



January 17, 2010

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Department of Health and Social Services  
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Dear Karen:

Please note that we have slightly revised the patient activity projections from our certificate of need application, in order to directly align the projections with our pro forma financials<sup>1</sup>.

As such, the following patient activity assumptions have been modified slightly:

- Our projected acute patient days now conservatively assume WMC's market share of 2017 total acute days projected per the CN methodology will remain 48% (2009 estimate).
- Our projected long term care days assume WMC LTC current long term care bed supply will remain at capacity, and that after the additional capacity comes on line in 2013, LTC days will grow to the CN projected 2017 total for LTC days. With the additional incremental LTC days that would have previously gone to WMC's swing beds, we anticipate the new LTC beds will reach full capacity (95% occupancy) in 2015.

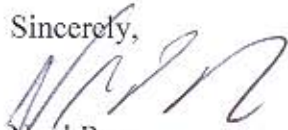
While all other assumptions for our patient activity projections remain the same, these assumptions directly tie volumes for some departments/modalities to the above modified acute and long term days. Therefore, we have included a revised Table 5 showing all our current projections for WMC utilization for 2010-2017.

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<sup>1</sup> One small typographical error was made in Schedule III in 2015. A corrected Schedule III for 2015 only is included in Attachment 1.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Noel Rea', written in a cursive style.

Noel Rea,  
Chief Executive Officer

**Revised Table 5**  
**Wrangell Medical Center**  
**Patient Activity Projections for Certificate of Need**

	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Acute Care</b>									
Discharges	141	147	150	152	156	163	171	190	206
Days	356	370	378	385	393	412	432	480	520
ADC	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.3	1.4
ALOS	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<b>Observation</b>									
Discharges	133	138	141	144	147	154	161	179	194
Days	133	138	141	144	147	154	161	179	194
ADC	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5
ALOS	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
<b>Swing Bed Care</b>	2.58	1.94	2.43	2.43	1.90	1.85	1.77	1.65	1.56
Discharges	51	40	51	52	42	42	43	44	45
Days	917	717	917	935	748	762	766	793	809
ADC	2.5	2.0	2.5	2.6	2.0	2.1	2.1	2.2	2.2
ALOS	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
<b>Long Term Care</b>									
Discharges	11	11	11	11	12	14	15	15	15
Days	5,046	5,110	5,110	5,110	5,405	6,570	6,935	6,935	6,935
ADC	13.8	14.0	14.0	14.0	14.8	18.0	19.0	19.0	19.0
ALOS	458.7	458.7	458.7	458.7	458.7	458.7	458.7	458.7	458.7
<b>Emergency Dept. Visits</b>	972	992	1,011	1,032	1,052	1,073	1,095	1,117	1,139
<b>Procedures/Surgeries</b>	807	823	839	856	873	891	909	927	945
<b>Laboratory Tests</b>									
Inpatient	2,083	2,165	2,212	2,253	2,300	2,411	2,528	2,809	3,043
Outpatient	19,475	19,864	20,262	20,667	21,080	21,502	21,932	22,370	22,818
Total	21,558	22,030	22,474	22,920	23,380	23,913	24,460	25,180	25,861
<b>Mammogram</b>	240	244	249	254	259	265	270	275	281
<b>CT Scan</b>	250	255	260	265	271	276	282	287	293
<b>Ultrasound</b>									
Inpatient	23	24	24	25	25	27	28	31	33
Outpatient	361	368	376	383	391	399	407	415	423
Long Term Care	6	6	6	7	7	7	7	8	9
Total	390	398	406	414	423	432	442	454	465
<b>Echocardiogram</b>	39	40	41	41	42	43	44	45	47
<b>X-Ray</b>									
Inpatient	95	99	101	103	105	110	116	128	139
Outpatient	1,399	1,427	1,456	1,485	1,515	1,545	1,576	1,608	1,640
Long Term Care	55	56	56	56	59	72	75	75	75
Total	1,550	1,582	1,613	1,644	1,679	1,727	1,767	1,811	1,854
<b>Physical Therapy Visits</b>									
Inpatient	839	872	891	908	926	971	1,018	1,132	1,226
Outpatient	860	877	895	912	931	949	968	988	1,007
Long Term Care	44	44	44	44	47	57	60	60	60
Total	1,743	1,793	1,830	1,864	1,904	1,977	2,047	2,179	2,293

Source: Applicant

**Attachment 1**  
**Schedule III (2015)**

Schedule III. Average Patient Cost Per Day (Per Diem Rate if applicable) and Revenue Amounts					
Provide Last Five Years Actual and Projections For Three Years Beyond Project Completion					
FYE 2015	I/P	Swing	LTC	O/P	FY
Revenues	1,532,461	737,886	5,448,719	5,492,153	
Expenses					
Patient Days	412	766	6,935		
Revenue Per Patient Day	\$3,720	\$963	\$786		
Operating & Capital Budget Summary:					
Gross Revenues					
Deductions from Revenue					
Net Revenue					
Direct Expense					
Indirect Expense					
Net Income Projected					
Rate Computation					
Annual Medicaid Rate	\$4,952.93		\$840.49	100%	
Base Year Cost					
Less Ancillary					
Plus Admin. Overhead					
Cost Basis for Rate					
Base Year Patient Days					
Cost per Patient Day					