

ATTACHMENT NO. 1

MOHAWK VALLEY HEALTH SYSTEM

SCHEDULE 8 ATTACHMENT ("BREAKDOWN OF OTHER FEES")

MOHAWK VALLEY HEALTH SYSTEM

NEW HOSPITAL CAMPUS

BREAKDOWN OF "OTHER FEES" (SUB-PROJECT #1)

	Description	Unescalated Costs	Escalation	Escalated Costs
102 -- Other Owner Construction				
	11000 Mockup Construction	\$ 141,509	\$ 8,491	\$ 150,000
	11020 Construction Document Printing	\$ 94,340	\$ 5,660	\$ 100,000
103 -- Owner Background Information				
	11500 Site Surveys / ALTA Survey	\$ 94,340	\$ 5,660	\$ 100,000
	11520 Environmental Reports	\$ 94,340	\$ 5,660	\$ 100,000
	11540 Environmental Impact Study	\$ 94,340	\$ 5,660	\$ 100,000
	11570 Traffic/Parking Studies	\$ 47,170	\$ 2,830	\$ 50,000
	11580 Utility Assessment Study	\$ 188,679	\$ 11,321	\$ 200,000
	11590 Other Studies	\$ 235,849	\$ 14,151	\$ 250,000
107 -- Other Consulting Services & Misc. Cost				
	13520 Signage Consultant	\$ 77,830	\$ 4,670	\$ 82,500
	13590 Peer Eval -- Enclosure	\$ 141,509	\$ 8,491	\$ 150,000
	13630 Building Commissioning	\$ 613,208	\$ 36,792	\$ 650,000
	13640 Test & Balance	\$ 523,868	\$ 31,432	\$ 555,300
	13660 Radiation Shielding / Physicist	\$ 70,755	\$ 4,245	\$ 75,000
	13670 Other Consultants (Dietary)	\$ 165,094	\$ 9,906	\$ 175,000
	13670 Other Consultants (Medical Equipment Planning)	\$ 424,528	\$ 25,472	\$ 450,000
	13670 Other Consultants (IT / IS Planning)	\$ 400,943	\$ 24,057	\$ 425,000
	13670 Other Consultants (Signage / Graphics Planning)	\$ 127,358	\$ 7,642	\$ 135,000
	13680 Reimbursable Expenses	\$ 165,528	\$ 9,932	\$ 175,460
111 -- Other Project Cost				
	15500 Construction Testing	\$ 523,868	\$ 31,432	\$ 555,300
	15710 Movers	\$ 235,849	\$ 14,151	\$ 250,000
	15740 Builder's Risk	\$ 471,698	\$ 28,302	\$ 500,000
	15780 Independent Financial Audit	\$ 94,340	\$ 5,660	\$ 100,000
113 -- Jurisdictional Cost				
	16500 Planning & Zoning Fees	\$ 141,509	\$ 8,491	\$ 150,000
	16510 Plan Review Fees	\$ 94,340	\$ 5,660	\$ 100,000
	16520 Building Permit	\$ 103,774	\$ 6,226	\$ 110,000
	16690 Legal / Consultant Assistance Fees	\$ 249,483	\$ 14,969	\$ 264,452
	15700 Other (FAA Fees)	\$ 28,302	\$ 1,698	\$ 30,000
116- Furniture, Fixtures and Equipment				
	18000 Dept furniture	\$ 5,778,302	\$ 346,698	\$ 6,125,000
	18030 Artwork	\$ 330,189	\$ 19,811	\$ 350,000
	18050 Plants and accessories	\$ 94,340	\$ 5,660	\$ 100,000
	18250 Security and access control	\$ 1,675,943	\$ 100,557	\$ 1,776,500
	18310 Kitchen Equipment	\$ 943,396	\$ 56,604	\$ 1,000,000
	18320 Exterior signage	\$ 283,019	\$ 16,981	\$ 300,000
	18330 Interior signage	\$ 566,038	\$ 33,962	\$ 600,000
Sub-Total - "Other Fees"		\$ 15,315,577	\$ 918,935	\$ 16,234,512

ATTACHMENT NO. 2

MOHAWK VALLEY HEALTH SYSTEM

LETTER FROM HAMMES CO.

Hammes Company

100 Cummings Center, Suite 207-P
Beverly, MA 01915

December 13, 2017

Dear Mr. Ungerer,

This letter is to describe Hammes Company ("Hammes") and our process for establishing budgets for our client.

