RECEIVED
By Andrew Struska at 3:50 pm, Jul 31, 2023

Washington State Department of Health

Certificate of Need Application
Hospital Projects

Exclude hospital projects for sale, purchase, or lease of a hospital, or skilled nursing beds. Use service-specific addendum, if applicable.

Certificate of Need applications must be submitted with a fee in accordance with Washington Administrative Code (WAC) 246-310-990.

Application is made for a Certificate of Need in accordance with provisions in Revised Code of Washington (RCW) 70.38 and WAC 246-310, rules and regulations adopted by the Washington State Department of Health. I attest that the statements made in this application are correct to the best of my knowledge and belief.

Signature and Title of Responsible Officer: Brian Gibbons, FACHE President **Email Address:** Brian.Gibbons@astria.health	**Date:** July 27, 2023 **Telephone Number:** 509-837-1650
Legal Name of Applicant: SHC Medical Center - Toppenish, dba Astria Toppenish Hospital. **Address of Applicant:** 502 West 4th Avenue Toppenish, WA 98948	☐New hospital ☐Expansion of existing hospital (identify facility name and license number) **Provide a brief project description, including the number of beds and the location:** This amendment application requests removal of a Condition included on CN#1612. CN 1612 approved the sale of Toppenish Hospital, and its conversion from for-profit to not-for profit. The Condition (condition 9) required the continuation of a wide range of services. **Estimated capital expenditure:** $0
Identify the Hospital Planning Area: Yakima County	
Identify if this project proposes the addition or expansion of one of the following services: ☐NICU Level II ☐ NICU Level III ☐ NICU Level IV ☐ Specialized Pediatric (PICU) ☐ Psychiatric (within acute care hospital) ☐ Organ Transplant (identify) ☐ Open Heart Surgery ☐ Elective PCI ☐ PPS-Exempt Rehab (indicate level) ☐ Specialty Burn Services	

Certificate of Need Amendment Application
Remove Condition No. 9 Placed on CN#1612
Awarded to Toppenish Astria Hospital

July 2023

Section 1
Applicant Description

1. **Provide the legal name and address of the applicant(s) as defined in WAC 246-310-010(6).**

The legal name of the applicant is SHC Medical Center - Toppenish, dba Astria Toppenish Hospital.

The address of the Hospital is:

502 West 4th Avenue
Toppenish, WA 98948

2. **Identify the legal structure of the applicant (LLC, PLLC, etc.) and provide the unified business identifier (UBI).**

Toppenish Astria Hospital (Toppenish) is a 501(c) (3). Toppenish's UBI number is 604-067-118.

3. **Provide the name, title, address, telephone number, and email address of the contact person for this application**.

The contact persons for Astria include:

Brian Gibbons Jr. FACHE
President
Astria Health
1016 Tacoma Avenue
Sunnyside, WA 98944
509-837-1650
Brian.Gibbons@astria.health

Cathy Bambrick, Administrator
Astria Toppenish Hospital
502 West 4th Avenue
Toppenish, WA 98948
509.865.1520
Cathy.Bambrick@astria.health

4. **Provide the name, title, address, telephone number, and email address of the consultant authorized to speak on your behalf related to the screening of this application (if any).**

Jody Carona
Health Facilities Planning & Development
120 1st Avenue West, Suite 100
Seattle, WA 98119
206.441.0971
healthfac@healthfacilitiesplanning.com

5. **Provide an organizational chart that clearly identifies the business structure of the applicant(s).**

An organizational chart identifying the business structure is included as Exhibit 1.

Section 2
Facility Description

1. **Provide the name and address of the existing facility.**

Astria Toppenish Hospital
502 West 4th Avenue
Toppenish, WA 98948

2. **Provide the name and address of the proposed facility. If an address is not yet assigned, provide the county parcel number and the approximate timeline for assignment of the address.**

There is no proposed facility. This question is not applicable.

3. **Confirm that the facility will be licensed and certified by Medicare and Medicaid. If this application proposes the expansion of an existing facility, provide the existing identification numbers.**

Toppenish is already licensed and certified. The requested information is included below:

License: HAC.FS.60790220
Medicare: 50 0037
Medicaid: 1851817308

4. **Identify the accreditation status of the facility before and after the project.**

Toppenish is currently accredited by the Joint Commission. No change is proposed.

5. **Is the facility operated under a management agreement?**

Yes ☐ No X

6. **Provide the following scope of service information:**

Service	Currently Offered?	Offered Following Project Completion?
Alcohol and Chemical Dependency	☐	☐
Anesthesia and Recovery	☒	☒
Cardiac Care	☒	☒
Cardiac Care – Adult Open-Heart Surgery	☐	☐
Cardiac Care – Pediatric Open-Heart Surgery	☐	☐
Cardiac Care – Adult Elective PCI	☐	☐
Cardiac Care – Pediatric Elective PCI	☐	☐
Diagnostic Services	☒	☒
Dialysis – Inpatient	☒	☒
Emergency Services	☒	☒
Food and Nutrition	☒	☒
Imaging/Radiology	☒	☒
Infant Care/Nursery	☐	☐
Intensive/Critical Care	☒	☒
Laboratory	☒	☒
Medical Unit(s)	☒	☒
Neonatal – Level II	☐	☐
Neonatal – Level III	☐	☐
Neonatal – Level IV	☐	☐
Obstetrics	☐	☐
Oncology	☒	☒
Organ Transplant - Adult	☐	☐
Organ Transplant - Pediatric	☐	☐
Outpatient Services	☒	☒
Pediatrics	☐	☐
Pharmaceutical	☒	☒
Psychiatric	☒	☒
Skilled Nursing/Long Term Care	☐	☐
Rehabilitation	☐	☐
Respiratory Care	☒	☒
Social Services	☒	☒
Surgical Services	☒	☒

Section 2
Project Description

1. **Provide a detailed description of the proposed project. If it is a phased project, describe each phase separately. For existing facilities, this should include a discussion of existing services and how these would or would not change as a result of the project.**

CN #1612 was issued in late August 2017. It approved the acquisition of the Hospital from the for-profit company CHS, and the conversion of the hospital from for profit to not for profit status. In that application, Astria (previously Regional Health) wrote:

> *We understand that Toppenish is being offered for acquisition because CHS' business and financial planning have resulted in it electing to focus on only specific markets, and Washington State is not one of those markets. Regional Health capitalized on this opportunity to return the hospital to not-for-profit and community-based status and to assure continued access to a community hospital that serves a high percentage of Hispanic and Native American families.*
>
> *In its 2003 and 2014 CN decisions related to the previous sales of Toppenish (first as Providence Toppenish Community Hospital to Health Management Associates (HMA) and secondly from HMA to CHS), the Certificate of Need Program (CN Program) concluded that the transactions should be approved, in part, because they would preserve access within the community. Specifically, the Department noted[1]:*
>
> *…staff from OHPDS provided the following analysis. (Source: OHPDS analysis, p. 6)*
>
> *"Providence Toppenish Medical Center has not, for various reasons, been financially healthy recently. HMA's purchase of this facility should, at a minimum, maintain the current delivery of care. HMA proposes to improve service with physical improvement to the hospital, as well as adding new equipment. While these portions of the project are not a direct part of CON, HMA discusses how they plan to implement HMA management practices and introduce proprietary software to improve delivery of health care and contain costs. Staff is satisfied the project is appropriate and needed."*
>
> *The department's review concludes this project meets the criteria of need, financial feasibility, and structure and process of care, and further concludes that the sale of this hospital to a proven provider of health care facilities throughout the United States is the best available alternative for the community.*

[1]August 2003 Evaluation of the Certificate of Need application submitted by Health Management Associates Proposing to Purchase the Existing Acute Care Hospital Known as Providence Toppenish Medical Center, p. 8-9.

The return of the hospital to local control and to not-for-profit status preserves choice and assures that community access is maintained. In addition, Regional Health has a strong track record, commitment and vision to operational excellence, as evidenced by the strong turnaround of RH Sunnyside (Sunnyside Community Hospital & Clinics) [2].

Return of the hospital to not-for profit status also means that proceeds from operations will be reinvested in services, staff and the community—and we believe that the community will be the direct beneficiary. We also intend to continue coordinating with other providers in the County and region to best serve patients.

A number of conditions were included with the CN award. This CN application requests removal of Condition 9, which reads:

Regional Health will continue providing the essential services identified in the application for a minimum of ten years. These services are restated below.

- *Perinatal/Obstetrical Services, including C-Section and LDRP*
- *Critical Care*
- *Pediatric Care*
- *24-hour Emergency Care*
- *Diagnostic Services (except cardiaccath)*
- *Electrocardiography*
- *Pulmonary Function Services*
- *Gastro-intestinal Laboratory*
- *Pulmonary Function Services*
- *Respiratory Therapy*
- *Inpatient and Outpatient Surgical Services*
- *Therapeutic Services, including gastro-intestinal laboratory, pulmonary function, respiratory therapy, and stresstesting*
- *Outpatient Services, including diabetes, hypertension, metabolic, wound care, and IV therapy*
- *Contracted Therapy Services (except occupational)*
- *Pharmacy*
- *Toxicology/Antidote Information*

Toppenish's service area is highly diverse, with 66% of residents of Hispanic origin and another 15% American Indian. The community is poorer than the rest of Yakima County. Twelve percent are uninsured. As shown in Table 1, Toppenish, a PPS hospital, experiences the highest percentage of Medicaid (as a percentage of total patient days of any hospital in the State.

[2] Regional Health subsequently changed its name to Astria Health.

Table 1
2021 Inpatient Medicaid as a Percentage of Total Patient Days
Top 15 Hospitals

Rank	Hospital Name	Commercial	HMO	Medicaid	Medicare	Self-Pay/Other	Grand Total
1	Toppenish Community Hospital	10.3%		60.4%	26.2%	3.2%	100%
2	Othello Community Hospital	45.4%		47.0%	7.6%		100%
3	Sunnyside Community Hospital	9.7%		36.6%	48.5%	5.2%	100%
4	UW/Harborview Medical Center	20.2%		36.2%	38.0%	5.6%	100%
5	PMH Medical Center	18.4%	6.2%	33.8%	36.4%	5.3%	100%
6	Garfield County Memorial Hospital	25.0%		33.7%	41.3%		100%
7	East Adams Rural Hospital			33.3%	66.7%		100%
8	Tacoma General Allenmore Hospital	20.5%	3.2%	31.8%	38.3%	6.2%	100%
9	Mason General Hospital	13.3%	0.4%	31.3%	49.3%	5.7%	100%
10	Providence Sacred Heart Medical Center	18.2%	8.3%	30.5%	35.7%	7.2%	100%
11	Yakima Valley Memorial Hospital	16.0%		30.5%	48.5%	4.8%	100%
12	Highline Medical Center	16.3%	25.5 %	30.2%	26.0%	2.0%	100%
13	Forks Community Hospital	15.8%	0.4%	30.0%	48.1%	5.7%	100%
14	Saint Clare Hospital	10.2%	27.1 %	29.3%	27.6%	5.8%	100%
15	Grays Harbor Community Hospital	17.4%		29.1%	41.6%	11.9%	100%

Source: CHARS 2021

Toppenish's payer mix, coupled with the higher costs of operating over the past few years resulted in Toppenish experiencing significant operating losses. With no alternative, Toppenish closed its OB Program in January 2023. The closure of this unit technically placed Toppenish out of compliance with CN conditions. We advised the CN Program of the urgency to close the unit and our interest in having the CN conditions amended.

In response to the threat of the failure of the hospital, and in recognition of the need to preserve access to hospital services in Toppenish, Wapato and surrounding communities, the Washington State Legislature approved distressed hospital funding and enhanced Medicaid rates to Toppenish during the 2023 legislative session, set to sunset with CMS approval of the SNAP Program waiver.

Throughout the process of preparing information and data for the legislature and this CN amendment, it was recognized that no other hospital for acquisition, sale or lease has ever been issued with conditions such as those placed on the Toppenish CN. In TA conversations with the CN Program beginning in late 2022, the same was recognized, and the Program agreed to accept this amendment application to address the inequity and lack of fundamental fairness of the potentially burdensome conditions. While Astria does not intend to eliminate other services, the reimbursement environment, coupled with the instability of Yakima County's hospitals means that we must have the flexibility to add or delete non-CN reviewable services quickly and efficiently so as to protect access to the other services offered by the Hospital and needed by the community.

2. **If your project involves the addition or expansion of a tertiary service, confirm you included the applicable addendum for that service. Tertiary services are outlined under WAC 246-310-020(1)(d)(i).**

This project does not involve the addition or expansion of a tertiary service.

3. **Provide a breakdown of the beds, by type, before and after the project. If the project will be phased, include columns detailing each phase.**

Toppenish is currently licensed for 78 beds, of which 63 are medical/surgical/acute care and another 15 are psychiatric. Table 2 reflects the current bed configuration. The only change anticipated is a future increase in psychiatric beds. In July of 2020, Toppenish secured a DOR to add an additional 47 CN-exempt psychiatric beds. The first 14 will be operational by late 2024.

Table 2
Toppenish Astria Health Current Licensed Bed Capacity

Service	Licensed Beds
General Acute Care	63
Psychiatric Beds	15[3]
PPS Exempt Rehab	0
NICU Level II/III	0
NICU Level IV	0
Specialized Pediatric	0
Skilled Nursing	0
Swing Beds (included in General Acute Care)	None
Total	78

Source: Applicant

4. **Indicate if any of the beds listed above are not currently set-up, as well as the reason the beds are not set up.**

32 of the 78 beds are currently set up; 18 acute care beds and 14 psych beds. 8 of the beds are not set up at this time as they were closed when the OB service was closed. The remaining beds are simply not needed at this time based on census.

5. **With the understanding that the review of a Certificate of Need application typically takes six to nine months, provide an estimated timeline for project implementation, below. For phased projects, adjust the table to include each phase.**

For a number of years prior to closing OB in late 2022, Toppenish found itself in the position of needing to subsidize the service by more than $370,000 per month and was left with no alternative other than closing it or risking the financial viability of the entire hospital. We had several conversations with the CN Program at that time and were advised that Condition 9 was highly atypical and unprecedented. The current CN Program team also noted that it was not aware of the rationale for the conditions and advised Astria that we should submit a CN to amend CN#1612 and request removal of the Condition. Immediately following the conversations, we submitted the required letter of intent.

