementation costs in first 2 years, and an Epic total of $4,612,050 (including $1,901,524) for 5-years to include implementation, support and licensing.

- Approve a budget of $1,004,892 for 3rd party application licensing over 5 years.

- Execute an agreement with Sage/Intacct for the purchase and installation of their Enterprise Resource Planning (ERP) system at a cost of $605,637, plus subscriptions and licensing costs of $698,000 for the first 5 years. The total cost over 5 years is $1,303,637.

- Approve a budget of $400,000 for Project Management for this project.

- Approve a budget for a 15% contingency for the Providence/Tegria EHR implementation.

Including all of the above, the requested budget for this project is $8,224,461 for Total Cost of Ownership before decommissioning. However, the actual cost to SCHHC will be much less.

The total cost for purchase, licensing, implementation, staff training, and financing is broken down as follows:

- Providence Tegria Software, hardware, licensing, implementation, staff training and contingency costs over a 5-year period $6,920,824.00
- Sage/ Intacct Software, subscriptions & ongoing licensure over a 5-year period $1,303,637.00

• Less decommissioning of current software (CPSI, Trubridge	($5,581,943,00)
• Net True Cost of Ownership (TCO)	$2,642,518.00
• Amount to be Financed (6.3% interest)	$3,445,790.00
• Financing Costs for 5 years	$218,000.00

We note at the outset of this presentation that a request for grant funding from Advanced Health was ultimately denied, due to changes in the way that Advanced Health receives its funding from the State of Oregon. Nonetheless, management believes strongly that this project remains to be a viable project that can be supported through the revenues realized by the organization, including additional cost based reimbursement and savings due to decommissioning of existing EHR software systems.

Why Is the Management Team Recommending the Replacement of our Current EHR system at this time

The management team for Southern Coos Hospital & Health Center (SCHHC) understands that this is a major decision for our organization and does not take lightly the implications that must be considered when making a decision of this magnitude.

We are making this recommendation because we have seen it demonstrated that the viability of our current CPSI electronic health record system is limited in what it can do to support our facility. Here are a few examples:

1. Patient Safety Justifications

   - Outdated technology in medical records charting in the clinic, resulting in multiple keystrokes and clicks in order to make a single entry. This introduces the potential for errors and omissions, and makes it take longer to get through a single patient medical chart.

   - Failures of the CPSI system in which critical patient medical record information is inexplicably dropped from the CPSI medical records. This results in duplication of efforts to retrieve medical information and time lost in double-checking documentation work, when time could be spent in providing patient care to clinic patients.

2. Strategic Positioning for SCHHC Justifications

   In May 2022, the Board approved the 2022-2025 SCHHC Strategic Plan. The plan included five pillars, including People, Service, Quality, Growth, and Financial. The overall goal of the Strategic Plan is to position Southern Coos Hospital & Health Center as the "Hospital of Choice" for the people that live, work, vacation and visit the Southern Oregon Coast.

   One of the major initiatives of the Strategic Plan was included in Section 2.2 - Identify, select, and implement the most effective EHR and ERP systems.

In order to move towards being the "Hospital of Choice" for all the populations that we serve, we need an electronic health record system that does the following:

- Interoperability – In the United States in 2024, it is expected that patient records will transfer along with each person from provider to provider and from hospital to hospital, no matter where each patient is seen. With our current CPSI system, we do not have that. Patients and providers frequently complain that lab tests, medical imaging, emergency department records, etc. cannot be easily transferred from our hospital to other providers and hospitals through the patient's electronic patient portal. This results in both provider and patient dissatisfaction and bears the potential for unnecessary and perhaps wasteful repeats of medical tests and procedures.

    - Being the "Hospital of Choice," also means being the "Employer of Choice." We find ourselves having difficulty to recruit and retain providers in our clinic due to difficulties navigating the CPSI electronic medical record system.

3. Value Based Purchasing Justifications

As the Board has become fully aware, for the past 10 years our Country has been moving from the old hospital bill payment system of "fee for services" to "value-based purchasing." In value-based purchasing, the governmental payers such as CMS, in particular, reward hospitals and providers for achieving patient care metrics in the higher end of the hospital patient care universe. Here are some examples:

- Interoperability of electronic medical records (measured by physician usage of the EHR system, and connectivity to other hospitals and providers)
- Surgical complications
- Returns to the Emergency Department and Return Admissions
- Patient Satisfaction Scores
- Infection Control complications
- Plus more, and the list is growing each year.

There are, in fact, hundreds of bits of data and thousands of medical records that are required to be abstracted and reported on each year in order to be in compliance with all of the reporting requirements. Reporting in the low quadrants or a failure to report can adversely affect our hospital by a reduction in payments. We are recommending a robust EHR system, such as the Providence/Tegria, which will make it much easier to abstract charts and report on mandatory quality metrics.

4. Financial Justifications

The management team of SCHHC recommends the approval of the Providence/Tegria EHR and Sage/Intacct ERP on the basis of our financial ability to pay for the new systems as well. Exhibit C through Exhibit K demonstrate the financial justification for this project.

- In Exhibit K, the Clifton Allen Larson Key Assumption & Current State Strategic Financial Model shows several potential assumptions of SCHHC financial performance for the 6 years 2024 to 2029. For purposes of this presentation, we are presenting only the mid-

range assumption, titled "EHR/ERP Most Likely Growth." This model includes the following assumptions:

- $3,760,000 EHR/ERP Project Cost (financed)
- 67% Productivity of new Plastic Surgeon
- $625,000 Surgery/ SPD Project Cost (financed)
- 100% Patient Center Patient Home new revenue
- Clinic Provider productivity increased to 75%
- Geri Psych 100% new revenue
- Signify Health Accountable Care Organization (ACO) 50% new revenue

- Exhibit D shows that with those assumptions, including the addition of the EHR/ERP projecting financing that profitability for SCHHC improves from a 3.5% operating margin to a 4.6% operating margin.

- Exhibit E shows that as capital costs increase due to the implementation of the EHR/ERP project over the 6 years that decommission cost reductions and increased Critical Access Hospital (CAH) new cost reimbursement, offset the additional cost and result in an improvement in operating margin and a positive effect on cash flow.

- Exhibit F shows steady improvement in net operating margin over the 6 years projected.

Additionally, likely benefits of the EHR/ERP conversion that are not included in the analysis are: anticipated increases in charge capture with a more modern EHR system, which provides an abundance of management reports on productivity, work process and built in Artificial Intelligence (AI) features designed to improve provider efficiency and charge capture.

5. Obsolescence Justifications

In the end, our management is recommending that we move towards a replacement EHR and ERP system, because the CPSI product is in severe decline and we fear that in the relatively near future, that we will be forced to seek a new EHR/ ERP solution.

The reason we need to adopt an ERP system at the same time that we are implementing a new EHR system is that our current CPSI software bundle includes the revenue cycle, supply chain, and accounting/finance functions. The Epic system, no matter where you find an Epic installation, does not include these capabilities. Thus, SCHHC, by necessity, evaluated several ERP systems to complement the Epic EHR.

Steps Taken Prior to Tonight's Meeting

1. After approval of the SCHHC Strategic Plan, the executive team set out to execute the plan's goals and objectives. In discussing the best methodology to identify, select, and implement an EHR and ERP system, SCHHC management determined that the project would benefit from bringing on a third-party vendor to assist in evaluation available EHR and ERP systems, including Epic, Cerner, Meditech, and Workday, Infor, Premier, Sage/Intacct, among others. We contracted with Experis Health Solutions in March 2023 and held a kick-off meeting on April 3, 2023.

2. Jeremiah Dodrill, former SCHHC CFO, and Scott McEachern, CIO, served as the co-executive sponsors of the EHR/ERP vendor evaluation project. The co-sponsor arrangement is reflective of the fact that we would have to select an ERP as well as an EHR vendor. As part of the ERP selection process, we also determined the need to review the revenue cycle management practices and develop a roadmap to optimize the RCM transition.

3. We followed the Experis Health Solutions Vendor Selection Methodology, described in the Dictionary of Terms in exhibit A. Over the course of several months, we evaluated several EHR and ERP systems, including multiple Epic Community Connect hosts. The selection team originally narrowed the potential EHR vendors to Providence/Tegria and MultiCare, both Epic Community Connect programs. We settled on two potential ERP vendors, Sage/Intacct and Premier. However, during the RFP process in May 2023 and extending into early June 2023, MultiCare pulled itself out of consideration, citing a system-wide pause in deploying new Epic Community Connect programs. This setback did not delay our team's forward movement very long. Dodrill and McEachern, and Madelaine Yue from Experis, all reached out to other potential Epic Community Connect partners, including OHSU, Good Samaritan, Legacy Health, Common Spirit, PeaceHealth, and Salem Health; all declined to participate. The Oregon-California Health Information Network (OCHIN) agreed to submit a proposal to us, which they submitted on July 25, 2023.

4. The evaluation and demonstration process, while led by the SCHHC CIO, CFO, and Experis personnel, was driven by many members of the SCHHC staff. I would like to give recognition to Dawn Gray, Clinic Manager, Cindy Kessler, Lab Manager, Leah Hyman, Medical Imaging Manager, Nick Lucas, ED Nursing Manager, many members of the nursing staff, along with Cathy Mann, Revenue Cycle Manager, Brenda Sund, Controller, Katelin Wirth, Financial Analyst, and Cori Valet, CNO. We consider the vendor evaluation and demonstration process and final selection to have been the best in SCHHC's history.

5. <u>September 21, 2023, Special Board Meeting</u>

   At the special meeting on September 21, 2023, SCHHC management recommended that we implement Providence/Tegria as our new electronic health record and Sage/Intacct as our new enterprise resource planning system. Management also presented the Total Cost of Ownership model and the impact of the project on SCHHC's Long-Term Financial Plan.

   At that time, we had received very positive feedback from Advanced Health, the regional Care Coordination Organization (CCO), regarding the possibility of a grant. After several months of deliberation, Advanced Health officially declined to fund SCHHC's EHR/ERP project, notifying Raymond Hino, SCHHC CEO, via email on Thursday, February 1, 2024.

6. <u>November 1, 2023, Special Board Meeting</u>

   On November 1, 2023, at the second special meeting, management presented project timelines, project management tiers and impact on SCHHC FTE, and supplemental leadership for key SCHHC executives involved in the project.

   - Showed potential EHR/ERP implementation timelines (March 2024 – March 2025).