Hammes is a national leader in healthcare development. We work solely on healthcare projects ranging from medical office buildings to large acute care hospitals. We specifically have managed the planning and development of more than 46 hospitals in the last twenty years. Our primary role is as a Program Manager directly for the healthcare system ("Owner") representing and advising them on complex projects. Based on this experience, our firm has developed an extensive and proprietary database of costs which we use in conceptual design to develop a preliminary budget and inform the Owner's decisions. We typically then take the conceptual budget and validate it with several outside construction firms to ensure that the budget has accuracy and is balanced for regional costs and trends. We followed this process for the Mohawk Valley Health System

As the project progresses into design, our team then "builds" the budgets in Budget Builder (our database), which is supported by e-builder, a leading project management software (<https://www.e-builder.net/>). The initial budget build includes:

1. Square footage
2. Type of Facility
3. Departments
4. Existing or replacement Facility
5. On Campus or off

Once this is established, the total project budget is uploaded into the system, allowing the Owner to have a comprehensive understanding of the entire budget, beyond just design and construction. These categories include:

1. Construction Cost
2. AE fees
3. Jurisdictional costs
 - a) Local
 - b) State
 - c) Other
4. Land acquisition
5. Site investigation

- d) On site costs
- e) Off site costs
- 6. Hazardous/environmental Investigation
- 7. FFE
- 8. Financing
- 9. Contingency
- 10. Marketing Costs

Each of the above categories consist of subsets assuring we capture all relevant costs associated with the project.

The initial budget is continually validated throughout design and into construction with the specific technical vendors and expertise.

On no less than a monthly basis, we will report to the Owner the budget progress, which illustrates the initial budget, actual costs, cash flow and "cost to complete" which is project progress based on spend. Finally, this system is synced with finance, allowing our teams to complete a monthly draw review for payment of all vendors and consultants; in addition to ensuring that all project costs are reconciled with the Owner's financial accounting system for accuracy.

In particular, the Department Furniture budget, line 18000 calculated at \$6,125,000 or \$9.13 per square foot. Upon review, this is in line with industry standards we find in our other projects. Of course as the project develops, there will be additional factors such as reuse of furniture once evaluated, planned decommissioning, etc. that will be factors in the budget development.

Please let me know if you have any questions or need additional information.

Sincerely,



Mike Solak
Regional Vice President
Hammes Company

State of New York
Oneida County

Mohawk Valley Health System
CON – 172305 – construct a new replacement hospital

AFFIDAVIT

I, Traci A. Boris, being duly sworn, depose and say that:

1. I am the General Counsel for the Mohawk Valley Health System (MVHS), which is an affiliation of Faxton-St. Luke's Healthcare (FSLH) and St. Elizabeth Medical Center (SEMC). As such, I also serve in the role of General Counsel for both FSLH and SEMC.

2. By letter dated November 27, 2017, the NYS Department of Health sent a 14-day letter seeking responses to various queries. As part thereof the Department of Health sought an Affidavit relative to any relationships between the seller and the proposed operator/owner.

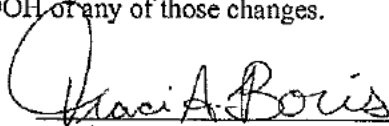
3. In my role as the General Counsel I have reviewed contract databases and reached out to pertinent departments and personnel to ascertain the relationships between MVHS and any of the property owners within the hospital's site plans. Based upon that review and those discussions I have determined that there is no conflict of interest between any of the property owners and MVHS. However, MVHS has the following relationships with property owners whose property is within the site plan and intended for acquisition:

- a. The following property owners are, or have been in the past, third party vendors who provide services and/or products that are used for hospital operations:
 - i. Schmalz Mechanical (unsure of relationship to property owner [REDACTED])
 - ii. Urbanik Paint (owned by Greg Urbanik)
 - iii. Niagara Mohawk
 - iv. Cavo's on Jefferson (unsure of relationship to property owner [REDACTED])
 - v. Park Outdoor Advertising
 - vi. Clemente's
 - vii. City of Utica
 - viii. O'Brien in Rome (unsure of relationship to property owner [REDACTED])
 - ix. Mohawk Hospital Equipment
 - x. H.J. Brandeles

- b. The Board Chair for Resource Center For Independent Living is the [REDACTED] of an MVHS Board Member.
- c. The owner of Mohawk Hospital is a Board Member on the SEMC Foundation and FSLH Foundation Boards.
- d. SEMC has a Power Purchase Agreement with Niagara Mohawk for power generated by SEMC's co-generation plant.

4. It is important to note that at this stage the property owners' list was developed by use of county databases and tax record searches. As property acquisition moves forward ownership will be verified and if there are any changes relative to relationships between any owners and MVHS, we consider this a continuing obligation and will notify DOH of any of those changes.