[3] In addition to Toppenish's current 15 licensed psych beds, Toppenish received approval in 2020 to add an additional 47 CN exempt psych beds (increasing its total licensed beds to 125); 14 of which will be licensed and operational by late 2024.

This amendment application is the formal request to remove Condition 9 in its entirety. There is no intent at this time for Toppenish to make any additional changes to its scope of services, but we need the flexibility to do so, should payer mix, temporary workforce, increased expenses, and revenue deficits so require. As noted in Table 3, "Project Completion" will be concurrent with CN approval, and it simply means that Toppenish is no longer conditioned to offer a specific list of services.

Table 3
Proposed Timeline

Event	Anticipated Month/Year
Anticipated CN Approval	January 2024
Design Complete	NA
Construction Commenced	NA
Construction Completed	NA
Facility Prepared for Survey	NA
Facility Licensed - Project Complete WAC 246-310-010(47)	January 2024

Source: Applicant

6. **Provide a general description of the types of patients to be served as a result of this project.**

There will be no change to the type of patients served. With the late 2022 closure of OB, the most common reasons for hospitalization at Toppenish today are general medicine and behavioral health (psychiatric and substance use disorder).

7. **Provide a copy of the letter of intent that was already submitted according to WAC 246-310-080.**

A copy of the letter of intent is included in Exhibit 2.

8. **Provide single-line drawings (approximately to scale) of the facility, both before and after project completion. For additions or changes to existing hospitals, only provide drawings of those floor(s) affected by this project.**

There are no changes. This question is not applicable.

9. **Provide gross square footage of the hospital, with and without the project.**

There are no changes. This question is not applicable.

10. **If this project involves construction of 12,000 square feet or more, or construction associated with parking for 40 or more vehicles, submit a copy of either an Environmental Impact Statement or a Declaration of Non-Significance from the appropriate governmental authority. [WAC 246-03-030(4)]**

This project does not involve any new square footage.

11. **If your project includes construction, indicate if you've consulted with Construction Review Services (CRS) and provide your CRS project number.**

This project involves no construction or modification of any existing space.

Section 4
A. Need (WAC 246-310-210)

1. **List all other acute care hospitals currently licensed under RCW 70.41 and operating in the hospital planning area affected by this project. If a new hospital is approved, but is not yet licensed, identify the facility.**

Including Toppenish, there are two other hospitals located in Yakima County. These include our sister hospital, Astria Sunnyside Hospital, a 25 bed Critical Access Hospital and MultiCare Yakima Memorial Hospital, a 226-bed hospital located in the City of Yakima.

2. **For projects proposing to add acute care beds, provide a numeric need methodology that demonstrates need in this planning area. The numeric need methodology steps can be found in the Washington State Health Plan (sunset in 1989).**

This question is not applicable.

3. **For existing facilities proposing to expand, identify the type of beds that will expand with this project.**

The question is not applicable.

4. **For existing facilities, provide the facility's historical utilization for the last three full calendar years. The first table should only include the type(s) of beds that will increase with the project, the second table should include the entire hospital.**

Table 4 provides the requested historical information; because there is no change in bed configuration, the second table is not applicable; and was not completed.

Table 4
Toppenish Astria Hospital Historical Utilization, 2019-2022

Medical Surgical Beds	2020	2021	2022
Licensed beds	63	63	63
Available beds	18	18	18
Admissions	918	720	885
Patient days	3,864	2,774	3,970
Psychiatric Beds			
Licensed beds	15	15	15
Available beds	14	14	14
Admissions	61	197	77
Patient days	3,571	5,268	5,153
Total Hospital			
Licensed beds	78	78	78
Available beds	32	32	32
Admissions	1,238	917	962
Patient days	7,435	8,042	9,123

Source: Applicant

5. **Provide projected utilization of the proposed facility for the first seven full years of operation if this project proposes an expansion to an existing hospital. Provide projected utilization for the first ten full years if this project proposes a new facility. For existing facilities, also provide the information for intervening years between historical and projected. The first table should only include the type(s) of beds that will increase with the project, the second table should include the entire hospital. Include all assumptions used to make these projections.**

There is no bed increase resulting from the removal of the conditions. A separate CN project approved through a DNR that includes a total of 47 additional psychiatric beds is expected to be operational within the timeframe of this project, with 14 of those beds operational in late 2024. The estimated patient days for the period of 2024-2026 are included in Table 5.

Table 5
Toppenish Astria Hospital
Estimated 2023 and Projected Utilization, 2024 2026

	Estimated	Projected		
Medical/Surgical	**2023**	**2024**	**2025**	**2026**
Licensed beds	63	63	63	63
Available beds	18	18	18	18
Admits	595	616	628	640
Patient days	3,285	3,379	3,266	3,328
Psychiatric	**2023**	**2024**	**2025**	**2026**
Licensed beds	15	15	30	30
Available beds	15	15	30	30
Admits	120	128	224	256
Patient days	5,296	5,390	9,408	10,752
Total	**2023**	**2024**	**2025**	**2026**
Licensed beds	78	78	93	93
Available beds	32	32	47	47
Admits	739	760	852	896
Patient days	8,581	8,769	12,674	14,080

Source: Applicant

6. For existing facilities, provide patient origin zip code data for the most recent full calendar year of operation.

A patient origin study, based on 2022 actual inpatient utilization is provided in Table 6.

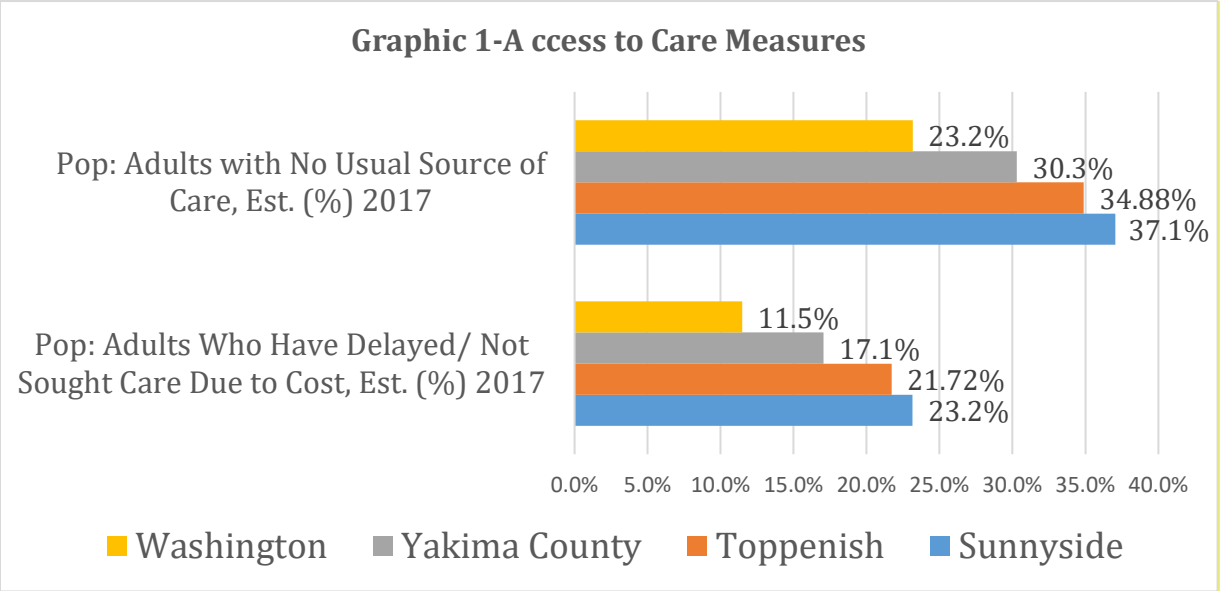
Table 6
Inpatient Origin

Zip Code	City	2022
98948	Toppenish	35.3%
98951	Wapato	21.6%
98932	Granger	7.3%
98953	Zillah	6.0%
98952	White Swan	4.2%
98944	Sunnyside	2.8%
98921	Buena	2.6%
98935	Mabton	0.6%
98933	Harrah	2.1%
98938	Outlook	1.1%
98620	Goldendale	1.5%
98939	Parker	0.2%
98902	Yakima	2.8%
98901	Yakima	2.3%
98908	Yakima	2.1%
98903	Yakima	0.5%
All other zip codes combined (<1%)		6.0%
Total		**100.0%**

Source: CHARS

7. **Identify any factors in the planning area that currently restrict patient access to the proposed services**.

We note that the entirety of Yakima County is a Federal Health Professional Shortage Area; meaning that the number of primary care providers is low compared to the population. As noted in Astria's 2021 Community Health Needs Assessment, having a usual source of care — defined as a personal doctor or other health care provider like a health clinic where someone would usually go if they were sick — is seen as a strong indicator of health care access. 35-37% of residents in the Sunnyside and Toppenish Service Areas are without a usual source of care. This number is worse than Yakima County and significantly worse than Washington State (just over 20%). This is concerning as patients with a usual source of care are more likely to receive recommended preventive services such as flu shots, blood pressure screenings, and cancer screenings. For patients without that, disparities in access to primary health care exist, and patients face barriers that decrease access to services and increase the risk of poor health outcomes. The high cost of health care can also be a barrier to access for both insured people (particularly those with high deductibles) and the uninsured, and costs can be particularly burdensome for people in worse health. As seen in Graphic 1, Service Area residents are more likely than Yakima County and State residents to have reported not seeking or delaying care due to cost.



8. Identify how this project will be available and accessible to underserved groups.

Astria's admissions policy and charity care/financial assistance policies are included in Exhibit 3. As they demonstrate, admission to any Astria hospital is based on clinical need. Services are made available to all persons regardless of race, color, creed, sex, income, national origin, or disability. Astria also has a sliding fee schedule as part of its financial assistance program.

For hospital charity care reporting purposes, the Department divides Washington State into five regions. Astria hospitals are located in the Central Washington region. According to 2019-2021 charity care data produced by the Department (the latest data available), the three-year charity care average for the Region is 1.47% of gross revenue. As shown in Table 7, Astria Toppenish's charity care has historically ranged from .42% to .61%. The amount of charity care in the pro forma financials is based on the most recent experience (0.54% of gross revenue). While Toppenish is fully committed to providing charity care and accepting all patients regardless of their ability to pay, our significant percentage of Medicaid and Medicare patients results in Toppenish not having enough patient volumes in non-government payers to have a higher charity care provision. Both Medicaid and Managed Medicaid do not have patient balances.

Table 7
Astria Toppenish Hospital
Historical (2020-2022) and Projected Charity Care (2023-2026)

	2020	2021	2022	Proj Year 1 2023	Proj Year 2 2024	Proj Year 3 2025	Proj Year 4 2026
Dollar Amount	$614,309	$1,035,203	$1,263,807	$1,074,397	$1,100,570	$1,225,262	$1,290,250
% of Total Revenue	.42%	.56%	.61%	.54%	.54%	.54%	.54%

Source: Applicant

9. If this project proposes either a partial or full relocation of an existing facility, provide a detailed discussion of the limitations of the current location.

This question is not applicable.

10. If this project proposes either a partial or full relocation of an existing facility, provide a detailed discussion of the benefits associated with relocation.

This question is not applicable.

11. Provide a copy of the following policies:

- **Admissions policy**
- **Charity care or financial assistance policy**
- **Patient rights and responsibilities policy**
- **Non-discrimination policy**
- **End of life policy**
- **Reproductive health policy**
- **Any other policies directly associated with patient access.**

All requested policies are included in Exhibit 3.

Section 5
Financial Feasibility (WAC 246-310-220)

1. **Provide documentation that demonstrates the immediate and long-range capital and operating costs of the project can be met. This should include but is not limited to:**
    - **Utilization projections. These should be consistent with the projections provided under the Need section. Include all assumptions.**
    - **A current balance sheet at the facility level.**
    - **Pro forma balance sheets at the facility level throughout the projection period.**
    - **Pro forma revenue and expense projections for at least the first three full calendar years following completion of the project. Include all assumptions.**
    - **For existing facilities, provide historical revenue and expense statements, including the current year. Ensure these are in the same format as the pro forma projections. For incomplete years, identify whether the data is annualized.**

All requested financial information is included in Exhibit 4.

2. **Identify the hospital's fiscal year.**

Toppenish operates on a calendar year.

3. **Provide the following agreements/contracts:**
    - **Management agreement**
    - **Operating agreement**
    - **Development agreement**
    - **Joint Venture agreement**

No such agreements.

4. **Provide documentation of site control. This could include either a deed to the site or a lease agreement for the site. If a lease agreement is provided, the terms must be for at least five years with options to renew for a total of 20 years.**

There is no lease. Documentation of site control is included in Exhibit 5.

5. **Provide county assessor information and zoning information for the site. If zoning information for the site is unclear, provide documentation or letter from the municipal authorities showing the proposed project is allowable at the identified site. If the site must undergo rezoning or other review prior to being appropriate for the proposed project, identify the current status of the process.**

This information is included in Exhibit 5.

6. **Complete the table on the following page with the estimated capital expenditure associated with this project. If you include other line items not listed below, include the definition of the line item. Include all assumptions used to create the capital expenditure estimate.**

There is no capital expenditure.

7. **Identify the entity responsible for the estimated capital costs. If more than one entity is responsible, provide breakdown of percentages and amounts for all.**

There are no capital costs.

8. **Identify the start-up costs for this project. Include the assumptions used to develop these costs. Start-up costs should include any non-capital expenditure expenses incurred prior to the facility opening or initiating the proposed service.**

There are no start-up costs.

9. **Identify the entity responsible for the start-up costs. If more than one entity is responsible, provide a breakdown of percentages and amounts for all.**

There are no start-up costs. This question is not applicable.

10. **Provide a non-binding contractor's estimate for the construction costs for the project.**

There is no construction. This question is not applicable.

11. **Provide a detailed narrative supporting that the costs of the project, including any construction costs, will probably not result in an unreasonable impact on the costs and charges for health services in the planning area.**

There is no capital expenditure. The reason Toppenish is pursuing the removal of Condition 9 is that, and while we do not anticipate any additional service changes, we do not want to be in the position where the high cost high of travelers, staff training, supplies, etc. cannot be modified without being out of compliance with an unprecedented condition.