- Outlined Implementation project management and SCHHC staffing model (see page 16 for detail)

- Described the extensive go-live support that will be offered by Sage/Intacct (October 2024) and Providence/Tegria (December 2024).

- Laid out the post-live support model (December 2024-March 1, 2025) to ensure long-term sustainability.

- Demonstrated our commitment to providing leadership support for SCHHC executives and management staff. For example, the reference sites (Wallowa County Health Care District, Grande Ronde Hospital & Clinics, Island Health, etc.) have offered to serve as sounding boards for us. Scott McEachern, CIO, has convened a group of CIOs through his contacts at CDW who have recently undertaken an EHR conversion. McEachern is also working closely with a CIO at California Children's Hospital who has been through several EHR conversions in his career.

We also presented updated potential financial scenarios considering the EHR/ERP investment's impact on SCHHC's long-term financial plan. The scenarios included EHR/ERP investment with 1. No Management Changes in current financial performance; 2. 100% Growth Initiatives, 3. Most Likely Growth; and 4. Minimal Growth and $500K in Grants. With the help of Matthew Borchardt from CLA, we added to each scenario the expected Net Cash Flow Impacts and the Net Margin. We will revisit these scenarios later in this narrative; please see Appendix B for the complete slide deck of long-term financial scenarios provided by CLA.

The SCHD Board voted to confirm SCHHC Management's recommended vendors of choice: Providence/Tegria for our new EHR, and Sage/Intacct for ERP. Management understood the approval as a go-ahead to continue refining the pricing from the vendors. By approving our vendors of choice, the SCHD board allowed management to secure pricing quotes from the vendors.

7. <u>November 30, 2023, Special Board Meeting</u>

SCHHC management made another, shorter presentation at the regular SCHD Board meeting on November 30, 2023. We focused on several issues around interoperability, which is the industry term for sharing of medical information between healthcare facilities (see Dictionary of Terms). We outlined several tools in the Epic system that will significantly streamline the process by which we intake and send patient records. Please refer to the slide deck from November 30th for detailed information.

To further highlight how Epic will significantly improve SCHHC's ability to intake and share patient medical information, we have also developed two Medical Record Sharing Case Studies: one from the patient perspective, and another from the provider perspective. Please see the Case Studies beginning on page 13.

7. <u>January 25, 2024, Regular SCHD Board Meeting</u>

While management did not present new information regarding the EHR/ERP project, it is noteworthy to mention that management asked for and received approval from the board to

invest in another capital project, the upgrade of the Surgical Services Sterile Processing Department. It's relevant to our discussion of the EHR/ERP project. In the next section on Staff Capacity, we will go into detail about how SCHHC management can be successful in implementing both projects.

Staff Capacity

Management would like to highlight the extensive thought and consideration given to forecasting the impact of the EHR/ERP project on our staff. For reference, we presented the proposed SCHHC Implementation Staff Structure, Vendor Implementation Structure, and Consulting Management Structure, at the November 1, 2023, Special Board Meeting. To ensure that our current staff and key project stakeholders can continue to perform their daily, weekly, monthly patient care tasks, while also devoting time to the EHR/ERP project, we have conceptualized a project management infrastructure that will ensure successful implementation. On average, SCHHC staff will spend an average of 7 hours per week on the project.

As is the case in many facilities, SCHHC has several projects either in-flight or planned. SCHHC executive team has had several discussions around prioritizing these projects and have determined to focus on two: the Surgical Services Sterile Processing Upgrade project (mentioned in the previous section), and the EHR/ERP project (if approved by the board). In reviewing the project timeline for the Surgical Services Sterile Processing Upgrade, SCHHC has contracted with Joe Kunkel, a healthcare facilities consultant with 30 years of experience, to help manage the project; and Anderson/Dabrowski Architects to develop the scope of work, design the upgraded space, and coordinate the hiring of contractors. In review of the project's impact on SCHHC staff, will largely fall on the Surgical Services Manager, Plant Operations Manager, CEO, CFO, and CNO. The project will likely end in August/September 2024, dependent on contingencies. We have other smaller projects (including continued optimization of our current system, Evident) that we will continue to provide resources to. SCHHC staff will balance the Surgical Services Upgrade and the EHR/ERP implementation (if approved by the SCHD Board) for the rest of the calendar year 2024 (see high-level timeline of the Surgical Services SPD Upgrade Projects and EHR/ERP Implementation on page 17). SCHHC executive team will continue to review in-flight, upcoming, and proposed projects every week to ensure successful completion of the high-priority projects.

Summary

SCHHC management requests that the SCHD Board approve management's request to implement a new electronic health record, enterprise resource system, and the associated peripherals, and pursue the necessary project financing.

Of note, the SCHHC management team has strived to present the best possible EHR/ERP solution for Southern Coos Hospital & Health Center, while being mindful through the entire projects of keeping costs down. Management highlights to the board that the TCO is $690,773 less than the TCO presented at the September 21, 2023, special board meeting. The reduction is a result of detailed negotiations between SCHHC and the primary vendors over the past two months during which we identified areas to trim. Therefore, the total amount of financing necessary for implementation is reduced to $3,445,790.

SCHHC management has made a strong and compelling case for the need to convert to Epic as our new electronic health record. Over the course of four presentations (including the current one), we have described how the use of Epic will benefit Southern Coos Hospital & Health Center. Implementation of Epic, Sage/Intacct, and peripherals will:

a) Lead to safer and more efficient patient care.

b) Give SCHHC patients the opportunity to better take control of their care at SCHHC and at distant medical facilities in Roseburg, Eugene, Portland, and beyond, through faster, more efficient sharing of medical information.

c) Offer SCHHC management the ability to increase the volume of existing service lines by increasing provider productivity.

d) Provide SCHHC management and the SCHD board with better decision support tools and business intelligence metrics as we consider adding on future new services.

e) Lead to long-term financial sustainability.

f) Provide our clinical staff with the necessary decision support tools to provide the highest quality care for our patients.

g) Significantly improve SCHHC's ability to report mandatory quality measures and thus avoid monetary penalties that would be catastrophic for SCHHC.

Exhibit A

Dictionary of Terms

CPSI: the parent company of Evident, SCHHC's current electronic health record

Care Everywhere: The platform by which Epic shares patient information with external medical facilities.

Epic: One of several electronic health record software systems; Epic is one of the best.

Epic Community Connect: The Epic company has granted larger health systems the license to extend their instance of Epic to other medical facilities that may be outside of the larger health system's family. They do this through the Epic Community Connect program.

Host Site: The larger healthcare system hosts the Epic Community Connect program. Facilities, such as SCHHC, that take part in the host site's Epic Community Connect program inherit the system infrastructure, clinical workflows, and policies of the host site.

Experis Vendor Evaluation Methodology:

- **Phase 0 – Project Initiation:** Establish foundational elements for project success.
- **Phase 1 – IT Strategic Alignment and Organizational Requirements Validation:** Foundational Leadership Work Session, Ideal IT Future State capabilities, current state functionality requirements and gap analysis.
- **Phase 2 – Vendor Selection:** RFP with client-specific requirements, facilitation of vendor site visits, vendor demonstrations, and reference checks.
- **Phase 3 – Total Cost of Ownership:** Identification of the capital expenditures and operating expenses related to proposed vendors compared to current state.

Evident: SCHHC's current electronic health record.

Interoperability: a term referring, broadly, to the sharing of medical information between medical facilities and systems.

Peripheral(s) Software: software supporting different service lines in the facility that may or may not communicate with the central electronic health record. Examples include a picture archiving communication system (PACS) and radiology information system in medical imaging; a laboratory information system in the laboratory; a pharmacy management system in medical-surgical unit; a human resource information system, and others.

Revenue Cycle Management: this term refers to the process of identifying, managing, and collecting patient service revenue.

St. Charles Health System: located in Bend, Oregon. St. Charles Health System is the host site for Bay Area Hospital, North Bend Medical Center, and Bay Clinic, all of whom operate Epic on the Community Connect program.

Total Cost of Ownership: an estimate of the total cost of acquiring, implementing, and maintaining a system; in this case, the costs of bringing on Epic, Sage/Intacct, and the related peripheral systems.

Exhibit B

History of EHR systems at Southern Coos Hospital & Health Center

Southern Coos Hospital & Health Center's electronic record system history dates to at least the late 1990s. To date, SCHHC has installed six electronic health record systems over the past 15 years. While it is not uncommon for medical facilities to convert from one health record to another, our frequency of conversion is very high. In brief, SCHHC adopted a system called LogikMedik sometime before we moved the physical hospital from the bluff to our present location. The Logik side was largely materials management, finance/accounting, and accounts payable, while the Medik side was electronic clinical documentation. We implemented Paragon (a McKesson product) around 2011. Then we installed CPSI's Evident product in 2014. In late 2015/early 2016, management determined that the clinic was not operating optimally with CPSI, so we converted to a system called Greenway in the clinic. For about four years, SCHHC operated two EHRs: Evident in the hospital, and Greenway in the clinic. In February 2019, SCHHC converted to Athena Health, which at that time, offered a single solution for the hospital (acute) and clinic (ambulatory) spaces. Because Athena Health did not offer a bundled enterprise resource system, SCHHC adopted Sage/Intacct as well. It is worth noting that during the past 15 years, SCHHC has also gone through several peripheral (see Dictionary of Terms) implementations, including Sage/Intact (in 2019), 7 Medical, Erad, NovaRad, Orchard, Pyxis, and others.

However, about six months after we went live with Athena Health, SCHHC management at the time was informed by Athena that they would no longer support the hospital product. SCHHC management was faced with a difficult decision: stay on with Athena Health with the understanding that the hospital portion of the software would not be upgraded and therefore degrade over time; or, find another EHR.

SCHHC management decided to convert our EHR system back to Evident for the following reasons:

1) Significant urgency we felt around moving away from the outdated Athena system.
2) Staff's familiarity with the Evident platform and workflows.
3) A single solution for EHR and ERP – recall that we had implemented Sage/Intact with Athena and Evident bundles the ERP functions in their platform.
4) A favorable renegotiated contract with Evident resulting in much lower future potential expenses (e.g. post-live future interface implementations).

SCHHC went live with Evident in February 2020 and has been on the system ever since.