Dated: December 8, 2017



Traci A. Boris, Esq,
General Counsel

Sworn to before me this 8th day
of December, 2017



Notary Public

MARGARET H. JACOBSEN
Notary Public, State of New York
Appointed in Oneida County
My Commission Expires 2/18/2018

Table 13D - 4

St. Luke's

Outpatient Services** Source of Revenue		Total Current Year*			First Year Incremental			Third Year Incremental		
		Visits	Net Revenue		Visits	Net Revenue		Visits	Net Revenue	
			%	Dollars (\$)		%	Dollars (\$)		%	Dollars (\$)
Commercial	Fee for Service	12,746	3.9%	9,644,640						
	Managed Care	63,611	19.3%	67,512,664						
Medicare	Fee for Service	104,623	31.8%	31,630,624						
	Managed Care	46,186	14.0%	17,636,624						
Medicaid	Fee for Service	15,375	4.7%	1,168,743						
	Managed Care	68,268	20.8%	20,704,849						
Private Pay		4,525	1.4%	283,970						
OASAS										
OMH										
Charity Care		1,911	0.6%	319						
Bad Debt										
All Other		11,664	3.5%	1,260,496						
Total		328,909	100.0%	\$149,842,929						

* Information taken directly from the facility's 2016 Cost Report.

Total of Inpatient and Outpatient Services			\$267,183,516						
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	Title of Attachment	Filename of Attachment
1. In an attachment, provide the basis and supporting calculations for all revenues by payor.	Based upon the experience of SEMC and FSLH.	N/A
2. In an attachment, provide the basis for charity care.	Based upon the experience of SEMC and FSLH.	N/A

Table 13D - 4

St. Elizabeth

Outpatient Services** Source of Revenue		Total Current Year*			First Year Incremental			Third Year Incremental		
		Visits	Net Revenue		Visits	Net Revenue		Visits	Net Revenue	
			%	Dollars (\$)		%	Dollars (\$)		%	Dollars (\$)
Commercial	Fee for Service	16,925	4.7%	3,915,499						
	Managed Care	90,540	25.2%	27,408,493						
Medicare	Fee for Service	75,090	20.9%	19,014,785						
	Managed Care	50,621	14.1%	15,844,133						
Medicaid	Fee for Service	10,450	2.9%	(410,210)						
	Managed Care	89,815	25.0%	16,346,560						
Private Pay		16,303	4.5%	9,206,725						
OASAS										
OMH										
Charity Care		129	0.0%	(73,066)						
Bad Debt										
All Other		8,849	2.5%	2,769,304						
Total		358,722	100.0%	\$94,022,223						

* Information taken directly from the facility's 2016 Cost Report.

Total of Inpatient and Outpatient Services			\$210,690,062						
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	Title of Attachment	Filename of Attachment
1. In an attachment, provide the basis and supporting calculations for all revenues by payor.	Based upon the experience of SEMC and FSLH.	N/A
2. In an attachment, provide the basis for charity care.	Based upon the experience of SEMC and FSLH.	N/A

Table 13D - 4

St. Luke's + St. Elizabeth

Outpatient Services** Source of Revenue		Total Current Year*			First Year Incremental			Third Year Incremental		
		Visits	Net Revenue		Visits	Net Revenue		Visits	Net Revenue	
			%	Dollars (\$)		%	Dollars (\$)		%	Dollars (\$)
Commercial	Fee for Service	27,393	4.0%	\$16,272,167	28,426	4.0%	\$18,769,672	28,426	4.0%	\$19,533,711
	Managed Care	155,224	22.6%	\$92,208,949	161,076	22.6%	\$106,361,477	161,076	22.6%	\$110,691,030
Medicare	Fee for Service	180,020	26.2%	\$50,645,409	186,807	26.2%	\$58,418,630	186,807	26.2%	\$60,796,620
	Managed Care	97,049	14.1%	\$33,480,757	100,708	14.1%	\$38,619,492	100,708	14.1%	\$40,191,538
Medicaid	Fee for Service	25,778	3.7%	\$758,533	26,750	3.7%	\$874,955	26,750	3.7%	\$910,571
	Managed Care	158,825	23.1%	\$37,051,409	164,813	23.1%	\$42,738,179	164,813	23.1%	\$44,477,880
Private Pay		20,808	3.0%	\$9,490,695	21,592	3.0%	\$10,947,358	21,592	3.0%	\$11,392,981
OASAS										
OMH										
Charity Care		1,996	0.3%	(\$42,154)	2,071	0.3%	(\$48,624)	2,071	0.3%	(\$50,603)
Bad Debt										
All Other		20,538	3.0%	\$3,999,387	21,312	3.0%	\$4,613,226	21,312	3.0%	\$4,801,012
Total		687,631	100.0%	\$243,865,152	713,555	100.0%	\$281,294,365	713,555	100.0%	\$292,744,740

* Information taken directly from the facility's 2016 Cost Report.

Total of Inpatient and Outpatient Services			\$477,873,578			\$550,578,789			\$572,990,662
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	Title of Attachment	Filename of Attachment
1. In an attachment, provide the basis and supporting calculations for all revenues by payor.	Based upon the experience of St. Elizabeth and St. Luke's	N/A
2. In an attachment, provide the basis for charity care.	Based upon the experience of St. Elizabeth and St. Luke's	N/A