12. **Provide the projected payer mix for the hospital by revenue and by patients using the example table below. Medicare and Medicaid managed care plans should be included within the Medicare and Medicaid lines, respectively. If "other" is a category, define what is included in "other."**

Since these beds are already operational, the projected payer mix is the same as the actual 2022 medical/surgical payer mix, which is provided in Table 8.

Table 8
Current and Projected Payer Mix-Entire Hospital
(Inpatient and Outpatient)
Based on 2022 Actual

Payer Mix	Percentage by Gross Revenue	Percentage by Patient
Medicare	14.24%	24.42%
Managed Medicare	13.72%	12.62%
Medicaid	37.92%	53.85%
Commercial	22.78%	3.81%
Other Govt	5.47%	1.87%
Self-Pay	5.86%	3.43%
Total:	100.00%	100.00%
Managed Medicaid	25.51%	

Source: Applicant

13. If this project proposes the addition of beds to an existing facility, provide the historical payer mix by revenue and patients for the existing facility. The table format should be consistent with the table shown above.

This project does not propose the addition of beds.

14. Provide a listing of all new equipment proposed for this project. The list should include estimated costs for the equipment. If no new equipment is required, explain.

There is no new equipment associated with this project.

15. Identify the source(s) of financing and start-up costs (loan, grant, gifts, etc.) and provide supporting documentation from the source. Examples of supporting documentation include: a letter from the applicant's CFO committing to pay for the project or draft terms from a financial institution.

If this project will be debt financed through a financial institution, provide a repayment schedule showing interest and principal amount for each year over which the debt will be amortized.

There is no capital expenditure; and hence no financing. There are also no start-up costs.

16. Provide the most recent audited financial statements for:

- **The applicant, and**
- **Any parent entity.**

Astria does not have audited financials at the individual hospital level. A copy of Astria Health's most recent audited financial statements is included in Appendix 1, and Astria Toppenish Hospital's unaudited financials are included in Exhibit 4.

Section 6
Structure and Process of Care (WAC 246-310-230)

1. **Identify all licensed healthcare facilities owned, operated, or managed by the applicant. This should include all facilities in Washington State as well as any out-of-state facilities. Include applicable license and certification numbers.**

Toppenish's parent also owns and operates Astria Sunnyside Hospital. The license and certification numbers for Toppenish were provided in Section 1. The information for Sunnyside is below.

License#: HAC.FS.60790220
Medicare: 50-0037
Medicaid: 1851817308

2. **Provide a table that shows full time equivalents (FTEs) by type (e.g., physicians, management, technicians, RNs, nursing assistants, etc.) for the facility. If the facility is currently in operation, include at least the most recent full year of operation, the current year, and projections through the first three full years of operation following project completion. There should be no gaps. All FTE types should be defined.**

There is no change in staffing proposed with this CN request.

3. **Provide the basis for the assumptions used to project the number and types of FTEs identified for this project.**

There are no changes to the beds or services offered by Toppenish in 2023 resulting from this project. The information provided is based on actual operating experience.

4. **Identify key staff (e.g., chief of medicine, nurse manager, clinical director, etc.) by name and professional license number, if known**.

The requested information will be provided in screening.

5. **Describe your methods for staff recruitment and retention. If any barriers to staff recruitment exist in the planning area, provide a detailed description of your plan to staff this project.**

Like all hospitals and hospital systems in the region/nation, Astria has experienced significant wage/benefits competition and workforce shortages. Our use of per diem staff has declined since our August 2022 new contract with nurses making them among the highest paid in Eastern Washington. The contract was ratified August 19, 2022, by unanimous vote. Registered nurses will receive raises of 21%-34% in various premiums, and a much-wanted holiday for Christmas Eve. Other staff have also received increases.

In addition to competitive wages, we have instituted a number of recruitment strategies, including the development of an RN Residency Program and relocation reimbursement.

6. **For new facilities, provide a listing of ancillary and support services that will be established.**

This question is not applicable.

7. **For existing facilities, provide a listing of ancillary and support services already in place.**

The requested information will be provided in screening.

8. **Identify whether any of the existing ancillary or support agreements are expected to change as a result of this project.**

No changes are contemplated.

9. **If the facility is currently operating, provide a listing of healthcare facilities with which the facility has working relationships.**

Toppenish enjoys strong and collegial relationships with other healthcare facilities and providers in Yakima County and the region, including primary care and specialty providers, the three Community Health Center systems in Yakima County, the Yakama Indian Health Service Clinic, MultiCare Yakima Memorial Hospital, DaVita, nursing homes, post-acute and long-term care providers, primary care, and specialty providers. We also have a strong working relationship with public health.

10. **Identify whether any of the existing working relationships with healthcare facilities listed above would change as a result of this project.**

No relationships will change.

11. **For a new facility, provide a listing of healthcare facilities with which the facility would establish working relationships.**

This question is not applicable.

12. **Provide an explanation of how the proposed project will promote continuity in the provision of health care services in the planning area, and not result in an unwarranted fragmentation of services.**

The distressed hospital funding and the increase in Medicaid approved by the 2023 Legislature has begun to stabilize the hospital. These additions, along with the additional psychiatric beds should assure a positive bottom line in 2024 and beyond.

The loss of Toppenish would have a negative impact on the community's access to care and on continuity of care in general. As shown in the Need section of the application, the community has less ability to travel than residents of most other communities in the State. Actual COVID experience demonstrates that delaying admission results in sicker patients, higher acuity, and longer lengths of stay when they are finally admitted. Transferring patients often means duplicate testing and a new provider; which again is proven to increase costs and length of stay; all of which can and often do impact continuity of care.

13. **Provide an explanation of how the proposed project will have an appropriate relationship to the service area's existing health care system as required in WAC 246-310-230(4).**

The Washington Legislature concurred that Toppenish needs to exist. By stabilizing and strengthening our financial position we will be better able to continue to relationships with other health care providers in the County as well as health care organizations located outside of the Service Area that regularly accept our patient referrals.

14. **Identify whether any facility or practitioner associated with this application has a history of the actions listed below. If so, provide evidence that the proposed or existing facility can and will be operated in a manner that ensures safe and adequate care to the public and conforms to applicable federal and state requirements.**
    a. **A criminal conviction which is reasonably related to the applicant's competency to exercise responsibility for the ownership or operation of a health care facility; or**
    b. **A revocation of a license to operate a healthcare facility; or**
    c. **A revocation of a license to practice as a health profession; or**
    d. **Decertification as a provider of services in the Medicare or Medicaid program because of failure to comply with applicable federal conditions of participation.**

No Astria facility or provider has any history related to criteria included in this question.

Section 7
Cost Containment (WAC 246-310-240)

1. **Identify each option considered before submitting the current application, including no action.**

The was no other option, as retaining the OB service would have jeopardized the viability of the entire hospital. We did speak with CN staff in December of 2022, and were advised to submit this amendment application. We used the time from closure of unit to now to secure additional Medicaid reimbursement and to stabilize the remaining hospital operations.

2. **For each option identified in question 1, provide at least the following information:**

a. **Advantages**
b. **Disadvantages**
c. **Impact on operating costs to the hospital**
d. **Impact on staffing**
e. **Impact on costs to the patient**
f. **Impact on physical hospital space**
g. **Legal restrictions**
   i. **If the seller or purchaser is organizationally connected to a hospital district, provide a discussion of how the purchase transaction meets the requirements in RCW 70.44.**
h. **Other-Specify**
i. **Reason for rejecting each option**

For the reasons noted in response to #1, there were no other options.

3. **Identify the specific ways this project will promote staff efficiency and productivity.**

Staff efficiency is related to how effectively employees are able to perform their jobs, and how well they are able to organize their time and effort, without overusing or wasting resources. A hospital that is stressed by financials is challenged to support the effectiveness of staff. As we have begun to stabilize, we are already seeing staff efficiency increasing, because we are able to provide a better patient care environment and a more stable work environment.

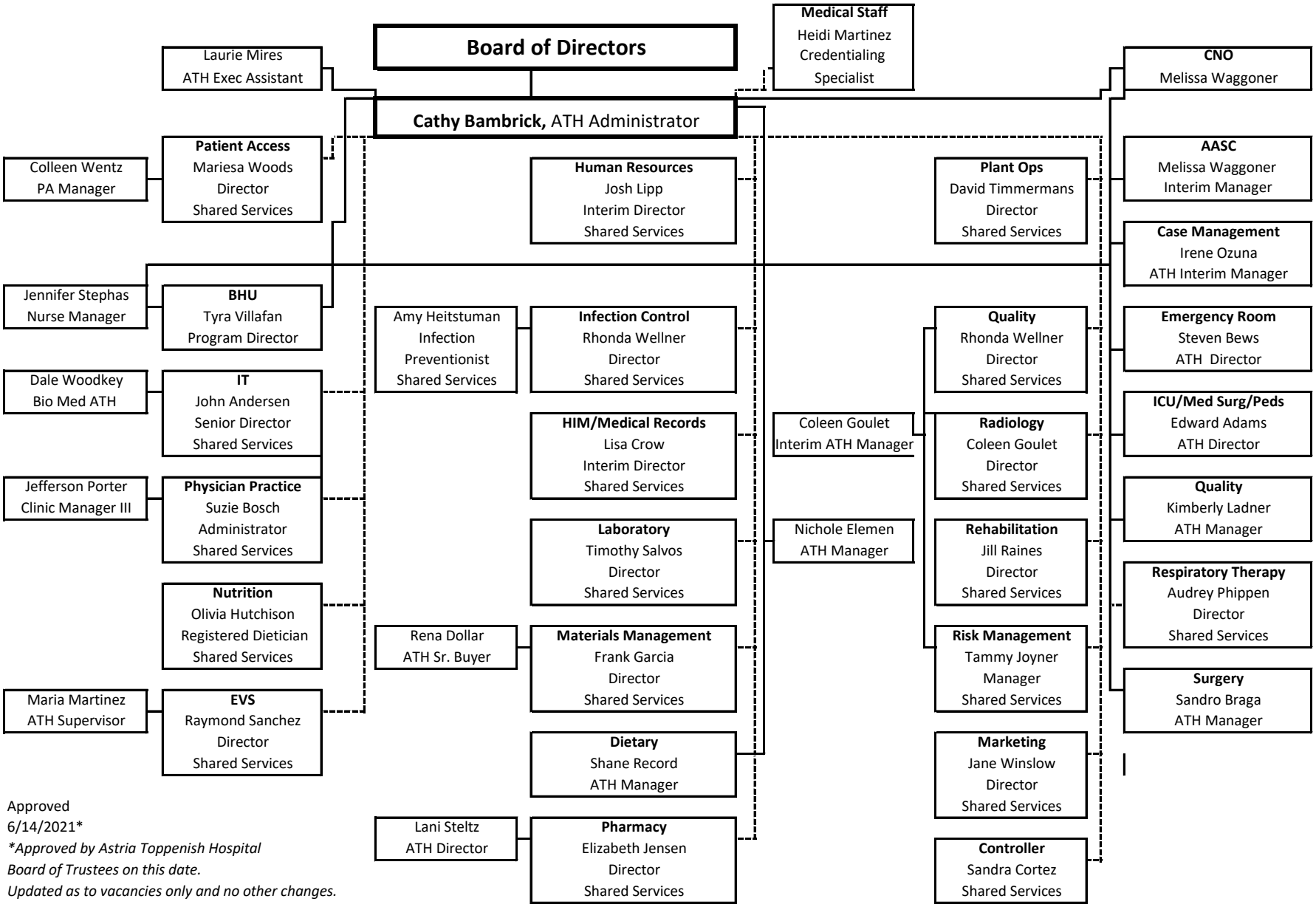
4. **Identify the specific ways this project will promote system efficiency.**

We are not contemplating the elimination of any additional service. This project, removal of Condition 9, supports system efficiency because Astria Toppenish would no longer be constrained by a condition that no other hospital in the state is limited by. Given the socioeconomics of our community, and their need for access, Astria needs the flexibility that will allow us to realize efficiencies as market conditions, payer reimbursement, temporary workforce, etc. mandate.

EXHIBIT 1

ORGANIZATIONAL CHART

ASTRIA TOPPENISH HOSPITAL



Approved
6/14/2021*
**Approved by Astria Toppenish Hospital Board of Trustees on this date.*
Updated as to vacancies only and no other changes.

EXHIBIT 2

LETTER OF INTENT

January 30, 2023

Eric Hernandez, Program Manager
Certificate of Need Program
Department of Health
Via email: eric.hernandez@doh.wa.gov; FSLCON@DOH.WA.GOV

Dear Mr. Hernandez:

Astria Toppenish Hospital here within submits this letter of intent requesting CN approval to remove conditions placed on CN#1612. In accordance with WAC, the following information is provided:

Description of the Services Proposed:
CN #1612 was issued to Astria Toppenish in late August 2017. It approved the acquisition of the Hospital from CHS and a conversion of the hospital from for profit to not for profit status. A number of conditions were included on the CN award. In the upcoming CN, Astria Toppenish will be requesting the removal of these conditions.

Estimated Capital Expenditure:
There is no capital expenditure associated with the removal of the conditions.

Description of Service Area:
Astria Toppenish's primary service area includes Toppenish, Wapato and immediately contiguous communities.

If you have any questions, please feel free to contact me directly at (509) 837-1650.

Sincerely,

Brian P. Gibbons, Jr.
President & CEO
Astria Health

EXHIBIT 3

ASTRIA TOPPENISH POLICIES

ASTRIA TOPPENISH HOSPITAL

Policy/Procedure Title: Admission of Patients	Page 1 of 1

Department Generating Policy: Administration		Effective Date:	
Affected Departments: All Nursing		Manual Location:	General Nursing
Chief Nursing Officer	Terra Palomarez, ICNO	Date:	03/13/2018
Medical Staff Approval*	Medical Executive Committee	Date:	03/13/2018
Board Approval*	Board of Trustees	Date:	03/13/2018

*If applicable

POLICY:

General Admission
A patient may be admitted to Astria Toppenish Hospital only by a member of the Medical Staff with admitting privileges. Patient placement within the hospital is based upon and guided by established admission criteria of medical diagnosis, severity of illness, patient's special needs, available nursing staff and level of nursing care required. The departments of Patient Care Services are open 24 hours a day, 365 days a year unless otherwise specified in the unit specific structure standards.