It is relevant to note that SCHHC did not consider Epic Community Connect at that time. A former SCHHC CEO was approached by St. Charles Health System, based in Bend, Oregon, in 2017, and SCHHC was asked to participate in a potential EHR conversion to the St. Charles Health System instance of Epic via their Epic Community Connect Program. While former SCHHC management participated in conversations with St. Charles Health System and the regional healthcare facilities, management ultimately decided not to move forward with St. Charles.

Subsequently, on June 8, 2021, Bay Area Hospital, North Bend Medical Center, and Bay Clinic converted to the Epic Community Connect instance hosted by St. Charles Health System. The implementation and subsequent post-live maintenance did not go entirely smoothly.

SOUTHERN COOS HOSPITAL & HEALTH CENTER

Exhibit C

	2024	2025	2026	2027	2028	2029	Totals
Tegria EHR Project Costs	**FY0**	**FY1**	**FY2**	**FY3**	**FY4**	**FY5**	**5 Year**
Epic Implementation and Production Support Costs - One Time Costs	$ 393,997.65	$ 1,181,992.95	$ -	$ -	$ -	$ -	$ 1,575,990.60
Epic Implementation and Production Support Costs - Maintenance		$ 236,398.59	$ 243,490.55	$ 250,795.26	$ 258,319.12	$ 266,068.69	$ 1,255,072.21
Epic Licensing and Hosting	$ 244,035.73	$ 86,951	$ 89,559.74	$ 92,246.53	$ 95,013.93	$ 97,864.34	$ 705,671.47
Third Party Application Licensing – Included in Epic Contract	$ 26,113.70	$ 132,913	$ 136,901	$ 141,008	$ 145,238	$ 149,595	$ 731,767.86
Third Party Application Licensing - Not included in the Epic Contract	$ 124,667.00	$ 98,491	$ 101,255	$ 104,158	$ 107,206	$ 110,406	$ 646,184
Hardware/Server/Network Costs	$ 71,831.00	$ 71,831.00	$ 17,958	$ 17,958	$ 17,958	$ 17,958	$ 215,493
FTE Staffing Capital	$ 10,829.40	$ 25,268.60	$ -	$ -	$ -	$ -	$ 36,098.00
Contractor/Consulting Staffing (Staff Augmentation)	$ 24,331.50	$ 56,773.50	$ -	$ -	$ -	$ -	$ 81,105.00
Conversion/Archiving Costs	$ -	$ 64,522.00	$ 64,522.00	$ 64,522.00	$ 64,522.00	$ 64,522.00	$ 322,610.00
Go-Live FTE	$ -	$ 147,825.00	$ -	$ -	$ -	$ -	$ 147,825.00
Training	$ 172,236.00	$ -	$ -	$ -	$ -	$ -	$ 172,236.00
Community Technologies Costs and Administrative Costs 3%	$ 55,384.20	$ 13,688	$ 14,099	$ 14,521	$ 14,957	$ 15,406	$ 128,055.06
Subtotal Project Costs	**$ 1,123,426.18**	**$ 2,116,654.94**	**$ 667,784.61**	**$ 685,208.74**	**$ 703,213.66**	**$ 721,819.69**	**$ 6,018,107.82**
Contingency (15%)	$ 168,513.93	$ 317,498.24	$ 100,167.69	$ 102,781.31	$ 105,482.05	$ 108,272.95	$ 902,716.17
Total Tegria EHR Project Costs:	**$ 1,291,940.11**	**$ 2,434,153.18**	**$ 767,952.30**	**$ 787,990.05**	**$ 808,695.71**	**$ 830,092.64**	**$ 6,920,824.00**
Sage ERP Project Costs							
Implementation Costs	$ 376,469.50	$ 229,167.50	$ -	$ -	$ -	$ -	$ 605,637.00
Subscriptions and Ongoing Licenses	$ -	$ 156,837.00	$ 125,556.00	$ 131,834.00	$ 138,426.00	$ 145,347.00	$ 698,000.00
Total Project + Incremental Costs	**$ 376,469.50**	**$ 386,004.50**	**$ 125,556.00**	**$ 131,834.00**	**$ 138,426.00**	**$ 145,347.00**	**$ 1,303,637.00**
TOTAL EMR + ERP	**$ 1,668,409.61**	**$ 2,820,157.68**	**$ 893,508.30**	**$ 919,824.05**	**$ 947,121.71**	**$ 975,439.64**	**$ 8,224,461.00**
Software Decommisioning	$ -	$ (379,264.00)	$ (1,207,083.00)	$ (1,267,437.00)	$ (1,330,809.00)	$ (1,397,350.00)	$ (5,581,943.00)
Net Total Cost of Ownership (TCO)	**$ 1,668,409.61**	**$ 2,440,893.68**	**$ (313,574.70)**	**$ (347,612.95)**	**$ (383,687.29)**	**$ (421,910.36)**	**$ 2,642,518.00**
Capital & Maintenance Costs Breakdown							
Project Capital Costs (Amount to be Financed)	$ 1,668,409.61	$ 1,777,380.55	$ -	$ -	$ -	$ -	$ 3,445,790.16
Project Maintenance Costs	$ -	$ 1,042,777.13	$ 893,508.30	$ 919,824.05	$ 947,121.71	$ 975,439.64	$ 4,778,670.84

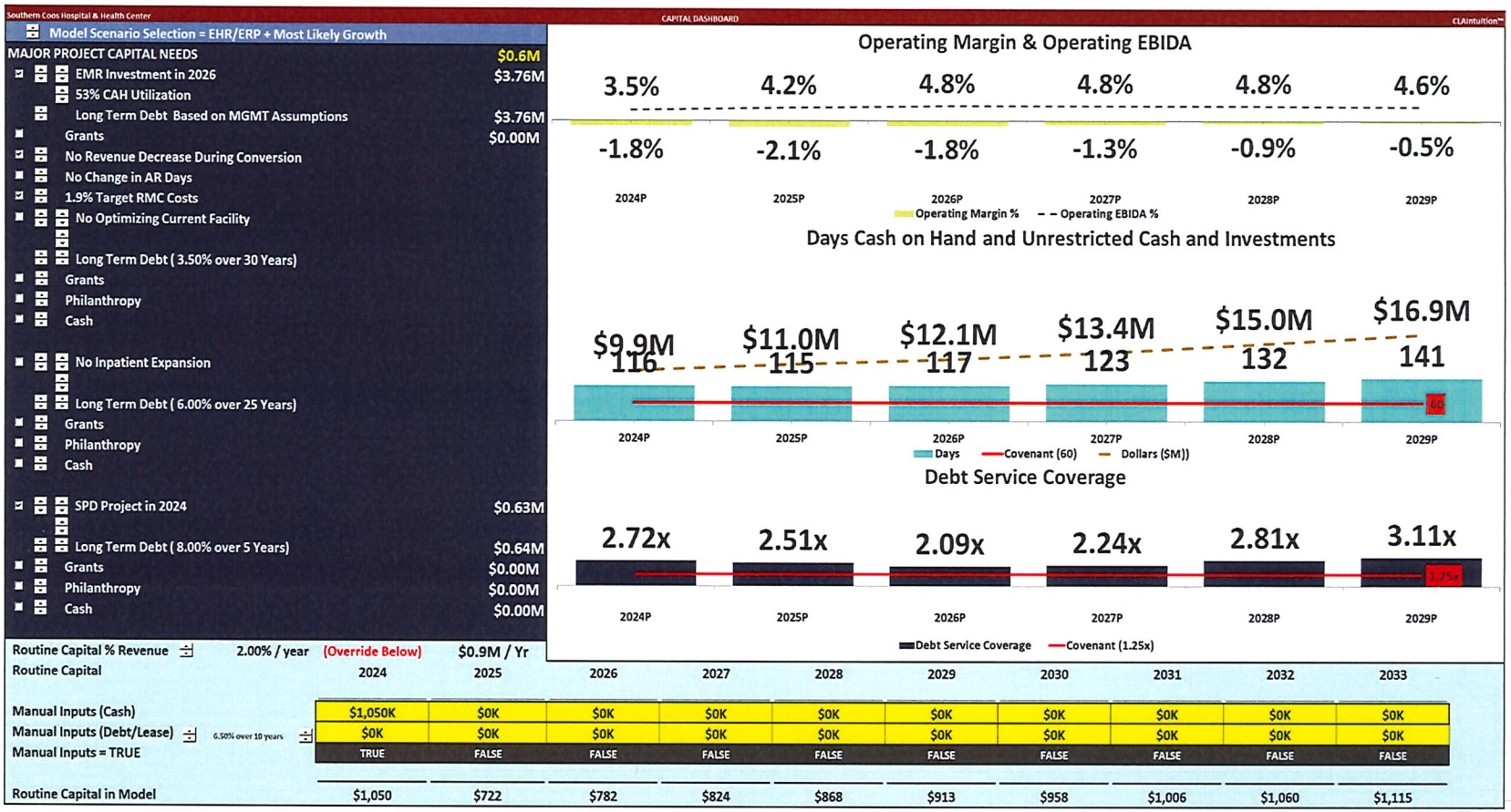
Note A - Software decommissioning includes all software that will no longer be required upon conversion. Included in this amount is CPSI/Truebridge which currently provides EHR, ERP and Revenue Cycle Management (RCM). We have not evaluated replacement of RCM services in the Total Cost of Ownership (TCO), thus any additional costs associated with RCM strategies will impact the overall cost of the conversion.

Note B - The line items comprising the Amount to be Financed include the total of $1,931,999.28 in YR 0; Epic Implementation and Production Support Costs - One Time Costs, Hardware/Server/Network Costs, FTE Staffing, Contractor/Consulting Staffing, Conversion/Archiving Costs, and Sage ERP Implementation Costs in YR 1.

