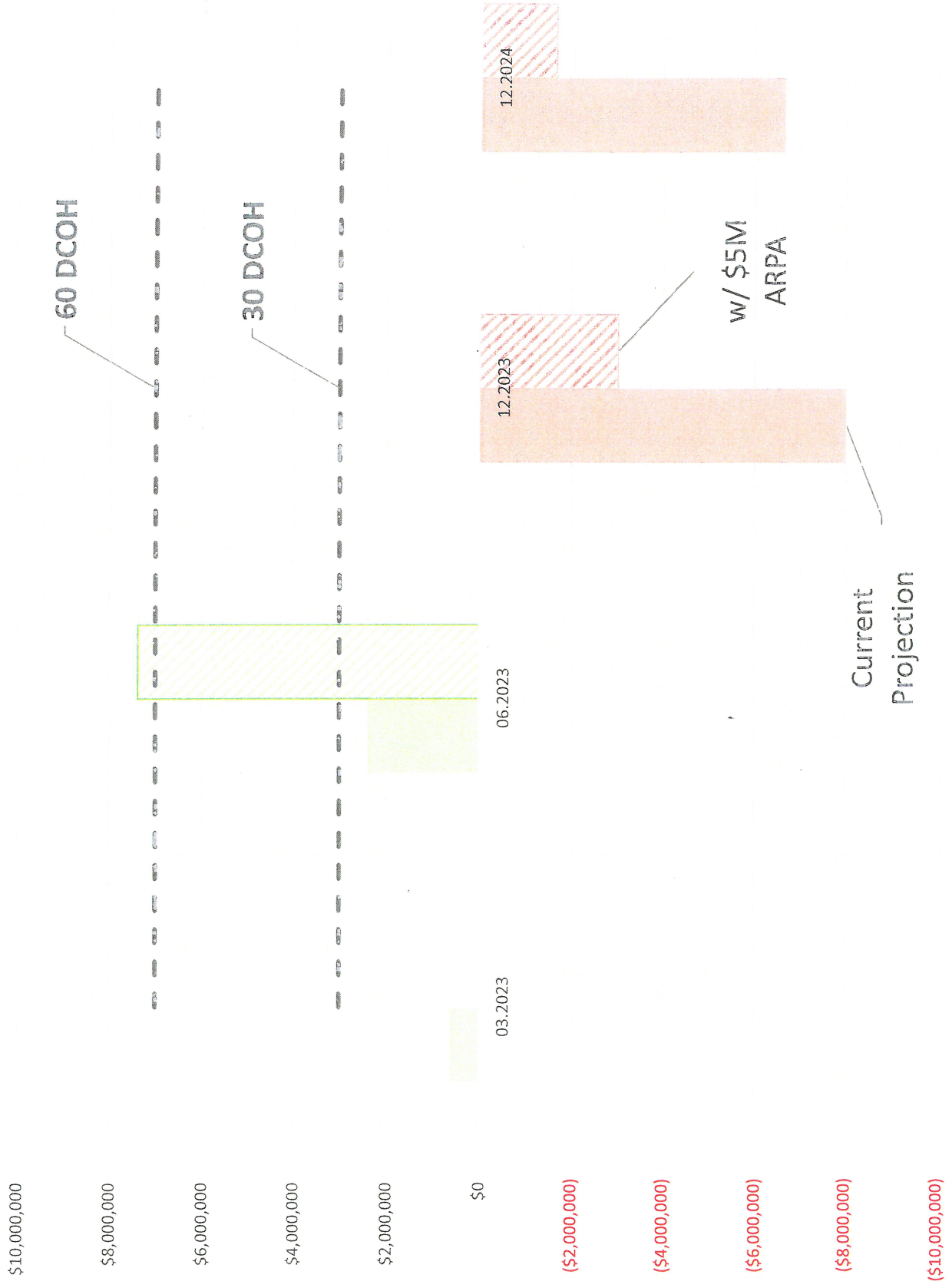


Proposed Hospital Funding Formula

- Option 1
 - 1/3 Cash on Hand (CAH)
 - 1/3 12-month breakeven analysis
 - 1/3 Labor cost
 - Option 2
 - 1/3 Critical Access Hospital or Non-Critical Access Hospital
 - 1/3 12-month breakeven analysis
 - 1/3 Labor cost
 - Option 3
 - 1/3 Financial Condition
 - 1/3 12-month breakeven analysis
 - 1/3 Labor cost
- Each option uses a weighted score and allocates the funds across the hospitals.
 - Set a ceiling of \$5 million dollars per hospital.
 - Fund Hospitals with best case scenario of Option 1, 2,3, their request or ceiling of \$5 million dollars.



DMH w/ BH Model - Cash Projection



DMH w/ BH Model - Cash Projection

	DMH Actual	DMH Proj	BH Proj	
	03.2023	04.2023 - 06.2023	07.2023 - 12.2023	01.2024 - 12.2024
<u>Operating + Core Debt/Capital Cashflow</u>				
Current state Op Loss (w/o depr)		(1,732,730)	(3,465,460)	(6,996,138)
Core existing debt & capital		(401,250)	(802,500)	(1,623,750)
BH Op Ex Improve		0	875,000	10,000,000 (a)
		(2,133,980)	(3,392,960)	1,380,112
<u>BH Transition & Non-Recurring Cashflow</u>				
IRS ERC (net of fee)		4,900,256	0	0
Cerner settlement estimate		(1,000,000)	0	0
BH Transition Cost		0	(7,000,000)	0
		3,900,256	(7,000,000)	0
Net Projected Cashflow		1,766,276	(10,392,960)	1,380,112
Beg Cash		609,597	2,375,873	(8,017,087)
End Cash	609,597	2,375,873	(8,017,087)	(6,636,975)
~OpEx Cash/Day	116,000	116,000	116,000	116,000
Days Cash on Hand	5.3	20.5	(69.1)	(57.2)

(a) Following are major components of \$10M sustainability plan reflected above:

- +\$2M Revenue Cycle / Payer Collection Improvements
- +\$2M BH Shared Admin Model Efficiencies
- +\$4M BH Regional Productivity / Staffing Mode (includes contract labor reduction)
- +\$2M BH Supply/Contract Cost + Service-Line Performance Improvements

Note: Sales tax reimbursement also to be pursued for long-term sustainability