Emergency Admission
An emergency admission is defined as a condition in which the life of the patient is in immediate danger, and in which any delay in administering treatment would increase the danger.
Patients admitted on an emergency basis that do not have a private practitioner will be assigned an admitting physician under the Emergency Department's policy for physician on call.

Admission of Patient with a Contagious Condition
To keep exposure to a minimum, Astria Toppenish Hospital shall not admit patients suffering from chickenpox, rubella (German measles), Rubeola (measles), mumps, or smallpox unless a complication or other condition requires hospitalization.

Refer to the Infection Control Isolation Precautions policy for:

- Care of patients with contagious conditions.
- A list of negative airflow rooms
- Additional information on patient placement.

REFRENCES:

Review/Revisions:					
Date:	11/2014	3/2018			
By:	RJones	TPalomarez			

ASTRIA SUNNYSIDE HOSPITAL

Financial Assistance Policy and Procedure

Purpose

In accordance with our Mission, Vision, and Values Statement, Astria Health believes it is imperative to provide our patients with not only the best medical care and accessibility that we can provide, but to also extend our commitment to our patients throughout the entire billing process in compliance with 501(r)(4A) and Washington Administrative Code (WAC), Chapter 246-453. It is the goal of Astria Health to provide quality care regardless of a patient's ability to pay for services. The application process is not intended to impose an undue burden on the responsible party considering any physical, mental, intellectual sensory deficiencies or language barriers which may hinder the responsible party's capability of complying with the application procedures. Applicants shall be given 14 days from the application date to provide documentation, during which time no collection efforts will occur.

Audience

Individuals receiving care at Astria Health hospitals and clinics and Astria Health personnel or representatives.

Key Concepts and Terms

For the purpose of this policy, the terms below are defined as follows:

Charity Care: The definition of Charity Care, as defined within RCW 70.170.020 (4) is "Charity care" means medically necessary hospital health care rendered to indigent persons when third-party coverage, if any, has been exhausted, to the extent that the persons are unable to pay for the care or to pay deductibles or coinsurance amounts required by a third-party payer, as determined by the department. Charity care results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

Family: The Census Bureau and WAC 246-453-010 (18) definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption.

Family Income: as defined within WAC 246-453-010 (17) is "Income" means total cash receipts before taxes derived from wages and salaries, welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, alimony, and net earnings from business and investment activities paid to the individual;

o If a person lives with a family, includes income of all family members. (Non-relatives, such as housemates, do not count.)

Uninsured: The patient has no level of insurance or third-party assistance to assist with meeting his/her payment obligations.

Underinsured: The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

Gross Charges: The total charges at the organization's full established rates for the provision of patient care services before deduction from revenue are applied.

Emergency Medical Conditions: Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

Medically Necessary: As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

Poverty Guidelines: The poverty guidelines are a simplified version of the Federal Government's statistical poverty thresholds used by the Bureau of Census to prepare its statistical estimates of the number of persons and families in poverty. The poverty guidelines are used primarily for statistical purposes. However, the Department of Health and Human Services uses the thresholds for administrative assistance or services under a particular federal program. Other programs, such as our Financial Assistance Program, use the guidelines for the purpose of giving priority to lower income persons or families in the provision of assistance or services. Our poverty guidelines are based on last (calendar) year's increase in prices as measured by the Consumer Price Index. The poverty guidelines are published in the Federal Register and are revised yearly.

Amounts Generally Billed (AGB): No person eligible for financial assistance under the FAP will be charged more for medically necessary care than amounts generally billed (AGB) to individuals who have insurance covering such care. Astria Health determines AGB based on all claims paid in full to Astria Health by Medicaid and/or private health insurers over a 12-month period, divided by the associated gross charges for those claims.

Policy

In accordance with State and Federal Law, our Financial Services Department offers financial assistance to qualified patients who are exempt from insurance in accordance with the ACA (Affordable Care Act) or are underinsured and do not have adequate resources to pay for medically necessary services that have been provided. Emergent and Medically Necessary services are eligible for coverage under the Financial Assistance Program (FAP). Financial assistance applications are processed in accordance with the policy. No patient/resident that meets these requirements shall be denied uncompensated health care based upon race, creed, color, sex, national origin, sexual orientation, disability, age, or source of income.

Our program is a payer of last resort, the Affordable Care Act (ACA) states that everyone must have insurance, but Astria Health does consider hardship and debt ratio for those who are uninsured and do not qualify for subsidized insurance plans (i.e. Medicaid). If the financial counselor believes that another program could be utilized and was denied, a denial will be requested before consideration can be given. If the denial cannot be obtained, our financial

counselors will then work with the patient to arrange payment terms, based on the unique circumstances and in accordance with Astria Health's payment policy.

Astria Health's financial assistance program is administered in conjunction with the Federal Poverty Guidelines that are used nationwide and that pertain to medical services provided at Astria Health only. These guidelines incorporate rationale for age, number and ages of dependents and provide definitions of family and gross income. The United States Department of Health and Human Services sets the Federal Poverty Income Guidelines and applies annual revisions to account for increases in the Consumer Price Index.

Astria Health utilizes the federal poverty income levels for eligibility purposes. The guarantor's household gross income is compared to this poverty level. If this total is at or below the 300% level, 100% of the patient responsibility balance on approved accounts will be forgiven.

Astria does not consider the existence, availability, and value or assets in order to reduce the charity care discount.

Procedure

Eligibility Requirements

1. Astria Health's Financial Assistance Program shall be consistently and equitably administered in accordance with established eligibility requirements. Astria Health employs staff whose role it is to screen for uninsured patients and visits and proactively reach out to patients to assist them in applying for sources of Medical coverage such as Medicaid, ACA Marketplace plans, and direct them to Financial Assistance applications as needed or requested these staff are certified Navigators for the State of Washington.

2. All patients with a self-pay balance may be eligible for financial assistance which can include free or discounted care. However, financial assistance generally excludes care found not to be medically necessary, or disallowed by government or third-party payers including procedures considered elective, experimental or cosmetic in nature.

3. The full application process must be completed, preferably by the patient/responsible party. Falsification of the application information, failure to fully disclose all assets and/or income, or refusal to cooperate will result in denial of the financial assistance application.

4. All third-party resources and non-hospital financial aid programs, including public assistance available through the state Medicaid program must be exhausted before financial assistance can be considered. If an individual has applied for and has not yet received a determination, the eligibility for financial assistance will be postponed until the Medicaid Eligibility determination has been made.

5. Prima Facie Write Offs: In the event that the responsible party's identification as an indigent person is obvious to Astria Health 's personnel and they can establish that the applicant's income

is clearly within the range of eligibility, Astria Health will grant Charity Care based solely on this initial determination. In these cases, Astria Health is not required to complete a full verification or documentation. (in accordance with WAC 246-453-030(3)).

Method for applying for financial assistance:

The Financial Assistance Application (Attachment C) can be completed before or after services are provided.

The forms may be completed by the applicant at home or onsite with the assistance of Patient Financial Services personnel. All required supporting documentation must be included with the application.

The application can be obtained as described in the section below:

By Telephone: 509-837-1554

At our address: Astria Health, 1016 Tacoma Avenue, Sunnyside, WA 98944

On our website: https://www.astria.health

A patient will not be deferred or denied medically necessary care based on the non-payment of previously provided care, if financial assistance has not yet been determined.

Extraordinary Collection Actions (ECA):

Astria Health will not take any ECA actions without making a reasonable effort to determine at patient's financial assistance eligibility in accordance with limitations outlined in the policy.

Measures to widely publicize this policy within the community served by the facility:

1. Financial Counselors will make paper copies of the financial assistance policy, application, attachment B) and plain language summary (Attachment A).

- The paper copies are available upon request and without charge.
- Documents are readily available during normal business hours either directly from the Financial Counselor or by mail.
- Each document is available in English and in the primary language of any populations with limited proficiency in English that constitutes more than either (a) 1,000 individuals or (b) 5% of the residents of the community serviced by the facility, whichever is less.

2. As part of the intake or discharge process, patients are offered a Patient Information Packet that outlines payment plan options and Financial Assistance Policy information including the Plain Language Summary (Attachment A).

3. Notify and inform members of the community served by the hospital facility about the Financial Assistance Policy with the information available on each billing statement.

4. Astria Health's financial assistance contact information is posted on the home page of the facility website at https://www.astria.health

5. The financial assistance documents can be accessed, downloaded, viewed and printed from the website.

Administration/Guidelines of Financial Assistance Program:

1. Astria Health Financial Assistance Program will be administered according to the following guidelines:

a. Astria will make an initial determination of potential eligibility based on the verbal request for charity care. Pending final eligibility determination, the hospital will not initiate collection efforts or requests for deposits, provided that the responsible party cooperates with hospital efforts to obtain payment from other sources, including Medicaid.

b. Astria will furnish an application and instructions to the responsible party when charity care is requested, or when financial screening indicates potential need. The responsible party will return a completed application as soon as possible, but not to exceed 14 days from date of request.

c. The application information, along with all the required documentation will be reviewed by the Patient Financial Counselor.

d. Patient Financial Counselor will complete the Worksheet for Annual Income, Worksheet for Income and Asset Calculation, and Worksheet for Discount Calculation.

e. After reviewing the application, the CFO or designee will determine if the patient/responsible party qualified for financial assistance based on the supporting documentation and the recommendation of the Patient Financial Counselor who verified the information contained in the application.

f. Patient Accounts Data Entry personnel will write off approved amounts from the patient's account(s) per established procedures.

g. The patient/responsible party will be notified in writing within thirty (30) days from applying (when all documentation has been received) if they were approved for financial assistance.

h. The application will be kept on file for seven (7) years.

i. Providing the patient/responsible party's finances change significantly between tax seasons, current income for the household as defined in Attachment C will determine eligibility in lieu of the federal income tax requirements. An approved application will be a one-time grant.

j. If an applicant is habitually non-compliant with the program guidelines and assistance efforts made by the financial counselors and staff, the applicant may be required to submit a fully completed application with all required documents prior to a non-emergent service(s). Astria may initiate collection efforts for failure to complete application, patient balances will be eligible for collection and credit reporting after 30 days from the date of service.

Appeal Process:

1. The patient/responsible party has the right to appeal the financial assistance decision.

2. The appeal must be received with in thirty (30) days of the determination.

3. The appeal must include documented proof justifying why the patient/responsible party is unable to pay.

4. The appeal is forwarded to the Business Office Manager and is reviewed with the CFO.

5. The patient/responsible party will be notified within sixty (60) days from submission of the appeal if they are approved.

6. Per WAC 246-453-020 (9)(c): "In the event that the hospital's final decision upon appeal affirms the previous denial of charity care designation under the criteria described in WAC 246-453-040 (1) or (2), the responsible party and the department of health shall be notified in writing of the decision and the basis for the decision, and the department of health shall be provided with copies of documentation upon which the decision was based." Astria Health will notify the responsible party in writing of the decision and the basis for the decision as well as provide the Department of Health with copies of all documentation pertaining to the decision.

Implementation/Education Plan:

Policy will be reviewed and implemented by Provider Financial Services Staff.

Related Documents:

- Attachment A: Plain Language Document
- Attachment B: FA Acuity Indicator
- Attachment C: Assistance Application

References:

- 501(r)(4A) and Washington Administrative Code (WAC), Chapter 246-453
- WAC 246-453-030(3)
- WAC 246-453-020(10)

ASTRIA SUNNYSIDE HOSPITAL

Astria Health Hospitals and Clinics

- Astria Sunnyside Community Hospital
- Astria Toppenish Hospital (SHC Medical Center- Toppenish)
- SHC Medical Center Yakima
- Ahtanum Ridge Family Medicine
- Vintage Valley Family Medicine
- Central Washington Occupational Medicine – Toppenish
- Central Washington Surgical Associates – Toppenish
- Cardiac & Thoracic Institute of Central Washington
- Valley Medi-Center
- Westside Medi-Center
- Selah Clinic
- Summitview Family Medicine
- Terrace Heights Family Physicians
- Central Washington Occupational Medicine – Yakima
- Central Washington Orthopedic Surgeons
- Central Washington Surgical Associates – Yakima
- Central Valley Vascular Center
- Central Washington Rehabilitation Clinic
- Central Washington Anesthesia Services
- Central Valley Gastroenterology - Yakima
- Sunnyside Dental
- Yakima Home Care
- Yakima Regional Home Health
- Spavinaw Dental

Department: Provider Financial Services	Document Owner: Danielle Lyzanchuk	Effective Date: 3/1/2022
	Approved by: Maxwell Owens, CFO and Astria Health Board	Approved Date: 3/1/2022

ASTRIA TOPPENISH HOSPITAL

502 W 4th Ave Toppenish, WA 98948

Policy/Procedure Title	Withholding and Withdrawing Life-Sustaining Treatments			**Policy #**	TCH-ADM-0041
Manual Location(s)	Administration	**Effective**	09/80	**Page**	Page 1 of 8
Department Generating Policy	Risk Management				
Affected Departments	Organization Wide				
Dept/Committee Approval	Administration	**Date/Title**	7/13/2021		
Medical Staff Approval* Medical Executive Committee	Dr. Lori Alvord	**Date/Title**	7/13/2021 Chief of Staff		
Board Approval* Board of Trustees	Bertha Ortega	**Date/Title**	7/13/2021 Chair of the Board		

*If applicable

OBJECTIVES OF THIS POLICY:

A. To provide guidelines for withholding and withdrawing life-sustaining treatments.

B. To define code status orders and provide guidelines for the use of Code/No Code designations.

C. To promote responsible, ethical, and sensitive communication among those involved in the care and support of patients.

TEXT OF THIS POLICY:

A. Philosophy and General Principles

Astria Toppenish Hospital is dedicated to the provision of healing, restorative, and palliative care to people who are sick and injured and to the care of those who are suffering or are dying.

Both human and technological resources are offered. To restore health and support life are among the hospital's principal goals. This means that every appropriate effort is made to cure the sick and rehabilitate the injured. Helping terminally ill patients to live the end of their lives in a responsible and dignified manner is a valuable goal. We should not treat the terminally ill as if there were curable; they are more in need of comfort and company then of

life-sustaining treatments.