SOUTHERN COOS HOSPITAL & HEALTH CENTER

Exhibit D

EHR/ERP Investment & Most Likely Growth



SOUTHERN COOS HOSPITAL & HEALTH CENTER

Exhibit E

EHR/ERP Investment & Most Likely Growth

Total Sources and Uses of EHR / ERP and Strategic Initiatives	2024	2025	2026	2027	2028	2029
Uses						
Capital Costs						
Depreciation	($102)	($493)	($783)	($783)	($783)	($681)
Interest	(18)	(205)	(246)	(194)	(138)	(79)
Operating Costs						
Subscription	0	(251)	(997)	(1,011)	(1,030)	(1,063)
New RCM Costs	0	(608)	(685)	(742)	(782)	(824)
Decommission Costs	0	379	1,208	1,268	1,332	1,398
Sources						
CAH Impact	54	508	650	655	653	604
Grant Impact	0	0	0	0	0	0
Strategic Initiatives	457	1,036	1,213	1,273	1,335	1,401
Operating Margin Impact	391	365	360	466	586	755
Operating EBIDA Impact	511	1,063	1,389	1,443	1,507	1,516
Principal Payments	0	(283)	(790)	(843)	(898)	(958)
Net Cash Flow Impacts	**$492**	**$575**	**$352**	**$407**	**$471**	**$479**

SOUTHERN COOS HOSPITAL & HEALTH CENTER

Exhibit F

EHR/ERP Investment & Most Likely Growth

($ in Thousands)	2022	2023	2024	2025	2026	2027	2028	2029
OPERATING REVENUES								
Total Operating Revenues	25,347	28,439	32,021	36,084	39,084	41,192	43,399	45,668
Operating Revenue % Change		**12.2%**	**12.6%**	**12.7%**	**8.3%**	**5.4%**	**5.4%**	**5.2%**
OPERATING EXPENSES								
Total Non Capital Expenses	25,602	28,961	30,901	34,565	37,195	39,215	41,320	43,545
Operating EBIDA	**(255)**	**(522)**	**1,120**	**1,519**	**1,888**	**1,977**	**2,079**	**2,123**
Operating EBIDA %	**-1.0%**	**-1.8%**	**3.5%**	**4.2%**	**4.8%**	**4.8%**	**4.8%**	**4.6%**
Depreciation & Amortization	935	1,017	1,479	1,910	2,229	2,270	2,319	2,277
Interest Expense	211	278	211	361	364	260	171	94
Total Operating Expenses	26,748	30,256	32,591	36,836	39,789	41,745	43,810	45,915
Operating Margin	(1,401)	(1,817)	(570)	(752)	(705)	(552)	(411)	(247)
Operating Margin %	**-5.5%**	**-6.4%**	**-1.8%**	**-2.1%**	**-1.8%**	**-1.3%**	**-0.9%**	**-0.5%**
NON-OPERATING, NET								
Total Non-Operating, Net	1,299	2,919	1,572	1,876	1,925	1,977	2,036	2,103
NET MARGIN	$ (102)	$ 1,102	$ 1,002	$ 1,123	$ 1,220	$ 1,425	$ 1,625	$ 1,856
Net Margin %	**-0.4%**	**3.9%**	**3.1%**	**3.1%**	**3.1%**	**3.5%**	**3.7%**	**4.1%**

See summary of significant assumptions.

SOUTHERN COOS HOSPITAL & HEALTH CENTER

Exhibit G

High Level Scenario Assumptions ($000)						
	Baseline	Baseline & EHR/ERP	EHR/ERP + 100% Growth	EHR/ERP + Most Likely Growth	EHR/ERP + Minimum Growth	EHR/ERP + Minimum Growth + Grants
EMR						
Total Costs	Excluded	$3,760	$3,760	$3,760	$3,760	$3,760
RCM Costs	Excluded	1.9% of Revenue	1.9% of Revenue	1.9% of Revenue	1.9% of Revenue	1.9% of Revenue
Strategic Initiatives						
Plastic Surgeon	Excluded	Excluded	100%	67%	33%	33%
SPD Capital Investment	Excluded	Excluded	$625 (8% 5 Yrs)	$625 (8% 5 Yrs)	$625 (8% 5 Yrs)	$625 (8% 5 Yrs)
PCPCH	Excluded	Excluded	100%	100%	100%	100%
Geri Psych	Excluded	Excluded	100%	100%	Excluded	Excluded
Provider Productivity	Excluded	Excluded	100%	75%	50%	50%
ACO	Excluded	Excluded	100%	50%	Excluded	Excluded

Medical Record Sharing Case Study #1 **Exhibit H**

The following case studies attempt to describe the patient experience with our current system, Evident, in Case Study #1; Case Study #2 offers a letter from a practicing physician who uses Epic and oversaw a recent Epic conversion.

Medical Record Sharing Case Study #1: The Golfer – The Patient Perspective
Note: this is a fictionalized scenario based on real situations with SCHHC's current EHR system.
A man in his mid-40s travels to the Bandon Dunes Golf Resort with several friends for their annual golf trip. The group is coming from locations around the United States; our man is coming down from Bothell, Washington, where he lives with his wife, two girls under 10 years old, and they recently adopted a goldendoodle puppy. The entire family goes to a local primary care clinic that is part of the Providence network and therefore uses Epic.

Our golfer is golfing the Old MacDonald course and unfortunately, turns his ankle. By the time he returns to the main lodge for dinner, he is in considerable pain and when he hikes his pant leg, his right ankle is swollen and turning purple. He tells his friends that he thinks he needs to have someone look at his leg; the waitress overhears him and says that while Bandon doesn't have an urgent care, the local hospital does offer a 24/7 emergency department. He drives to the Bandon hospital, where he is checked in by the registration staff. James asks if the registration staff can see his records, but the staff say no, we are not on a system that allows quick sharing of patient records with his home system. During check in, he is so worried about his ankle that he forgets to indicate that he is allergic to a common pain medication.

A provider sees the golfer after a few minutes and after a visual examination followed by a quick x-ray, diagnoses him with a sprained ankle (no fracture, thank goodness!), and begins to prescribe the pain medication our golfer is allergic to; he just happens to be on Facetime with his wife, who overhears and reminds them about the allergy. (If SCHHC is on Epic, our ED staff would have near-immediate access to the golfer's medical records).

After the golfer returns home, his ankle feeling better, he decides after a few days to make an appointment with his primary care provider. When he arrives, his PCP asks him how his golfing trip went and the golfer tells him about the turned ankle. His PCP isn't too concerned but thinks that he might want to see the images of the ankle. After many long days of back and forth, finally the records arrive at the PCP's office. However, the images are muddy and hard to see, as they have been copied, faxed, and then turned into a pdf. (If SCHHC is on Epic, our medical records staff would be able to immediately transfer records to the golfer's home primary care office's system, and most of the data from his visit to SCHHC would be ingested directly into his record.)

SOUTHERN COOS HOSPITAL & HEALTH CENTER

Medical Record Sharing Case Study #2: The Provider's Perspective

SCHHC Management reached out to several providers who use Epic or who have recently converted their EHR to an Epic system. The following letter is from Dr. Perkin M. Shiu, MD, FACC, Director, Noninvasive Cardiac Imaging, John Muir Medical Center.

I'm an invasive cardiologist at John Muir Health in Walnut Creek, CA, a large, private hospital system with 2 main hospitals and over 10 outpatient centers and a medical staff of over 1,000 physicians. We're a full-service quaternary cardiac program that receives transfers from surrounding hospital systems for higher levels of care as well as a referral center for our clinical partner, the University of California, San Francisco. In addition to my clinical practice, I am the Non-Invasive Medical Director and oversaw the implementation of our cardiology imaging workflows and reporting into EPIC.

Our system implemented EPIC about 10 years ago. Adjusting our workflows and learning EPIC took a lot of time, but despite initial challenges it has been vital in taking care of our patients.

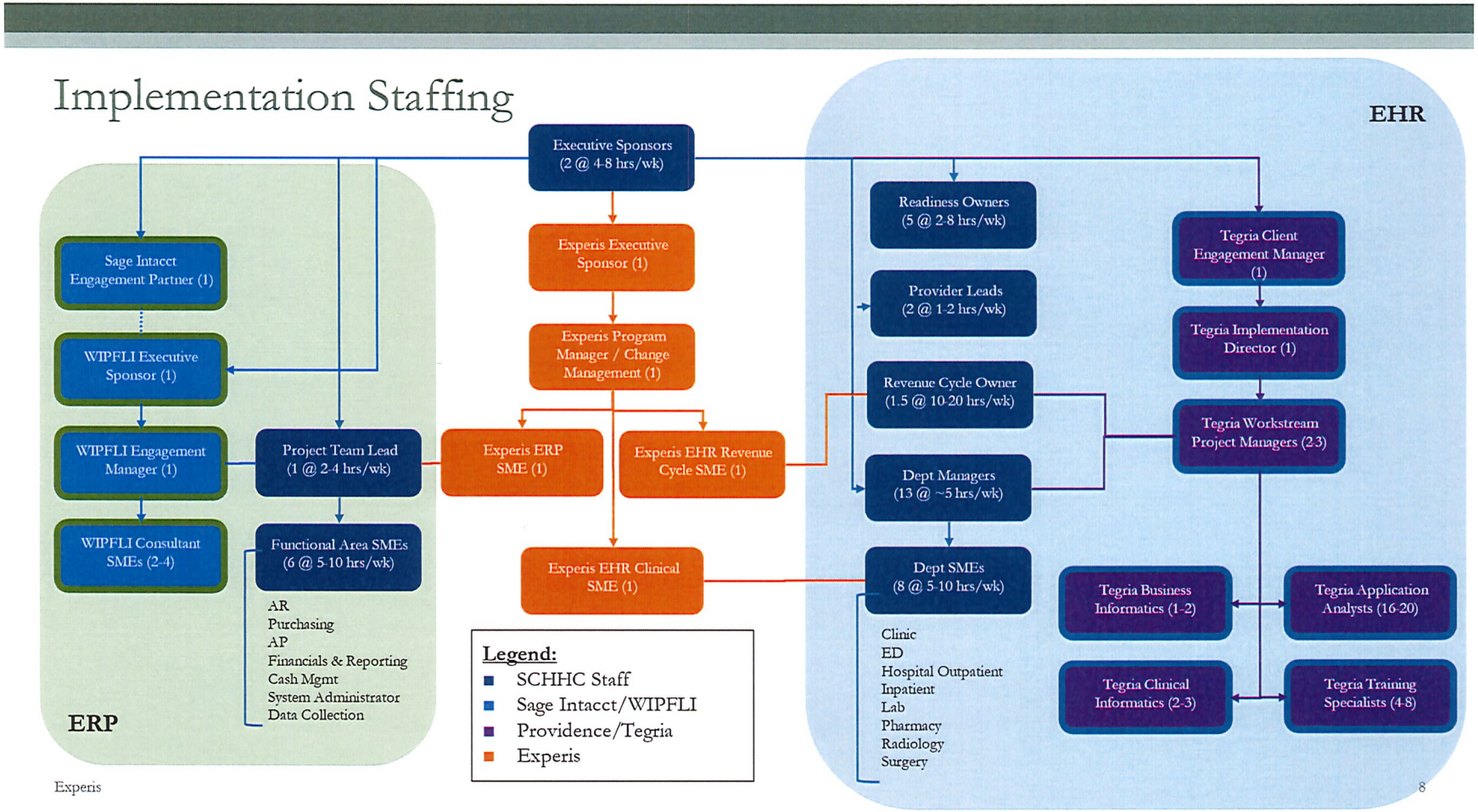
1. Internally, EPIC has improved:
    1. Care coordination.
    2. Communication between providers on the care team (physicians, nursing, pharmacy, home health, physical therapy, etc).
    3. Patient communication.
    4. Real time access to a patient's information anywhere across different devices.
    5. Facilitates organization and longitudinal tracking/comparison of our cardiac imaging and procedural data.

2. Externally, EPIC has improved:
    1. Care coordination with our external partners: as we are both a regional receiving center and referral center, the ability to quickly access and review clinical data from our partner institutions is paramount.
    2. EPIC's Care Everywhere functionality greatly enhances continuity of care and transfer of information. Clinical records are freely shared, organized in a familiar fashion, and appear within our patient charts. Prior notes, lab, imaging, and procedural reports are discrete and instantly available.
    3. A few, small local systems are on other EHRs, and the availability of records is inconsistent, requires tremendous effort and time from staff to obtain, and if received in a timely manner, challenging to review and utilize.

Sincerely,

Perkin M. Shiu, MD, FACC
Invasive Cardiologist, John Muir Cardiovascular Medical Group
Director, Noninvasive Cardiac Imaging, John Muir Medical Center
1450 Treat Blvd, Suite 220B
Walnut Creek, CA 94597

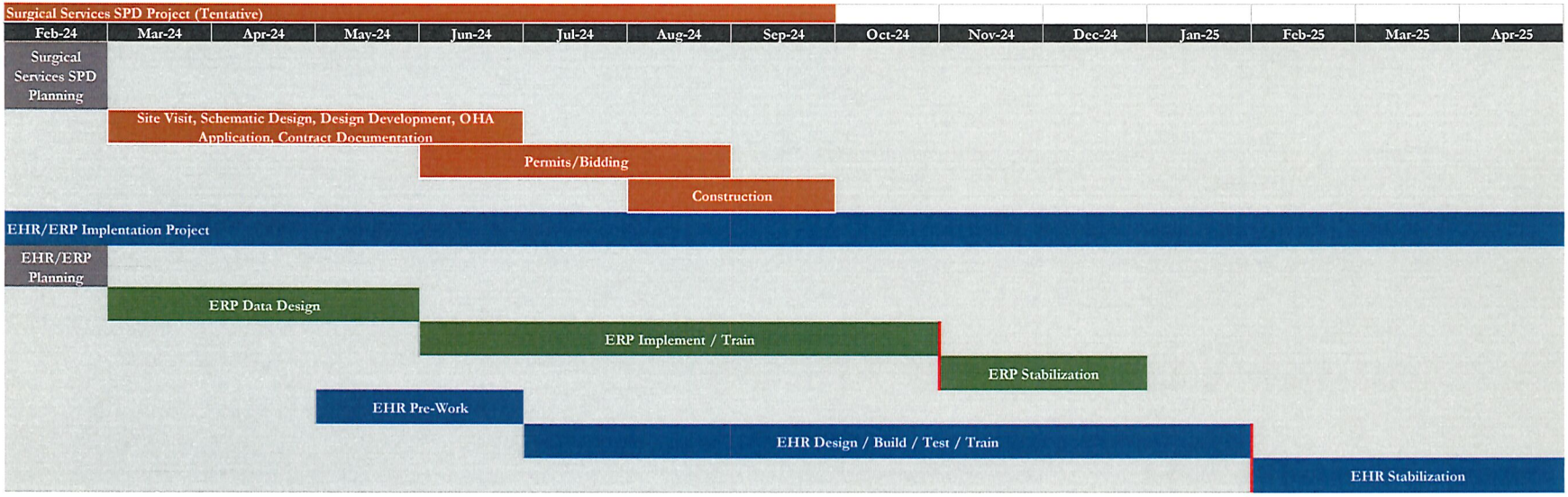
Exhibit I


Implementation Staffing
EHR
Executive Sponsors (2 @ 4-8 hrs/wk)
Experis Executive Sponsor (1)
Experis Program Manager / Change Management (1)
Sage Intacct Engagement Partner (1)
WIPFLI Executive Sponsor (1)
WIPFLI Engagement Manager (1)
WIPFLI Consultant SMEs (2-4)
Project Team Lead (1 @ 2-4 hrs/wk)
Functional Area SMEs (6 @ 5-10 hrs/wk)
AR
Purchasing
AP
Financials & Reporting
Cash Mgmt
System Administrator
Data Collection
ERP
Experis ERP SME (1)
Experis EHR Revenue Cycle SME (1)
Experis EHR Clinical SME (1)
Legend:
SCHHC Staff
Sage Intacct/WIPFLI
Providence/Tegria
Experis
Readiness Owners (5 @ 2-8 hrs/wk)
Provider Leads (2 @ 1-2 hrs/wk)
Revenue Cycle Owner (1.5 @ 10-20 hrs/wk)
Dept Managers (13 @ ~5 hrs/wk)
Dept SMEs (8 @ 5-10 hrs/wk)
Clinic
ED
Hospital Outpatient
Inpatient
Lab
Pharmacy
Radiology
Surgery
Tegria Client Engagement Manager (1)
Tegria Implementation Director (1)
Tegria Workstream Project Managers (2-3)
Tegria Business Informatics (1-2)
Tegria Application Analysts (16-20)
Tegria Clinical Informatics (2-3)
Tegria Training Specialists (4-8)
Experis
8

SOUTHERN COOS HOSPITAL & HEALTH CENTER

Timelines of Projects

Exhibit J



SOUTHERN COOS HOSPITAL & HEALTH CENTER

Exhibit K

Clifton Larson Allen (CLA) Key Assumptions & Current State Strategic Financial Model (Attached)

Southern Coos Hospital & Health Center

Key Assumptions & Current State Strategic Financial Model

January 26, 2024

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Introduction

The accompanying projected financial statements include the following departures from the guidelines for presentation of a projection established by the AICPA: The projected financial statements omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. The projected financial information omits the summary of significant accounting policies. The projected financial information are not in conformity with GAAP accounting standards. The effects of these departures have not been determined

These financial projections present, to the best of management's knowledge and belief, the Hospital's expected financial position, results of operations, and cash flows for the projection periods if the Hospital attains the hypothetical assumptions listed on the next page; they should not be considered to be a presentation of expected future results. Accordingly, the projections reflect its judgment as of January 26, 2024, the date of these projections, of the expected conditions of the hypothetical assumptions listed on the next page. The assumptions disclosed herein are those that management believes are significant to the projections. Furthermore, even if the Hospital attains the hypothetical assumptions above, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. In addition, the degree of uncertainty related to this reporting generally increases as the time span presented increases

These projections and the related analyses are intended for the internal use of the Southern Coos's management and board members, and should not be read by or relied on by other third-party users for any purpose.

Situational Overview

Objective

- Provide a financial model that can assist in informing Southern Coos's management and Board to define and understand performance implications of pursuing specific strategic initiatives including financial investments necessary to support those initiatives, and if Southern Coos has the financial strength to invest in a new EMR.

Goal

- Provide insights and analysis on the following scenarios for Southern Coos:
  - **Baseline**
  - **Strategic Growth Opportunities**
  - **Strategic & Other Operational Investments**
  - **Major Capital Investments**

Sources

- Projections used to support this analysis include information provided by Southern Coos, and June 30, 2023 unaudited financial statements.
- Statements of income and assembled abbreviated projected statements of cash flows and balance sheets are for a prospective period covering the fiscal years ending June 30, 2024 through 2029.

Situational Overview

Strategies

- Evaluate and establish baseline performance
- Establish baseline assumptions for current operations
  - Volumes / “Sizing”
  - Changes in Reimbursement Rates / Payor Mix
  - Staff and Other Expense Assumptions (Cost of Living and “Variable” expenses related to changes in volumes)
  - Routine and Major Capital Projects investment requirements
- Creation of customized Interactive long range financial planning dashboard incorporating key assumptions
- Utilize the interactive model to create scenarios, evaluate sensitivities of various options and establish “most likely” financial projection

Key Baseline Assumptions: Volume and Payor Mix

Baseline Performance

- Baseline Performance = 2024 Year To Date (December)

Baseline Volumes

- **Inpatient:** 1.0% / year for 2024+
- **Outpatient:** 1.0% / year for 2024+
- **Professional:** 1.0% / year for 2024+

Capital Spending & Debt

- Routine Capital Spending 2.0% of Revenue / year for 2025+ (Avg of $900k) – 2024 at $1.05M

Other Impacts

- No changes to payor mix
- 2.0% investment returns on cash and reserve balances
- 2.0% other non-operating income

Key Baseline Assumptions: Inflation and Spread

Net Rate Inflation (Rates)

- Medicare CAH: 5.0% / year (Cost Based)
- Medicaid: 3.0% / year
- Commercial & Other Payors: 5.0% / year
- Self Pay: 1.5% / year
- Other Operating: 2.0% / year

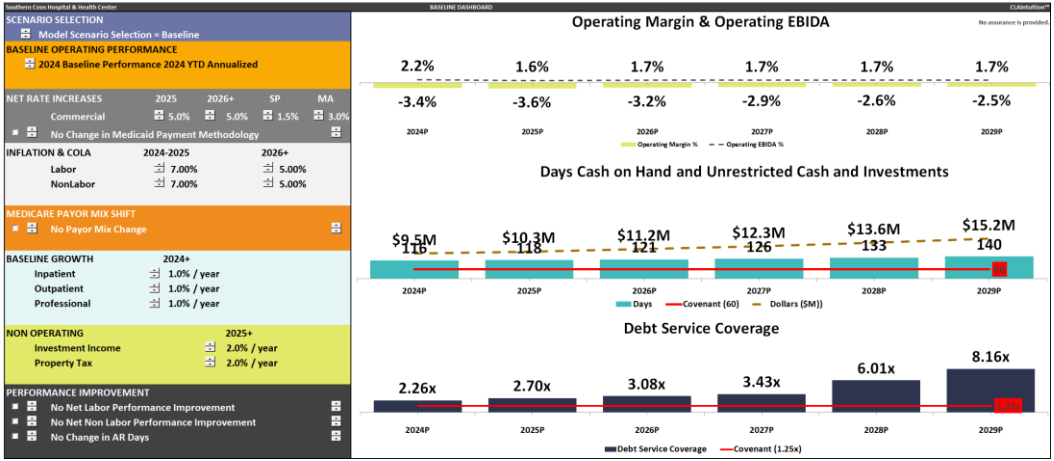
Expenses (COLA)

- Labor: 7.0% / year 2024-2025; 5.0% / year 2026+
- Non-Labor: 7.0% / year 2024-2025; 5.0% / year 2026+
- Variable Expenses (Baseline Growth): Based on estimated variable expense at % of baseline net revenue growth
  - Inpatient: 65% variable expense (35% contribution margin)
  - Outpatient: 55% variable expense (45% contribution margin)

Baseline (No MGMT Changes)

This scenario forecasts the financial situation over the next five years, assuming no management action/initiatives to improve SCH's financial performance.