Astria Toppenish Hospital respects the rights of patients to make decisions regarding their health care, including decisions regarding withholding or withdrawing life-sustaining treatment. The patient must possess appropriate information to make an informed decision. It is the usual and customary responsibility of the health care team to provide such information in a clear, sensitive, and balanced manner.

B. Definitions

1. Life-Sustaining Treatment is any medical or surgical intervention that uses mechanical or other artificial means, including artificially provided nutrition or hydration to sustain, restore or replace a vital function, which, when applied to a qualified to a patient would serve only to prolong the process of dying. Life sustaining treatment shall not include the administration of medication or the performance of any medical or surgical intervention deemed necessary solely to alleviate pain. Life-sustaining treatments may include but are not limited to the following; Cardiopulmonary Resuscitation (CPR), mechanical ventilation, electrical cardiac shock for arrhythmias, transfer to an Intensive Care Unit, dialysis, and artificially administered nutrition and hydration.

2. Withdrawing Life-Sustaining Treatment is termination of treatment already in progress.

3. Withholding Life-Sustaining Treatment means not initiating life-sustaining treatment. It is consistent with the written NO CODE or DO NOT RESUSCITATE order.

4. Terminal Condition means an incurable and irreversible condition caused by injury, diseases, or illness, that within reasonable medical judgement, will cause death within a reasonable period of time in accordance with accepted medical standards, and where the application of life-sustaining treatment serves only to

5. Permanent Unconscious Condition means an incurable and irreversible condition in which the patient is medically assessed within reasonable medical judgement as having no reasonable probability of recovery from an

irreversible coma or a persistent vegetative state.

6. Qualified patient means an adult person who is a patient diagnosed in writing to have a terminal condition by the patient's attending physician, who has personally examined the patient, or a patient who is diagnosed in writing to be in a permanent unconscious condition in accordance with accepted medical standards by two physicians, one of whom is the patient's attending physician, and both of whom have personally examined the patient.

C. Definition of Code Status Orders (See physician order stamp)

1. Code BLUE: A summons of the Code BLUE CPR team to provide emergency care for a patient following sudden, unexpected cardiac and/or pulmonary arrest. In all instances of a cardiopulmonary arrest, a Code BLUE will be called unless one of the following applies:

   a. The attending or on call physician's order for "No-Code" is present on the patient's chart.

   b. The patient's physician is present during the arrest and makes a clinical judgement that resuscitation is futile.

   c. The attending physician can order a "No-Code" by telephone if the order is witnessed by two professional nurses. The telephone order should be signed by the attending physician within 24 hours.

      i. No Code: Basic and advanced life support is withheld; automatic initiation of cardiopulmonary resuscitation suspended.

      ii. Modified Code: One or more of the following measures can be used: CPR, intubation, electrical cardioversion, chemical treatment of arrhythmias, and pressor support.

D. Procedure for withholding or withdrawing life-sustaining treatment

1. General Guidelines

a. The physician is responsible for communicating the diagnosis and prognosis to the patient and/or surrogate decision maker and coordinating the effort toward making the decision to write the "No-Code" order or the order withdrawing life-sustaining treatment.

b. A "No-Code" order should be reviewed periodically, particularly if there is a significant change in the patient's status

c. A "No-Code" status is compatible with maximal medical and nursing care and does not imply that supportive comfort care and/or adequate analgesia will not be continued.

d. No nurse, physician, or other health care practitioner may be required by law or contract in any circumstances to participate in withholding or withdrawal of life-sustaining treatment if such person objects to so doing.

e. No person may be discriminated against employment or professional privileges because of the person's participation or refusal to participate in the withholding or withdrawal of life-sustaining treatment.

f. In the even that a hospital employee feels he/she cannot, in good conscience, participate in the withholding or withdrawing of life-sustaining procedures, he/she should communicate this to his/her immediate supervisor. The supervisor will assign other employees to assist the physician in carrying out the patient's wishes.

2. Competent Patients

a. A competent patient may give verbal or written request to withhold or withdraw life-sustaining treatments. It is important that this decision be made on an informed basis. Any such request should be documented in the patient's medical record. It is the responsibility of other caregivers to notify the attending physician as soon as possible that such a request has been made.

b. In those situations where initiating a "Code BLUE" or applying other life-sustaining treatments is not medically indicated, but the patient has not requested the treatments be withheld, it is the attending physician's responsibility to discuss the application of life-sustaining treatments with the competent patient and appropriate staff members.

Documentation of such discussion should be recorded in the patient's medical

records. A "Code/No Code" decision may be requested of the physician by nursing staff.

3. Incompetent Patients
    a. An incompetent patient retains his/her right to refuse life-sustaining treatment as expressed through a HEALTH CARE Directive executed when the patient was competent.

    b. An incompetent patient retains his/her right to refuse life-sustaining treatment as expressed through a surrogate decision-maker. Surrogate decision-makers, listed in order of priority according to state law, are (1) a duly-appointed guardian; (2) a person appointed by a durable power of attorney with applicable health care decision provisions; (3) a spouse; (4) a consensus among children age 18 or over; (5) parents; (6) a consensus among adult brothers and sisters.

    c. If the surrogate decision-maker requests withholding or withdrawing life- sustaining treatment and the attending physician agrees, or if the attending physician suggests withholding or withdrawing treatment and the surrogate agrees, the agreed upon treatment plan and appropriate "Code" status should be recorded in the medical chart. (In the event that there is no Health Care Directive and no available surrogate decision maker, a guardian ad litem may be considered.)

    d. The Supreme Court of the State of Washington has required under certain conditions that the attending physician obtain verification in writing of the diagnosis and prognosis of the incompetent patient from two additional physicians who maintain qualifications relevant to the patient's condition in cases such as In Re Colyer (1983) 99 Wn. 2d 114, In Re Hamlin (1984) 102 Wn. 2nd 810, and In Re Grant (1987) 109 Wn. Ed 545. However, it is important to note that in all of these cases there were no Advance Directives. "It is the duty of the Staff, through its departmental chairperson and MEC, to insure that a practitioner seeks consultation when indicated.

E. <u>Conflict Situations</u>

1. If the competent patient and the attending physician disagree about the treatment plan or code status after all other avenues of reconciliation have

been tried, the physician may either (1) accept the competent patient's request or (2) make reasonable efforts to assist the patient in his/her efforts to find another physician.

2. If the surrogate decision-maker and the attending physician disagree about the treatment plan or code status after all other avenues of reconciliation have been tried, the physician may either (1) accept the surrogate decision-maker's request, (2) make a reasonable effort to assist the surrogate in his/her efforts to find another physician, or (3) seek judicial review in consultation with Administration.
3. In any case of conflict, if the physician is uncertain about the underpinning of the case, he/she may discuss the case with the Consultative Ethics Committee. (Also see Addendum A # IIB)

F. Discharge of Patient to Die at Home

If a patient is capable of making health care decisions and indicates he/she wishes to die at home, the patient must be discharged as soon as reasonably possible. The attending physician or hospital staff (in the absence of the attending physician) has an obligation to explain the medical risks of an immediate discharge to the patient.

ADDENDUM A

Health Care Directive

The patient is the ultimate decision-maker for his/her own health care and must understand and approve the course of medical treatment whenever possible. If a conscious, competent adult patient has not previously executed a Health Care Directive according to the Washington State Natural Death Act of 1979 (amended 1992) thereby authorizing the withholding or withdrawal of life-sustaining treatment, have the patient execute a Health Care Directive if possible.

I. Prerequisites to Withholding or Withdrawing Under the Act

A. The patient must be 18 years or older and competent to make health care decisions before executing a Directive.
B. The form in which a Directive may be worded is set forth in the statue (RCW 70.122.020) but may, in addition, include other specific direction.
C. The patient's signing must be witnessed by two qualified adults. The following persons may not serve as witnesses:
    1. Anyone related to the patient by blood or marriage;

2. Anyone mentioned in the patient's then-existing will, or by law entitled to a portion of the patient's estate
3. Anyone who is a creditor or would otherwise have any claim on any portion of the patient's estate at the time the Directive is signed;
4. An attending physician of the patient;
5. An employee of an attending physician of the patient; or
6. An employee of the health care facility in which the declarant is a patient.

D. The patient must have been diagnosed in writing to have a terminal condition by the patient's attending physician, or to be in a permanent unconscious condition by the patient's attending physician and one other physician. Each of the diagnosing physicians must have personally examined the patient.
E. Before any life-sustaining treatment is withheld or withdrawn, the attending physician must make a reasonable effort to determine that the Directive complies with the Act, and to ensure, if the patient is capable of making a health care decision, that the Directive and all steps proposed by the physician are in accord with the desires of the patient. If the patient is comatose or otherwise incapable of communicating, the Directive (unless revoked) is conclusively presumed to represent the wishes of the patient.

II. Attending Physician's Obligation.

A. If the Directive is on file in the physician's office a copy must be forwarded to the hospital and be made part of the patient's medical record prior to the withholding or withdrawing of the life-sustaining treatment.
B. If the Physician or hospital becomes aware of any circumstances in which a patient Advance Directive cannot be honored due to conflict with hospital policy, a physician, or the Washington State Natural Death Act the patient/surrogate decision maker will be advised.

Discussion and documentation will include:

The difference, if any, between limitations that apply to the hospital versus those raised by the patient's physician.

Any reference to the Washington State Natural Death Act which authorized the limitation.

The medical condition and procedures affected by the limitation.

1. If the patient elects to continue care at Astria Toppenish, the physician or hospital staff, with the patient or patient's representative, shall prepare a written plan to be filed with the patient's directive outlining the physician's or hospital's intended actions to be taken should the patient's medical status change so that the directive would become operative.
2. After complying with the steps outlined, the hospital and/or physician are not otherwise obligated to carry out the patient’s directives.

3. If the hospital/physician will not honor an Advance Directive, they will make a good faith effort, if desired by the patient, to transfer the patient to a provider that will.

III. Revocation of a Directive

A. A directive may be revoked at any time by the declarer regardless of mental competency or state of health, by:
   1. Canceling, defacing, obliterating, burning, tearing, or otherwise destroying the Directive, personally or by someone else in the presence and at the direction of the declarer, or
   2. Signing and dating a written statement (in any form) indicating intent to revoke, or
   3. Verbal expression of intent to revoke.

B. Written or verbal revocation does not become effective until communicated to the patient's attending physician, whether by the patient or someone on the patient's behalf, or until the physician otherwise has actual or constructive knowledge of the revocation.

C. Time, date, and place of revocation (and the time, date, and place, if different, when notice thereof was received by the physician), must be entered in the patient's medical record by the attending physician.

D. A revocation which comes to the attention of the hospital, in the absence of the attending physician, should be promptly communicated to the physician and entered in the patient's medical record.

E. There is no civil or criminal liability for any person who fails to act on revocation of

F. Directive unless that person had actual or constructive knowledge of the revocation. If, after consideration of these statutory criteria, there is ever a doubt about whether a patient's Directive has been revoked, a "Do Not Resuscitate" order should not be given. Even if a patient has already signed a Directive, the family should be told of the patient's condition and expected outcome of the present treatment.

Original Effective Date:					
Reviewed and/or Revised Dates					
	1st	**2nd**	**3rd**	**4th**	**5th**
Review Date:	01/91, 05/93, 01/96, 03/97, 05/00, 03/04	12/17	01/19	05/21	
Revised Date:					
Supersedes:					
By:			R. Wellner	R. Wellner	

ASTRIA TOPPENISH HOSPITAL

502 W 4th Ave Toppenish, WA 98948

Policy/Procedure Title	Notice of Nondiscrimination			**Policy #**	
Manual Location(s)	Administration	**Effective**	09/15	**Page**	Page 1 of 2
Department Generating Policy	Administration				
Affected Departments	All Hospital and Clinics				
Dept/Committee Approval	Administration	**Date/Title**	7/13/2021		
Medical Staff Approval* Medical Executive Committee	Dr. Lori Alvord	**Date/Title**	7/13/2021 Chief of Staff		
Board Approval* Board of Trustees	Bertha Ortega	**Date/Title**	7/13/2021 Board of Trustees Chairperson		

*If applicable

As a recipient of Federal financial assistance, Astria Toppenish Hospital affiliates shall not exclude, deny benefits to, or otherwise discriminate against any person on the basis of age, race, color, national origin, ethnicity, religion, culture, language, physical or mental disability, socioeconomic status, sex, sexual orientation, or gender identity or expression, in admission to, participation in, or receipt of the services and benefits under any of its programs and activities, or in employment therein, whether carried out by the affiliate directly or through a contractor or any other entity with which the affiliate arranges to carry out its programs and activities.

This statement is in accordance with the provisions of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Regulations of the U.S. Department of Health and Human Services issued pursuant to the Acts, Title 45 Code of Federal Regulations Parts 80, 84, 91 and Section 1557 of the Patient Protection and Affordable Care Act of 2010, 42 U.S.C. § 18116.

The Notice of Nondiscrimination will be disseminated to patients during the registration process in the Patient Rights and Responsibilities Handbook. Each affiliate shall ensure this notice of nondiscrimination is disseminated to the general public, patients (residents), employees, community organizations, referral sources, and such protected groups as sensory impaired persons and those with Limited English Proficiency. Facility shall disseminate this notice by publication on facility website and by posting a notice in general areas accessible to the public (e.g., registration, admissions, emergency and surgery waiting rooms, etc.) in the facility.