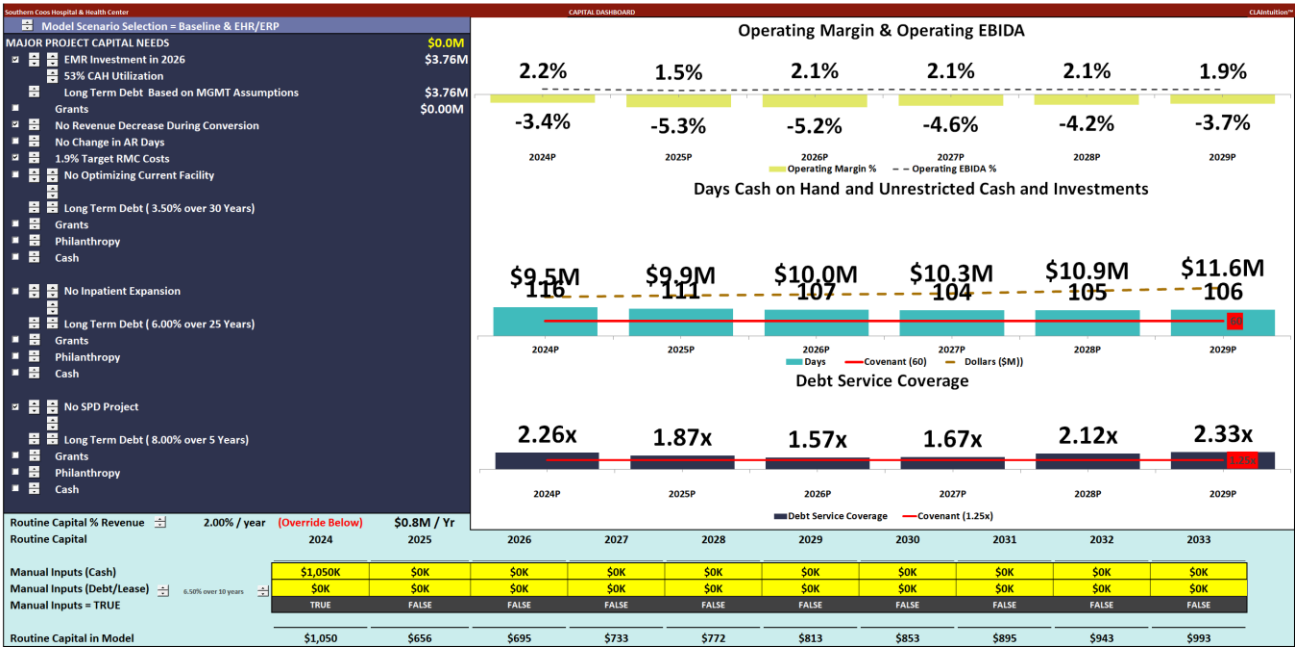
The scenario highlights the importance of focusing on improving financial performance.



Scenario Assumptions

High Level Scenario Assumptions ($000)						
	Baseline	Baseline & EHR/ERP	EHR/ERP + 100% Growth	EHR/ERP + Most Likely Growth	EHR/ERP + Minimum Growth	EHR/ERP + Minimum Growth + Grants
EMR						
Total Costs	Excluded	$3,760	$3,760	$3,760	$3,760	$3,760
RCM Costs	Excluded	1.9% of Revenue	1.9% of Revenue	1.9% of Revenue	1.9% of Revenue	1.9% of Revenue
Strategic Initiatives						
Plastic Surgeon	Excluded	Excluded	100%	67%	33%	33%
SPD Capital Investment	Excluded	Excluded	$625 (8% 5 Yrs)	$625 (8% 5 Yrs)	$625 (8% 5 Yrs)	$625 (8% 5 Yrs)
PCPCH	Excluded	Excluded	100%	100%	100%	100%
Geri Psych	Excluded	Excluded	100%	100%	Excluded	Excluded
Provider Productivity	Excluded	Excluded	100%	75%	50%	50%
ACO	Excluded	Excluded	100%	50%	Excluded	Excluded

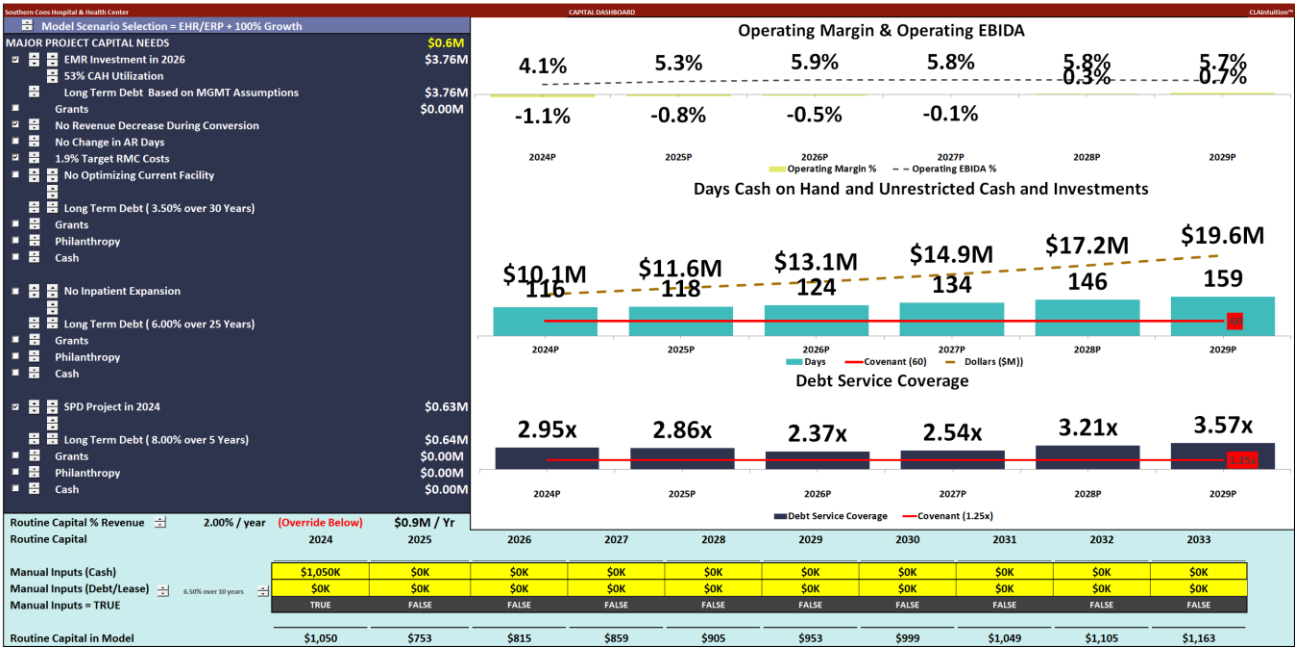
EHR/ERP Investment



EHR/ERP Investment

Total Sources and Uses of EHR / ERP and Strategic Initiatives	2024	2025	2026	2027	2028	2029
Uses						
Capital Costs						
Depreciation	($102)	($478)	($752)	($752)	($752)	($650)
Interest	(18)	(183)	(210)	(165)	(117)	(67)
Operating Costs						
Subscription	0	(251)	(997)	(1,011)	(1,030)	(1,063)
New RCM Costs	0	(580)	(623)	(660)	(696)	(733)
Decommission Costs	0	379	1,208	1,268	1,332	1,398
Sources						
CAH Impact	54	493	617	612	607	556
Grant Impact	0	0	0	0	0	0
Strategic Initiatives	0	0	0	0	0	0
Operating Margin Impact	(66)	(620)	(756)	(708)	(656)	(560)
Operating EBIDA Impact	54	41	205	209	214	157
Principal Payments	0	(214)	(669)	(714)	(762)	(812)
Net Cash Flow Impacts	**$36**	**($356)**	**($674)**	**($669)**	**($665)**	**($722)**

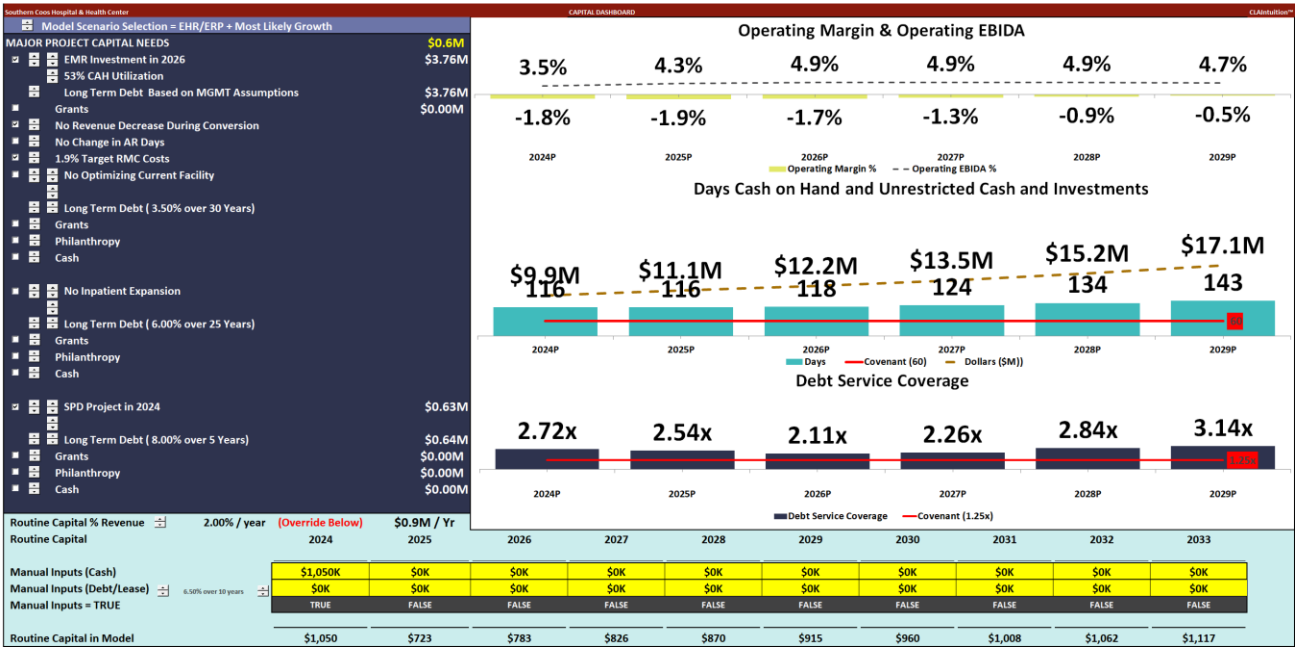
EHR/ERP Investment & 100% Growth Initiatives