In case of questions, please contact:
Section 504 Coordinator: Risk Manager
Telephone number: 509-837-1538
TDD or State Relay number

References and Citations:

Title VI of the Civil Rights Act of 1964

Section 504 of the Rehabilitation Act of 1973

Age Discrimination Act of 1975

Title 45 Code of Federal Regulations Parts 80, 84, and 91

Section 1557 of the Patient Protection and Affordable Care Act of 2010, 42 U.S.C. § 18116

Original Effective Date:	09/15				
Reviewed and/or Revised Dates					
	1st	**2nd**	**3rd**	**4th**	**5th**
Review Date:	02/19	04/21			
Revised Date:					
Supersedes:					
By:	RJW	RJW			

EXHIBIT 4

FINANCIALS

Astria Toppenish Hospital

Budget Comparison	Budget FY 2023	Projection FY 2024	Projection FY 2025	Projection FY 2026
Gross Patient Revenue				
Inpatient Revenue	50,020,369	51,116,259	73,876,955	82,075,143
Inpatient Psych/Rehab Revenue	-			
Outpatient Revenue	148,227,481	151,961,067	152,208,660	156,002,038
Long Term Care Revenue	-			
Home Health Revenue	-			
Total Gross Patient Revenue	198,247,850	203,077,326	226,085,615	238,077,181
Deductions From Revenue				
Discounts and Allowances	(135,213,182)	(137,814,547)	(152,661,539)	(159,954,904)
Bad Debt Expense Write-Offs	(8,418,924)	(8,615,391)	(9,581,908)	(10,080,041)
Safety Net Program	-		7,000,000	7,000,000
Charity Care Write-Offs	(1,074,397)	(1,100,570)	(1,225,262)	(1,290,250)
Total Deductions From Revenue	(144,706,502)	(147,530,508)	(156,468,710)	(164,325,196)
Net Patient Revenue	53,541,348	55,546,818	69,616,905	73,751,985
PCR	27.0%			
Other Operating Revenue	854,433	4,862,977	862,977	862,977
Total Operating Revenue	**54,395,781**	60,409,795	70,479,882	74,614,962
Operating Expenses				
Salaries and Wages	21,562,967	22,438,294	27,830,470	30,058,642
Fringe Benefits	4,683,159	4,873,267	6,044,368	6,528,294
Contract Labor	3,078,173	2,308,630	1,731,473	1,731,473
Physicians Fees	1,787,821	1,787,821	1,787,821	1,787,821
Purchased Services	7,282,622	7,460,044	8,305,240	8,746,360
Management Fees	8,756,612	8,756,612	8,756,612	8,756,612
Supply Expense	4,906,367	5,025,899	5,595,314	5,892,501
Utilities	605,106	605,106	605,106	605,106
Repairs and Maintenance	248,626	248,626	248,626	248,626
Insurance Expense	627,240	627,240	627,240	627,240
All Other Operating Expenses	2,366,974	2,366,974	2,366,974	2,366,974
Bad Debt Expense (Non-Governmental Providers)	-			-
Leases and Rentals	855,714	855,714	855,714	855,714
Depreciation and Amortization	669,636	669,636	669,636	669,636
Interest Expense (Non-Governmental Providers)	2,547,630	2,547,630	2,547,630	2,547,630
Total Operating Expenses	**56,761,380**	**57,354,227**	**64,754,957**	**68,205,362**
EBITDA	**(2,365,599)**	**3,055,568**	**5,724,925**	**6,409,600**
Non-Operating Revenue:				
Contributions				
Investment Income				
Tax Subsidies (Except for GO Bond Subsidies)				
Tax Subsidies for GO Bonds				
Interest Expense (Governmental Providers Only)				
Other Non-Operating Revenue/(Expenses)	0	0	0	0
Total Non Operating Revenue/(Expense)	**0**	**0**	**0**	**0**
Total Net Surplus/(Loss)	**($5,582,865)**	**($161,698)**	**$2,507,659**	**$3,192,334**
Change in Unrealized Gains/(Losses) on Investments				
Increase/(Decrease in Unrestricted Net Assets	**($5,582,865)**	**($161,698)**	**$2,507,659**	**$3,192,334**
Operating Margin	**-10.26%**	**-0.27%**	**3.56%**	**4.28%**
Total Profit Margin	**-10.26%**	**-0.27%**	**3.56%**	**4.28%**
EBITDA	**-4.35%**	**5.06%**	**8.12%**	**8.59%**

Stats				
Calendar Days	365	366	365	365
Patient Days	-			
Med/Surg	2,920	3,004	3,266	3328
OB	-	-		
ICU	365	375		
Psych	5,296	5,390	9,408	10752
Total Patient Days	8,581	8,769	12,674	14,080
Nursery	-	-		
ADC W/O Nursery	24	24	34.72	38.58
Psych ADC				
Surgeries	-			
IP	177	182	182	182
OP	836	859	859	859
ASC	305			0
Total Cases	1,318	1,041	1,041	1,041
GI Cases	2,400	2,491		
Outpatient Visits	31,447	32,321	32,967	33,627
Clinic Visits	58,976	60,616	62,131	63,685
	-			
ED Visits	-			
IP	720	740	740	747
Outpatient	16,683	17,147	17,661	18,280
Total	17,403	17,887	18,401	19,027
Adjusted Patient Days	14,941	15,305	17,039	17,944
Adjusted Discharges	4,852	7,799	13,563	26,316
Discharges	739	760	852	896
Observation	329	338	338	338
Births	-	-		
Discharges by Payer				
Medicaid	170	175	262	298
Managed Medicaid	153	157	158	160
Commercial	121	125	126	130
Medicare	143	147	148	149
Managed Medicare	148	152	153	154
Self Pay	4	4	5	5
Total	739	760	852	896

ASTRIA TOPPENISH HOSPITAL

FISCAL YEAR 2023 BUDGET ASSUMPTIONS

OVERALL

The budget was built on Year to Date July 31, 2022 Financial data at the department level, the 5 remaining months of the year were forecasted out by month, then we added inflation, new services, new physician recruits, and known changes into the budget process.

Each department was budgeted based on statistics, either the unit of service for that department or a unit of service that impacts how that department functions.

VOLUMES

Volumes are based on general growth in the Service.

OB has been removed as we closed this program in December 2022. In addition, we have combined ICU / Med Surg into a single department to help control contract labor for the current year.

In addition, we have added the impact of our new physician recruits into the new budget year.

GROSS REVNUE

Gross revenue is modeled off of our current run rate per unit of service by department. No price increase was budgeted. All amounts driven by the relationship of current year per unit of service times FY 2023 Unit of Services.

DEDUCTIONS

Deductions were built the same way, by underlying account, adjusted for known changes for next year.

OTHER REVENUE

We have eliminated the PPP Loan Forgiveness money that was recorded as Other Revenue in FY 2022

OPERATING EXPENSES

All operating expense are based on either Units of Services, or calendar days based on being variable or fixed type expenses.

All have inflation factors included.

Salaries and Wages have included an amount for the known impact of the Union Contracts that were just finalized.

Contract Labor is budgeted to declines modestly based on these new wages, with the assumption that we can hire additional staff and eliminate the contract labor.

EBITDA

EBITDA is budgeted to decline, this is primarily due to the elimination of PPP Loan Forgiveness revenue recorded in FY 2022 (3 M), the elimination of OB Services and reduction in ICU.

Forecast for 2024 – 2026

Volumes are increased slightly only normal growth based on market growth.

Added Distress Hospital Grant income in 2024 into Other Revenue, removed the effect in FY 2025.

Added the New Safety Net Estimated impact to FY 25 & 26, new line in Revenue Deductions section.

Added new Psych beds during FY 2025, 9 months and 12 months in FY 2026.

Added expenses for new beds into labor, benefits, supplies.

No inflation factored into any of the rates.

Balance Sheet - Assets

ASTRIA TOPPENISH HOSPITAL
TOPPENISH, WA
Fiscal Years 2023 - 2026

	Projected Year End 12/31/20223	Projected Year End 12/31/2024	Projected Year End 12/31/2025	Projected Year End 12/31/2026
Current Assets				
Cash and Cash Equivalents	$329,525	$325,000	$325,000	$345,000
Gross Patient Accounts Receivable	58,236,879	57,986,879	$59,236,879	60,736,879
Less: Bad Debt and Allowance Reserves	(48,482,492)	(48,332,492)	($49,332,492)	(50,282,492)
Net Patient Accounts Receivable	9,754,387	9,654,387	9,904,387	10,454,387
Interest Receivable	0	0	$0	0
Other Receivables	603,923	603,923	$603,923	603,923
Inventories	2,708,501	2,708,501	$2,718,501	2,718,501
Prepaid Expenses	387,704	387,704	$400,204	400,204
Due From Third Party Payers	(499,498)	(349,498)	($299,498)	(200,000)
Due From Affiliates/Related Organizations	(31,864,189)	(31,786,286)	($31,716,491)	(31,795,957)
Other Current Assets	0	0		0
Total Current Assets	**(18,579,647)**	**(18,456,269)**	**(18,063,974)**	**(17,473,942)**
Assets Whose Use is Limited				
Cash	0	0	0	0
Investments	0	0	0	0
Bond Reserve/Debt Retirement Fund	0	0	0	0
Trustee Held Funds	0	0	0	0
Funded Depreciation	0	0	0	0
Board Designated Funds	0	0	0	0
Other Limited Use Assets	0	0	0	0
Total Limited Use Assets	**0**	**0**	**0**	**0**
Property, Plant, and Equipment				
Land and Land Improvements	576,953	576,953	$576,953	576,953
Building and Building Improvements	8,239,365	8,239,365	$8,239,365	15,389,365
Equipment	2,430,015	2,580,015	$3,080,015	3,230,015
Construction In Progress	1,020,562	1,270,562	$3,770,562	0
Rite of Use	3,533,172	3,533,172	$3,533,172	3,533,172
Gross Property, Plant, and Equipment	15,800,067	16,200,067	19,200,067	22,729,505
Less: Accumulated Depreciation	(4,937,708)	(5,607,344)	($6,276,980)	(6,946,616)
Net Property, Plant, and Equipment	**10,862,359**	**10,592,723**	**12,923,087**	**15,782,889**
Other Assets				
Unamortized Loan Costs	0	0	0	0
Assets Held for Future Use	0	0	0	0
Investments in Subsidiary/Affiliated Org.	0	0	0	0
Other	0	0	0	0
Total Other Assets	**0**	**0**	**0**	**0**
TOTAL UNRESTRICTED ASSETS	**(7,717,288)**	**(7,863,546)**	**(5,140,887)**	**(1,691,053)**
Restricted Assets	0	0	0	0
TOTAL ASSETS	**($7,717,288)**	**($7,863,546)**	**($5,140,887)**	**($1,691,053)**

Balance Sheet - Liabilities and Net Assets

ASTRIA TOPPENISH HOSPITAL
TOPPENISH, WA
Fiscal Years 2023 - 2026

	Projected Year End 12/31/20223	Projected Year End 12/31/2024	Projected Year End 12/31/2025	Projected Year End 12/31/2026
Current Liabilities				
Accounts Payable	$2,000,782	$2,150,782	$2,300,782	$2,550,782
Notes and Loans Payable	0	0		
Accrued Payroll	593,571	613,571	638,571	663,571
Accrued Payroll Taxes	302,717	314,717	329,717	344,717
Accrued Benefits	956,284	971,284	996,284	988,784
Accrued Pension Expense (Current Portion)	0	0	0	0
Other Accrued Expenses	0	0	0	0
Patient Refunds Payable	0	0	0	0
PPP Loan Payable	0	0	0	0
Due to Third Party Payers	0	0	0	0
Advances From Third Party Payers	0	0	0	0
Current Portion of LTD (Bonds/Mortgages)	11,431	7,400	6,150	6,150
Current Portion of LTD (Leases)	548,193	525,150	512,650	512,650
Other Current Liabilities	28,091	0	0	0
Total Current Liabilities	**4,441,069**	**4,582,904**	**4,784,154**	**5,066,654**
Long Term Debt				
Bonds/Mortgages Payable	153,469	0		
Leases Payable	3,332,863	3,332,863	3,332,863	3,307,863
Less: Current Portion Of Long Term Debt	559,624	532,550	518,800	518,800
Total Long Term Debt (Net of Current)	**2,926,708**	**2,800,313**	**2,814,063**	**2,789,063**
Other Long Term Liabilities				
Deferred Revenue	0	0	0	0
Accrued Pension Expense (Net of Current)	0	0	0	0
Other	0	0	0	0
Total Other Long Term Liabilities	**0**	**0**	**0**	**0**
TOTAL LIABILITIES	**7,367,777**	**7,383,217**	**7,598,217**	**7,855,717**
Net Assets:				
Unrestricted Fund Balance	(9,502,200)	(15,085,065)	(15,246,763)	(12,739,104)
Temporarily Restricted Fund Balance	0	0	0	0
Restricted Fund Balance	0	0	0	0
Net Revenue/(Expenses)	(5,582,865)	(161,698)	2,507,659	$3,192,334
TOTAL NET ASSETS	**(15,085,065)**	**(15,246,763)**	**(12,739,104)**	**(9,546,770)**
TOTAL LIABILITIES AND NET ASSETS	**($7,717,288)**	**($7,863,546)**	**($5,140,887)**	**($1,691,052)**