EHR/ERP Investment & 100% Growth Initiatives

Total Sources and Uses of EHR / ERP and Strategic Initiatives	2024	2025	2026	2027	2028	2029
Uses						
Capital Costs						
Depreciation	($102)	($493)	($783)	($783)	($783)	($681)
Interest	(18)	(208)	(255)	(202)	(144)	(83)
Operating Costs						
Subscription	0	(251)	(997)	(1,011)	(1,030)	(1,063)
New RCM Costs	0	(622)	(715)	(774)	(816)	(860)
Decommission Costs	0	379	1,208	1,268	1,332	1,398
Sources						
CAH Impact	54	515	666	672	671	623
Grant Impact	0	0	0	0	0	0
Strategic Initiatives	683	1,515	1,728	1,816	1,907	2,002
Operating Margin Impact	617	835	851	986	1,137	1,336
Operating EBIDA Impact	736	1,536	1,890	1,971	2,064	2,100
Principal Payments	0	(281)	(784)	(838)	(895)	(956)
Net Cash Flow Impacts	**$718**	**$1,047**	**$850**	**$932**	**$1,025**	**$1,061**

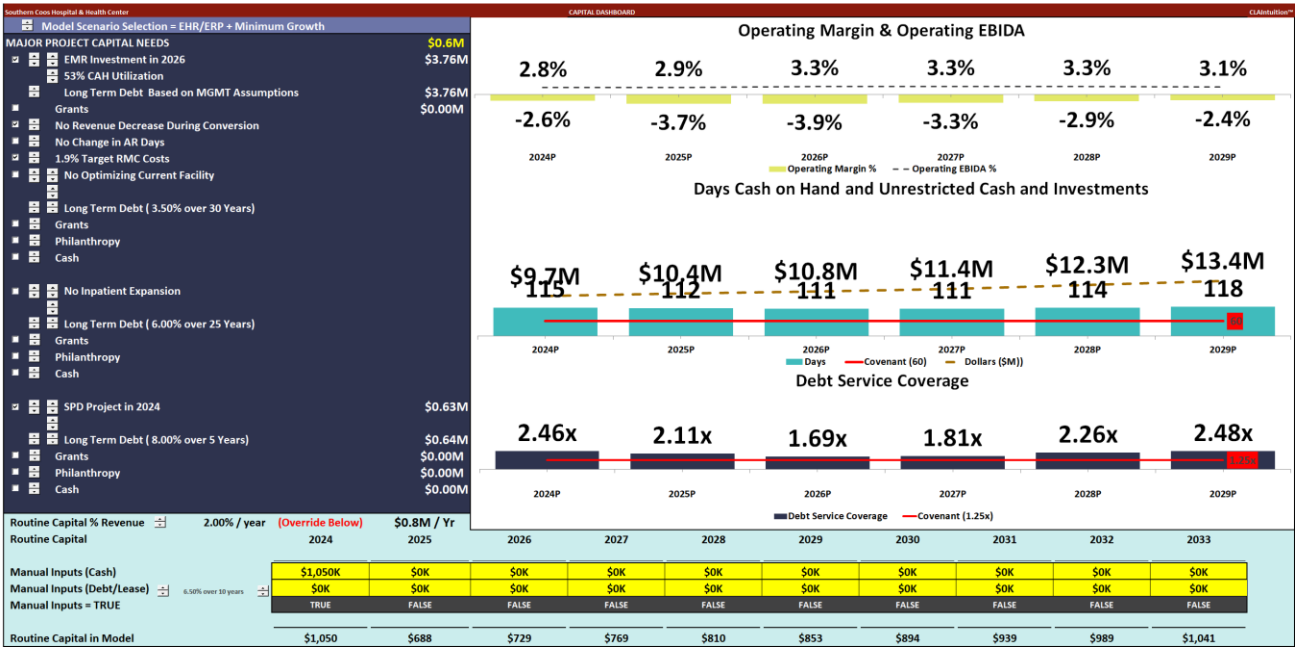
EHR/ERP Investment & Most Likely Growth



EHR/ERP Investment & Most Likely Growth

Total Sources and Uses of EHR / ERP and Strategic Initiatives	2024	2025	2026	2027	2028	2029
Uses						
Capital Costs						
Depreciation	($102)	($493)	($783)	($783)	($783)	($681)
Interest	(18)	(208)	(255)	(202)	(144)	(83)
Operating Costs						
Subscription	0	(251)	(997)	(1,011)	(1,030)	(1,063)
New RCM Costs	0	(608)	(687)	(744)	(784)	(826)
Decommission Costs	0	379	1,208	1,268	1,332	1,398
Sources						
CAH Impact	54	508	650	656	654	605
Grant Impact	0	0	0	0	0	0
Strategic Initiatives	459	1,087	1,252	1,313	1,377	1,445
Operating Margin Impact	393	413	388	498	622	795
Operating EBIDA Impact	512	1,114	1,427	1,483	1,549	1,559
Principal Payments	0	(281)	(784)	(838)	(895)	(956)
Net Cash Flow Impacts	**$494**	**$625**	**$388**	**$444**	**$510**	**$520**

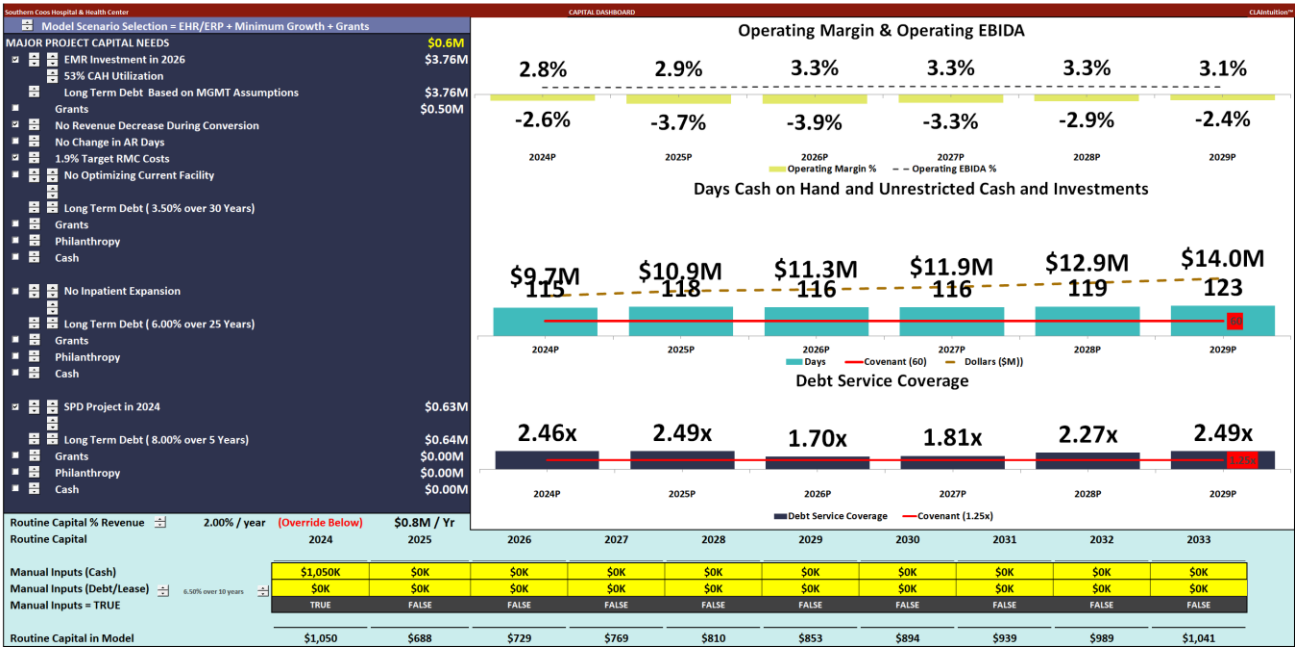
EHR/ERP Investment & Most Conservative Growth



EHR/ERP Investment & Most Conservative Growth

Total Sources and Uses of EHR / ERP and Strategic Initiatives	2024	2025	2026	2027	2028	2029
Uses						
Capital Costs						
Depreciation	($102)	($493)	($783)	($783)	($783)	($681)
Interest	(18)	(208)	(255)	(202)	(144)	(83)
Operating Costs						
Subscription	0	(251)	(997)	(1,011)	(1,030)	(1,063)
New RCM Costs	0	(593)	(654)	(692)	(730)	(769)
Decommission Costs	0	379	1,208	1,268	1,332	1,398
Sources						
CAH Impact	54	500	633	629	625	575
Grant Impact	0	0	0	0	0	0
Strategic Initiatives	205	505	501	525	551	579
Operating Margin Impact	139	(161)	(347)	(265)	(179)	(45)
Operating EBIDA Impact	259	540	691	720	749	719
Principal Payments	0	(281)	(784)	(838)	(895)	(956)
Net Cash Flow Impacts	**$241**	**$51**	**($348)**	**($320)**	**($290)**	**($320)**

EHR/ERP Investment & Minimal Growth ($500k Grants)



EHR/ERP Investment & Minimal Growth ($500k Grants)