Statement of Revenue and Expense

ASTRIA TOPPENISH HOSPITAL

TOPPENISH, WA

Twelve months ended December 31, 2022

	CURRENT MONTH				
	Actual 12/31/22	Budget 12/31/22	Positive (Negative) Variance	Prior Year 12/31/21	Positive (Negative) Variance
Gross Patient Revenue					
Inpatient Revenue	$5,351,578	$4,008,114	$1,343,464	$4,383,337	$968,241
Inpatient Psych/Rehab Revenue	0	0	0	0	0
Outpatient Revenue	14,004,384	12,143,085	1,861,299	12,119,846	1,884,539
Long Term Care Revenue	0	0	0	0	0
Home Health Revenue	0	0	0	0	0
Total Gross Patient Revenue	19,355,962	16,151,199	3,204,763	16,503,183	2,852,780
Deductions From Revenue					
Discounts and Allowances	(12,602,637)	(10,944,277)	(1,658,360)	(10,861,258)	(1,741,379)
Bad Debt Write-Offs	(1,167,520)	(896,341)	(271,179)	758,040	(1,925,560)
Prior Year Settlements	0	0	0	0	0
Charity Care Write-Offs	(102,835)	(130,607)	27,772	(31,437)	(71,398)
Total Deductions From Revenue	(13,872,992)	(11,971,224)	(1,901,768)	(10,134,655)	(3,738,337)
Net Patient Revenue	5,482,970	4,179,975	1,302,995	6,368,528	(885,558)
Other Operating Revenue	949,442	55,565	893,877	722,457	226,985
Total Operating Revenue	**6,432,412**	**4,235,540**	**2,196,872**	**7,090,985**	**(658,573)**
Operating Expenses					
Salaries and Wages	1,588,138	1,624,914	36,776	2,710,946	(1,122,808)
Fringe Benefits	487,966	335,568	(152,398)	591,764	(103,798)
Contract Labor	398,406	248,620	(149,786)	479,060	(80,654)
Physicians Fees	416,395	236,192	(180,203)	420,028	(3,633)
Purchased Services	453,402	213,503	(239,899)	450,045	3,357
Corporate Overhead	633,165	691,800	58,635	681,327	(48,162)
Supply Expense	(162,139)	491,127	653,266	(599,883)	437,744
Utilities	59,793	44,449	(15,344)	29,155	30,638
Repairs and Maintenance	32,360	40,878	8,518	16,100	16,260
Insurance Expense	48,290	48,414	124	47,802	488
All Other Operating Expenses	240,092	143,543	(96,549)	109,754	130,338
Leases and Rentals	40,842	69,839	28,997	175,680	(134,838)
Depreciation and Amortization	102,121	64,060	(38,061)	(51,241)	153,362
Interest Expense (Non-Governmental Providers)	212,843	217,792	4,949	231,838	(18,995)
Total Operating Expenses	**4,236,710**	**4,188,847**	**(47,863)**	**5,111,778**	**(875,068)**
EBITDA	**2,195,702**	**46,693**	**2,149,009**	**1,979,207**	**216,495**
Non-Operating Revenue:					
Contributions	0	0	0	0	0
Investment Income	0	0	0	0	0
Tax Subsidies (Except for GO Bond Subsidies)	0	0	0	0	0
Tax Subsidies for GO Bonds	0	0	0	0	0
Interest Expense (Governmental Providers Only)	0	0	0	0	0
Other Non-Operating Revenue/(Expenses)	0	0	0	0	0
Total Non Operating Revenue/(Expense)	**0**	**0**	**0**	**0**	**0**
Total Net Surplus/(Loss)	**$1,880,738**	**($235,159)**	**$2,115,897**	**$1,798,610**	**$82,128**
Change in Unrealized Gains/(Losses) on Investments	0	0	0	0	0
Increase/(Decrease in Unrestricted Net Assets	**$1,880,738**	**($235,159)**	**$2,115,897**	**$1,798,610**	**$82,128**
Operating Margin	**34.13%**	**1.10%**	**33.03%**	**27.91%**	**6.22%**
Total Profit Margin	**29.24%**	**-5.55%**	**34.79%**	**25.36%**	**3.87%**
EBITDA	**39.03%**	**7.76%**	**31.27%**	**30.46%**	**8.57%**

Statement of Revenue and Expense

ASTRIA TOPPENISH HOSPITAL

TOPPENISH, WA

Twelve months ended December 31, 2022

	YEAR-TO-DATE				
	Actual	Budget	Positive (Negative)	Prior Year	Positive (Negative)
	12/31/22	12/31/22	Variance	12/31/21	Variance
Gross Patient Revenue					
Inpatient Revenue	$53,204,371	$47,165,535	$6,038,836	$45,997,323	$7,207,048
Inpatient Psych/Rehab Revenue	0	0	0	0	0
Outpatient Revenue	154,134,925	142,987,321	11,147,604	140,135,150	13,999,776
Long Term Care Revenue	0	0	0	0	0
Home Health Revenue	0	0	0	0	0
Total Gross Patient Revenue	207,339,297	190,152,856	17,186,441	186,132,473	21,206,824
Deductions From Revenue					
Discounts and Allowances	(141,822,070)	(128,850,214)	(12,971,856)	(118,658,807)	(23,163,263)
Bad Debt Expense Write-Offs	(8,858,341)	(10,552,888)	1,694,547	(16,640,370)	7,782,029
Prior Year Settlements	0	0	0	0	0
Charity Care Write-Offs	(1,263,807)	(1,537,674)	273,867	(1,035,203)	(228,604)
Total Deductions From Revenue	(151,944,218)	(140,940,776)	(11,003,442)	(136,334,380)	(15,609,839)
Net Patient Revenue	55,395,079	49,212,080	6,182,999	49,798,093	5,596,986
Other Operating Revenue	3,956,553	589,310	3,367,243	2,753,216	1,203,337
Total Operating Revenue	**59,351,632**	**49,801,390**	**9,550,242**	**52,551,309**	**6,800,323**
Operating Expenses					
Salaries and Wages	21,035,919	19,128,057	(1,907,862)	19,210,316	1,825,603
Fringe Benefits	4,554,748	3,950,390	(604,358)	3,684,685	870,063
Contract Labor	6,942,784	2,926,916	(4,015,868)	4,916,332	2,026,452
Physicians Fees	4,767,568	3,104,304	(1,663,264)	3,014,214	1,753,354
Purchased Services	4,646,172	2,413,843	(2,232,329)	3,536,703	1,109,469
Management Fees	8,706,145	8,292,123	(414,022)	7,549,035	1,157,110
Supply Expense	6,058,270	5,783,388	(274,882)	4,582,218	1,476,052
Utilities	611,713	533,388	(78,325)	505,503	106,210
Repairs and Maintenance	276,124	490,536	214,412	377,788	(101,664)
Insurance Expense	575,022	580,968	5,946	419,969	155,053
All Other Operating Expenses	2,648,449	1,722,516	(925,933)	1,904,042	744,408
Leases and Rentals	1,090,796	838,068	(252,728)	944,105	146,691
Depreciation and Amortization	704,601	768,720	64,119	656,912	47,689
Interest Expense (Non-Governmental Providers)	2,482,798	2,613,504	130,706	2,566,236	(83,438)
Total Operating Expenses	**61,913,710**	**49,764,497**	**(12,149,213)**	**50,644,910**	**11,268,801**
EBITDA	**(2,562,079)**	**36,893**	**(2,598,971)**	**1,906,399**	**(4,468,478)**
Non-Operating Revenue:					
Contributions	0	0	0	0	0
Investment Income	0	0	0	0	0
Tax Subsidies (Except for GO Bond Subsidies)	0	0	0	0	0
Tax Subsidies for GO Bonds	0	0	0	0	0
Interest Expense (Governmental Providers Only)	0	0	0	0	0
Other Non-Operating Revenue/(Expenses)	0	0	0	0	0
Total Non Operating Revenue/(Expense)	**0**	**0**	**0**	**0**	**0**
Total Net Surplus/(Loss)	**($5,749,478)**	**($3,345,331)**	**($2,404,146)**	**($1,316,749)**	**($4,432,729)**
Change in Unrealized Gains/(Losses) on Investments	0	0	0	0	0
Increase/(Decrease in Unrestricted Net Assets	**($5,749,478)**	**($3,345,331)**	**($2,404,146)**	**($1,316,749)**	**($4,432,729)**
Operating Margin	**-4.32%**	**0.07%**	**-4.39%**	**3.63%**	**-7.94%**
Total Profit Margin	**-9.69%**	**-6.72%**	**-2.97%**	**-2.51%**	**-7.18%**
EBITDA	**1.05%**	**6.87%**	**-5.81%**	**9.76%**	**-8.71%**

Balance Sheet - Assets

ASTRIA TOPPENISH HOSPITAL

TOPPENISH, WA

Twelve months ended December 31, 2022

	Current Month 12/31/2022	Prior Month 11/31/22	ASSETS Positive/ (Negative) Variance	Percentage Variance	Prior Year End 12/31/2021
Current Assets					
Cash and Cash Equivalents	$307,252	$210,880	$96,372	45.70%	$114,438
Gross Patient Accounts Receivable	54,299,931	55,807,554	(1,507,623)	-2.70%	43,339,275
Less: Bad Debt and Allowance Reserves	(44,093,395)	(44,736,196)	642,801	1.44%	(35,103,164)
Net Patient Accounts Receivable	10,206,535	11,071,358	(864,822)	-7.81%	8,236,111
Interest Receivable	0	0	0	0.00%	0
Other Receivables	0	0	0	0.00%	0
Inventories	2,623,682	2,304,095	319,587	13.87%	2,318,747
Prepaid Expenses	378,611	345,466	33,145	9.59%	305,615
Due From Third Party Payers	0	0	0	0.00%	0
Due From Affiliates/Related Organizations	(25,171,591)	(24,887,426)	(284,165)	1.14%	(14,576,097)
Other Current Assets	2,167,316	1,465,940	701,376	47.84%	617,303
Total Current Assets	**(9,488,195)**	**(9,489,688)**	**1,493**	**-0.02%**	**(2,983,883)**
Assets Whose Use is Limited					
Cash	0	0	0	0.00%	0
Investments	0	0	0	0.00%	0
Bond Reserve/Debt Retirement Fund	0	0	0	0.00%	0
Trustee Held Funds	0	0	0	0.00%	0
Funded Depreciation	0	0	0	0.00%	0
Board Designated Funds	0	0	0	0.00%	0
Other Limited Use Assets	0	0	0	0.00%	0
Total Limited Use Assets	**0**	**0**	**0**	**0.00%**	**0**
Property, Plant, and Equipment					
Land and Land Improvements	576,953	576,953	0	0.00%	576,953
Building and Building Improvements	8,244,365	8,244,365	0	0.00%	8,034,843
Equipment	2,264,393	2,272,781	(8,388)	-0.37%	2,370,013
Construction In Progress	1,108,989	952,835	156,154	16.39%	255,373
Capitalized Interest	0	0	0	0.00%	0
Gross Property, Plant, and Equipment	12,194,700	12,046,934	147,766	1.23%	11,237,181
Less: Accumulated Depreciation	(4,166,369)	(4,064,248)	(102,121)	-2.51%	(3,480,172)
Net Property, Plant, and Equipment	**8,028,331**	**7,982,686**	**45,645**	**0.57%**	**7,757,009**
Other Assets					
Unamortized Loan Costs	0	0	0	0.00%	0
Assets Held for Future Use	0	0	0	0.00%	0
Investments in Subsidiary/Affiliated Org.	0	0	0	0.00%	0
Other	0	0	0	0.00%	0
Total Other Assets	**0**	**0**	**0**	**0.00%**	**0**
TOTAL UNRESTRICTED ASSETS	**(1,459,864)**	**(1,507,002)**	**47,138**	**-3.13%**	**4,773,127**
Restricted Assets	0	0	0	0.00%	0
TOTAL ASSETS	**($1,459,864)**	**($1,507,002)**	**$47,138**	**-3.13%**	**$4,773,127**

Balance Sheet - Liabilities and Net Assets

ASTRIA TOPPENISH HOSPITAL

TOPPENISH, WA

Twelve months ended December 31, 2022

	LIABILITIES AND FUND BALANCE				
	Current Month 12/31/2022	Prior Month 11/31/22	Positive/ (Negative) Variance	Percentage Variance	Prior Year End 12/31/2021
Current Liabilities					
Accounts Payable	$3,528,611	$4,460,841	$932,230	20.90%	$3,108,750
Notes and Loans Payable	0	0	0	0.00%	0
Accrued Payroll	650,632	1,045,490	394,858	37.77%	444,033
Accrued Payroll Taxes	520,062	444,580	(75,482)	-16.98%	138,293
Accrued Benefits	744,597	1,135,829	391,233	34.44%	889,575
Accrued Pension Expense (Current Portion)	99,906	87,028	(12,878)	-14.80%	58,476
Other Accrued Expenses	64,918	102,488	37,569	36.66%	38,604
Patient Refunds Payable	1,426,404	1,526,399	99,996	6.55%	578,144
PPP Loan Payable	0	0	0	0.00%	2,358,900
Due to Third Party Payers	0	0	0	0.00%	0
Advances From Third Party Payers	0	0	0	0.00%	0
Current Portion of LTD (Bonds/Mortgages)	0	0	0	0.00%	0
Current Portion of LTD (Leases)	10,961	10,888	(73)	-0.67%	0
Other Current Liabilities	25,024	90,225	65,201	72.27%	87,885
Total Current Liabilities	**7,071,114**	**8,903,769**	**1,832,654**	**20.58%**	**7,702,660**
Long Term Debt					
Bonds/Mortgages Payable	159,125	160,000	875	0.55%	0
Leases Payable	0	0	0	0.00%	0
Less: Current Portion Of Long Term Debt	10,961	10,888	(73)	-0.67%	0
Total Long Term Debt (Net of Current)	**148,164**	**149,112**	**947**	**0.64%**	**0**
Other Long Term Liabilities					
Deferred Revenue	0	0	0	0.00%	0
Accrued Pension Expense (Net of Current)	0	0	0	0.00%	0
Other	0	0	0	0.00%	133
Total Other Long Term Liabilities	**0**	**0**	**0**	**0.00%**	**133**
TOTAL LIABILITIES	**7,219,279**	**9,052,880**	**1,833,601**	**20.25%**	**7,702,793**
Net Assets:					
Unrestricted Fund Balance	(2,929,665)	(10,559,882)	7,630,217	-72.26%	(1,010,655)
Temporarily Restricted Fund Balance	0	0	0	0.00%	0
Restricted Fund Balance	0	0	0	0.00%	0
Net Revenue/(Expenses)	(5,749,478)	0	N/A	N/A	(1,919,010)
TOTAL NET ASSETS	**(8,679,143)**	**(10,559,882)**	**(1,880,739)**	**17.81%**	**(2,929,665)**
TOTAL LIABILITIES AND NET ASSETS	**($1,459,864)**	**($1,507,002)**	**($47,138)**	**3.13%**	**$4,773,127**