Total Sources and Uses of EHR / ERP and Strategic Initiatives	2024	2025	2026	2027	2028	2029
Uses						
Capital Costs						
Depreciation	($102)	($493)	($783)	($783)	($783)	($681)
Interest	(18)	(208)	(255)	(202)	(144)	(83)
Operating Costs						
Subscription	0	(251)	(997)	(1,011)	(1,030)	(1,063)
New RCM Costs	0	(593)	(654)	(692)	(730)	(769)
Decommission Costs	0	379	1,208	1,268	1,332	1,398
Sources						
CAH Impact	54	500	633	629	625	575
Grant Impact	0	500	0	0	0	0
Strategic Initiatives	205	505	501	525	551	579
Operating Margin Impact	139	339	(347)	(265)	(179)	(45)
Operating EBIDA Impact	259	1,040	691	720	749	719
Principal Payments	0	(281)	(784)	(838)	(895)	(956)
Net Cash Flow Impacts	**$241**	**$551**	**($348)**	**($320)**	**($290)**	**($320)**

Appendix (Financial Statements)

EHR/ERP Investment

($ in Thousands)	2022	2023	2024	2025	2026	2027	2028	2029
OPERATING REVENUES								
Total Operating Revenues	25,347	28,439	30,545	32,805	34,746	36,632	38,614	40,644
Operating Revenue % Change		**12.2%**	**7.4%**	**7.4%**	**5.9%**	**5.4%**	**5.4%**	**5.3%**
OPERATING EXPENSES								
Total Non Capital Expenses	25,602	28,961	29,882	32,302	34,030	35,876	37,816	39,866
Operating EBIDA	**(255)**	**(522)**	**663**	**502**	**717**	**755**	**798**	**778**
Operating EBIDA %	**-1.0%**	**-1.8%**	**2.2%**	**1.5%**	**2.1%**	**2.1%**	**2.1%**	**1.9%**
Depreciation & Amortization	935	1,017	1,479	1,891	2,185	2,214	2,252	2,198
Interest Expense	211	278	211	339	327	231	150	82
Total Operating Expenses	26,748	30,256	31,572	34,532	36,542	38,321	40,219	42,146
Operating Margin	(1,401)	(1,817)	(1,027)	(1,727)	(1,795)	(1,689)	(1,605)	(1,502)
Operating Margin %	**-5.5%**	**-6.4%**	**-3.4%**	**-5.3%**	**-5.2%**	**-4.6%**	**-4.2%**	**-3.7%**
NON-OPERATING, NET								
Total Non-Operating, Net	1,299	2,919	1,572	1,862	1,897	1,933	1,971	2,016
NET MARGIN	$ (102)	$ 1,102	$ 545	$ 135	$ 102	$ 243	$ 366	$ 514
Net Margin %	**-0.4%**	**3.9%**	**1.8%**	**0.4%**	**0.3%**	**0.7%**	**0.9%**	**1.3%**

See summary of significant assumptions.

EHR/ERP Investment & 100% Growth Initiatives

($ in Thousands)	2022	2023	2024	2025	2026	2027	2028	2029
OPERATING REVENUES								
Total Operating Revenues	25,347	28,439	32,745	37,653	40,773	42,970	45,268	47,630
Operating Revenue % Change		**12.2%**	**15.1%**	**15.0%**	**8.3%**	**5.4%**	**5.3%**	**5.2%**
OPERATING EXPENSES								
Total Non Capital Expenses	25,602	28,961	31,400	35,661	38,384	40,464	42,631	44,921
Operating EBIDA	**(255)**	**(522)**	**1,346**	**1,992**	**2,389**	**2,506**	**2,637**	**2,709**
Operating EBIDA %	**-1.0%**	**-1.8%**	**4.1%**	**5.3%**	**5.9%**	**5.8%**	**5.8%**	**5.7%**
Depreciation & Amortization	935	1,017	1,479	1,912	2,235	2,280	2,334	2,296
Interest Expense	211	278	211	364	373	267	177	98
Total Operating Expenses	26,748	30,256	33,090	37,937	40,993	43,011	45,142	47,315
Operating Margin	(1,401)	(1,817)	(344)	(284)	(219)	(41)	126	315
Operating Margin %	**-5.5%**	**-6.4%**	**-1.1%**	**-0.8%**	**-0.5%**	**-0.1%**	**0.3%**	**0.7%**
NON-OPERATING, NET								
Total Non-Operating, Net	1,299	2,919	1,572	1,883	1,939	2,001	2,069	2,148
NET MARGIN	$ (102)	$ 1,102	$ 1,228	$ 1,599	$ 1,720	$ 1,960	$ 2,196	$ 2,463
Net Margin %	**-0.4%**	**3.9%**	**3.8%**	**4.2%**	**4.2%**	**4.6%**	**4.9%**	**5.2%**

See summary of significant assumptions.

EHR/ERP Investment & Most Likely Growth

($ in Thousands)	2022	2023	2024	2025	2026	2027	2028	2029
OPERATING REVENUES								
Total Operating Revenues	25,347	28,439	32,021	36,084	39,084	41,192	43,399	45,668
Operating Revenue % Change		**12.2%**	**12.6%**	**12.7%**	**8.3%**	**5.4%**	**5.4%**	**5.2%**
OPERATING EXPENSES								
Total Non Capital Expenses	25,602	28,961	30,901	34,565	37,195	39,215	41,320	43,545
Operating EBIDA	**(255)**	**(522)**	**1,120**	**1,519**	**1,888**	**1,977**	**2,079**	**2,123**
Operating EBIDA %	**-1.0%**	**-1.8%**	**3.5%**	**4.2%**	**4.8%**	**4.8%**	**4.8%**	**4.6%**
Depreciation & Amortization	935	1,017	1,479	1,910	2,229	2,270	2,319	2,277
Interest Expense	211	278	211	364	373	267	177	98
Total Operating Expenses	26,748	30,256	32,591	36,839	39,798	41,752	43,816	45,919
Operating Margin	(1,401)	(1,817)	(570)	(756)	(714)	(560)	(417)	(251)
Operating Margin %	**-5.5%**	**-6.4%**	**-1.8%**	**-2.1%**	**-1.8%**	**-1.4%**	**-1.0%**	**-0.5%**
NON-OPERATING, NET								
Total Non-Operating, Net	1,299	2,919	1,572	1,876	1,925	1,977	2,035	2,103
NET MARGIN	$ (102)	$ 1,102	$ 1,002	$ 1,120	$ 1,211	$ 1,417	$ 1,619	$ 1,852
Net Margin %	**-0.4%**	**3.9%**	**3.1%**	**3.1%**	**3.1%**	**3.4%**	**3.7%**	**4.1%**

See summary of significant assumptions.

EHR/ERP Investment & Most Conservative Growth

($ in Thousands)	2022	2023	2024	2025	2026	2027	2028	2029
OPERATING REVENUES								
Total Operating Revenues	25,347	28,439	31,248	34,415	36,462	38,433	40,505	42,629
Operating Revenue % Change		**12.2%**	**9.9%**	**10.1%**	**5.9%**	**5.4%**	**5.4%**	**5.2%**
OPERATING EXPENSES								
Total Non Capital Expenses	25,602	28,961	30,380	33,420	35,272	37,181	39,186	41,304
Operating EBIDA	**(255)**	**(522)**	**868**	**995**	**1,190**	**1,252**	**1,319**	**1,325**
Operating EBIDA %	**-1.0%**	**-1.8%**	**2.8%**	**2.9%**	**3.3%**	**3.3%**	**3.3%**	**3.1%**
Depreciation & Amortization	935	1,017	1,479	1,908	2,222	2,255	2,298	2,248
Interest Expense	211	278	211	364	373	267	177	98
Total Operating Expenses	26,748	30,256	32,070	35,692	37,867	39,704	41,660	43,650
Operating Margin	(1,401)	(1,817)	(822)	(1,277)	(1,405)	(1,270)	(1,155)	(1,021)
Operating Margin %	**-5.5%**	**-6.4%**	**-2.6%**	**-3.7%**	**-3.9%**	**-3.3%**	**-2.9%**	**-2.4%**
NON-OPERATING, NET								
Total Non-Operating, Net	1,299	2,919	1,572	1,868	1,908	1,949	1,994	2,046
NET MARGIN	$ (102)	$ 1,102	$ 750	$ 591	$ 503	$ 679	$ 838	$ 1,026
Net Margin %	**-0.4%**	**3.9%**	**2.4%**	**1.7%**	**1.4%**	**1.8%**	**2.1%**	**2.4%**

See summary of significant assumptions.

EHR/ERP Investment & Minimal Growth ($500k Grants)

($ in Thousands)	2022	2023	2024	2025	2026	2027	2028	2029
OPERATING REVENUES								
Total Operating Revenues	25,347	28,439	31,248	34,415	36,462	38,433	40,505	42,629
Operating Revenue % Change		**12.2%**	**9.9%**	**10.1%**	**5.9%**	**5.4%**	**5.4%**	**5.2%**
OPERATING EXPENSES								
Total Non Capital Expenses	25,602	28,961	30,380	33,420	35,272	37,181	39,186	41,304
Operating EBIDA	**(255)**	**(522)**	**868**	**995**	**1,190**	**1,252**	**1,319**	**1,325**
Operating EBIDA %	**-1.0%**	**-1.8%**	**2.8%**	**2.9%**	**3.3%**	**3.3%**	**3.3%**	**3.1%**
Depreciation & Amortization	935	1,017	1,479	1,908	2,222	2,255	2,298	2,248
Interest Expense	211	278	211	364	373	267	177	98
Total Operating Expenses	26,748	30,256	32,070	35,692	37,867	39,704	41,660	43,650
Operating Margin	(1,401)	(1,817)	(822)	(1,277)	(1,405)	(1,270)	(1,155)	(1,021)
Operating Margin %	**-5.5%**	**-6.4%**	**-2.6%**	**-3.7%**	**-3.9%**	**-3.3%**	**-2.9%**	**-2.4%**
NON-OPERATING, NET								
Total Non-Operating, Net	1,299	2,919	1,572	2,373	1,918	1,960	2,004	2,057
NET MARGIN	$ (102)	$ 1,102	$ 750	$ 1,096	$ 513	$ 689	$ 849	$ 1,037
Net Margin %	**-0.4%**	**3.9%**	**2.4%**	**3.2%**	**1.4%**	**1.8%**	**2.1%**	**2.4%**

See summary of significant assumptions.