Statement of Revenue and Expense

ASTRIA TOPPENISH HOSPITAL

TOPPENISH, WA

Twelve months ended December 31, 2021

	CURRENT MONTH				
	Actual 12/31/21	Budget 12/31/21	Positive (Negative) Variance	Prior Year 12/31/20	Positive (Negative) Variance
Gross Patient Revenue					
Inpatient Revenue	$4,383,337	$4,990,930	($607,593)	$3,576,689	$806,648
Inpatient Psych/Rehab Revenue	0	0	0	0	0
Outpatient Revenue	12,121,532	11,636,449	485,083	10,910,234	1,211,298
Long Term Care Revenue	0	0	0	0	0
Home Health Revenue	0	0	0	305,210	(305,210)
Total Gross Patient Revenue	16,504,869	16,627,379	(122,510)	14,792,133	1,712,736
Deductions From Revenue					
Discounts and Allowances	(10,861,258)	(11,247,212)	385,954	(11,390,406)	529,148
Bad Debt Write-Offs	(1,950,595)	(371,295)	(1,579,300)	571,446	(2,522,041)
Prior Year Settlements	0	0	0	0	0
Charity Care Write-Offs	(31,437)	(297,036)	265,599	0	(31,437)
Total Deductions From Revenue	(12,843,290)	(11,915,543)	(927,747)	(10,818,960)	(2,024,330)
Net Patient Revenue	3,661,579	4,711,836	(1,050,257)	3,973,173	(311,594)
Other Operating Revenue	573,870	10,109	563,761	19,055	554,815
Total Operating Revenue	**4,235,449**	**4,721,945**	**(486,496)**	**3,992,228**	**243,221**
Operating Expenses					
Salaries and Wages	1,824,356	1,885,196	60,840	1,503,379	320,977
Fringe Benefits	437,403	329,909	(107,494)	393,644	43,759
Contract Labor	479,060	60,652	(418,408)	237,275	241,785
Physicians Fees	420,028	177,813	(242,215)	75,137	344,891
Purchased Services	1,096,666	1,010,589	(86,077)	487,327	609,339
Management Fees	36,616	47,118	10,502	39,731	(3,115)
Supply Expense	625,294	447,747	(177,547)	463,997	161,297
Utilities	29,155	39,000	9,845	43,476	(14,321)
Repairs and Maintenance	16,100	18,110	2,010	38,083	(21,983)
Insurance Expense	47,802	15,914	(31,888)	28,360	19,442
All Other Operating Expenses	108,245	110,000	1,755	169,266	(61,021)
Leases and Rentals	68,058	45,833	(22,225)	72,176	(4,118)
Depreciation and Amortization	66,818	72,622	5,804	32,344	34,474
Interest Expense (Non-Governmental Providers)	209,318	153,975	(55,343)	66,206	143,112
Total Operating Expenses	**5,188,783**	**4,187,881**	**(1,000,903)**	**3,650,401**	**1,538,382**
EBITDA	**(953,334)**	**534,064**	**(1,487,399)**	**341,827**	**(1,295,161)**
Non-Operating Revenue:					
Contributions	0	0	0	0	0
Investment Income	0	0	0	0	0
Tax Subsidies (Except for GO Bond Subsidies)	0	0	0	0	0
Tax Subsidies for GO Bonds	0	0	0	0	0
Interest Expense (Governmental Providers Only)	0	0	0	0	0
Other Non-Operating Revenue/(Expenses)	0	(2,486)	2,486	0	0
Total Non Operating Revenue/(Expense)	**0**	**(2,486)**	**2,486**	**0**	**0**
Total Net Surplus/(Loss)	**($1,229,470)**	**$304,981**	**($1,534,452)**	**$243,277**	**($1,472,747)**
Change in Unrealized Gains/(Losses) on Investments	0	0	0	0	0
Increase/(Decrease in Unrestricted Net Assets	**($1,229,470)**	**$304,981**	**($1,534,452)**	**$243,277**	**($1,472,747)**
Operating Margin	**-22.51%**	**11.31%**	**-33.82%**	**8.56%**	**-31.07%**
Total Profit Margin	**-29.03%**	**6.46%**	**-35.49%**	**6.09%**	**-35.12%**
EBITDA	**-15.99%**	**16.11%**	**-32.10%**	**11.03%**	**-27.02%**

Statement of Revenue and Expense

ASTRIA TOPPENISH HOSPITAL

TOPPENISH, WA

Twelve months ended December 31, 2021

	YEAR-TO-DATE				
	Actual 12/31/21	Budget 12/31/21	Positive (Negative) Variance	Prior Year 12/31/20	Positive (Negative) Variance
Gross Patient Revenue					
Inpatient Revenue	$45,997,323	$59,247,166	($13,249,843)	$45,555,252	$442,071
Inpatient Psych/Rehab Revenue	0	0	0	0	0
Outpatient Revenue	140,136,836	138,135,912	2,000,924	96,608,344	43,528,492
Long Term Care Revenue	0	0	0	0	0
Home Health Revenue	0	0	0	2,038,916	(2,038,916)
Total Gross Patient Revenue	186,134,159	197,383,078	(11,248,919)	144,202,512	41,931,647
Deductions From Revenue					
Discounts and Allowances	(118,855,114)	(133,132,765)	14,277,651	(97,920,922)	(20,934,192)
Bad Debt Expense Write-Offs	(15,489,703)	(4,620,146)	(10,869,557)	(7,778,031)	(7,711,672)
Prior Year Settlements	0	0	0	0	0
Charity Care Write-Offs	(838,895)	(3,696,117)	2,857,222	0	(838,895)
Total Deductions From Revenue	(135,183,712)	(141,449,028)	6,265,317	(105,698,953)	(29,484,759)
Net Patient Revenue	50,950,448	55,934,050	(4,983,603)	38,503,559	12,446,889
Other Operating Revenue	2,604,627	2,876,112	(271,485)	9,954,166	(7,349,539)
Total Operating Revenue	**53,555,075**	**58,810,162**	**(5,255,088)**	**48,457,725**	**5,097,350**
Operating Expenses					
Salaries and Wages	18,323,726	22,379,102	4,055,376	16,091,010	2,232,716
Fringe Benefits	3,530,324	3,916,343	386,019	2,473,244	1,057,080
Contract Labor	4,916,332	720,001	(4,196,331)	1,953,123	2,963,209
Physicians Fees	3,014,214	2,122,158	(892,056)	3,158,311	(144,097)
Purchased Services	10,578,145	11,995,643	1,417,498	5,770,686	4,807,459
Management Fees	509,503	559,341	49,837	383,283	126,220
Supply Expense	5,807,395	5,315,194	(492,201)	2,940,625	2,866,770
Utilities	505,503	468,000	(37,503)	448,600	56,903
Repairs and Maintenance	377,788	216,134	(161,654)	345,440	32,348
Insurance Expense	419,969	190,969	(229,000)	177,512	242,457
All Other Operating Expenses	1,902,533	1,320,000	(582,533)	1,339,506	563,027
Leases and Rentals	836,483	550,000	(286,483)	392,422	444,061
Depreciation and Amortization	774,971	871,465	96,494	714,846	60,125
Interest Expense (Non-Governmental Providers)	2,543,716	2,187,873	(355,843)	1,330,348	1,213,368
Total Operating Expenses	**50,721,915**	**49,752,884**	**(969,031)**	**35,473,761**	**15,248,154**
EBITDA	**2,833,159**	**9,057,278**	**(6,224,119)**	**12,983,964**	**(10,150,804)**
Non-Operating Revenue:					
Contributions	0	0	0	0	0
Investment Income	0	0	0	0	0
Tax Subsidies (Except for GO Bond Subsidies)	0	0	0	0	0
Tax Subsidies for GO Bonds	0	0	0	0	0
Interest Expense (Governmental Providers Only)	0	0	0	0	0
Other Non-Operating Revenue/(Expenses)	0	(29,832)	29,832	(2,620)	2,620
Total Non Operating Revenue/(Expense)	**0**	**(29,832)**	**29,832**	**(2,620)**	**2,620**
Total Net Surplus/(Loss)	**($485,528)**	**$5,968,108**	**($6,453,636)**	**$10,936,150**	**($11,421,677)**
Change in Unrealized Gains/(Losses) on Investments	0	0	0	0	0
Increase/(Decrease in Unrestricted Net Assets	**($485,528)**	**$5,968,108**	**($6,453,636)**	**$10,936,150**	**($11,421,677)**
Operating Margin	**5.29%**	**15.40%**	**-10.11%**	**26.79%**	**-21.50%**
Total Profit Margin	**-0.91%**	**10.15%**	**-11.05%**	**22.57%**	**-23.48%**
EBITDA	**11.49%**	**20.60%**	**-9.12%**	**31.01%**	**-19.53%**

Balance Sheet - Assets

ASTRIA TOPPENISH HOSPITAL

TOPPENISH, WA

Twelve months ended December 31, 2021

	Current Month 12/31/2021	Prior Month 11/30/2021	ASSETS Positive/ (Negative) Variance	Percentage Variance	Prior Year End 12/31/2020
Current Assets					
Cash and Cash Equivalents	$114,438	$118,233	($3,795)	-3.21%	$1,635,540
Gross Patient Accounts Receivable	45,177,084	44,027,151	1,149,934	2.61%	43,746,599
Less: Bad Debt and Allowance Reserves	(36,556,742)	(35,070,886)	(1,485,856)	-4.24%	(41,584,721)
Net Patient Accounts Receivable	8,620,342	8,956,264	(335,922)	-3.75%	2,161,878
Interest Receivable	0	0	0	0.00%	0
Other Receivables	0	0	0	0.00%	0
Inventories	1,093,571	1,099,704	(6,133)	-0.56%	1,169,093
Prepaid Expenses	305,615	374,030	(68,415)	-18.29%	564,714
Due From Third Party Payers	0	0	0	0.00%	0
Due From Affiliates/Related Organizations	(13,210,648)	(11,928,568)	(1,282,080)	10.75%	0
Other Current Assets	468,716	744,543	(275,827)	-37.05%	1,287,792
Total Current Assets	**(2,607,966)**	**(635,794)**	**(1,972,172)**	**310.19%**	**6,819,017**
Assets Whose Use is Limited					
Cash	0	0	0	0.00%	0
Investments	0	0	0	0.00%	0
Bond Reserve/Debt Retirement Fund	0	0	0	0.00%	0
Trustee Held Funds	0	0	0	0.00%	0
Funded Depreciation	0	0	0	0.00%	0
Board Designated Funds	0	0	0	0.00%	0
Other Limited Use Assets	0	0	0	0.00%	0
Total Limited Use Assets	**0**	**0**	**0**	**0.00%**	**0**
Property, Plant, and Equipment					
Land and Land Improvements	576,953	576,953	0	0.00%	576,953
Building and Building Improvements	8,034,843	8,034,843	0	0.00%	7,958,259
Equipment	2,737,264	2,743,414	(6,151)	-0.22%	2,078,058
Construction In Progress	255,373	255,373	0	0.00%	55,076
Capitalized Interest	0	0	0	0.00%	0
Gross Property, Plant, and Equipment	11,604,432	11,610,583	(6,151)	-0.05%	10,668,346
Less: Accumulated Depreciation	(3,598,230)	(3,531,413)	(66,818)	-1.89%	(2,823,261)
Net Property, Plant, and Equipment	**8,006,202**	**8,079,170**	**(72,968)**	**-0.90%**	**7,845,085**
Other Assets					
Unamortized Loan Costs	0	0	0	0.00%	0
Assets Held for Future Use	0	0	0	0.00%	0
Investments in Subsidiary/Affiliated Org.	0	0	0	0.00%	0
Other	0	0	0	0.00%	0
Total Other Assets	**0**	**0**	**0**	**0.00%**	**0**
TOTAL UNRESTRICTED ASSETS	**5,398,236**	**7,443,376**	**(2,045,140)**	**-27.48%**	**14,664,103**
Restricted Assets	0	0	0	0.00%	0
TOTAL ASSETS	**$5,398,236**	**$7,443,376**	**($2,045,140)**	**-27.48%**	**$14,664,103**

Balance Sheet - Liabilities and Net Assets

ASTRIA TOPPENISH HOSPITAL

TOPPENISH, WA

Twelve months ended December 31, 2021

	LIABILITIES AND FUND BALANCE				
	Current Month 12/31/2021	Prior Month 11/30/2021	Positive/ (Negative) Variance	Percentage Variance	Prior Year End 12/31/2020
Current Liabilities					
Accounts Payable	$3,108,750	$3,041,646	($67,104)	-2.21%	$2,395,426
Notes and Loans Payable	0	0	0	0.00%	3,524,411
Accrued Payroll	444,033	714,871	270,839	37.89%	454,888
Accrued Payroll Taxes	138,293	237,485	99,192	41.77%	277,599
Accrued Benefits	899,321	728,056	(171,265)	-23.52%	1,330,793
Accrued Pension Expense (Current Portion)	58,476	59,944	1,467	2.45%	48,116
Other Accrued Expenses	38,604	83,174	44,570	53.59%	32,879
Patient Refunds Payable	578,144	561,230	(16,914)	-3.01%	439,028
PPP Loan Payable	2,358,900	2,358,900	0	0.00%	2,358,900
Due to Third Party Payers	0	0	0	0.00%	0
Advances From Third Party Payers	0	0	0	0.00%	0
Current Portion of LTD (Bonds/Mortgages)	0	0	0	0.00%	0
Current Portion of LTD (Leases)	147,662	147,594	(68)	-0.05%	0
Other Current Liabilities	52,500	693,912	641,412	92.43%	3,394,051
Total Current Liabilities	**7,824,683**	**8,626,812**	**802,129**	**9.30%**	**14,256,091**
Long Term Debt					
Bonds/Mortgages Payable	0	0	0	0.00%	8,400,000
Leases Payable	260,657	274,131	13,474	4.92%	0
Less: Current Portion Of Long Term Debt	147,662	147,594	(68)	-0.05%	0
Total Long Term Debt (Net of Current)	**112,996**	**126,537**	**13,542**	**10.70%**	**8,400,000**
Other Long Term Liabilities					
Deferred Revenue	0	0	0	0.00%	0
Accrued Pension Expense (Net of Current)	0	0	0	0.00%	0
Other	10,212,314	10,212,314	(1)	0.00%	4,274,240
Total Other Long Term Liabilities	**10,212,314**	**10,212,314**	**(1)**	**0.00%**	**4,274,240**
TOTAL LIABILITIES	**18,149,993**	**18,965,662**	**815,670**	**4.30%**	**26,930,332**
Net Assets:					
Unrestricted Fund Balance	(12,266,229)	(11,522,286)	(743,943)	6.46%	(1,261,523)
Temporarily Restricted Fund Balance	0	0	0	0.00%	0
Restricted Fund Balance	0	0	0	0.00%	0
Net Revenue/(Expenses)	(485,528)	0	N/A	N/A	(11,004,705)
TOTAL NET ASSETS	**(12,751,757)**	**(11,522,286)**	**1,229,471**	**-10.67%**	**(12,266,229)**
TOTAL LIABILITIES AND NET ASSETS	**$5,398,236**	**$7,443,376**	**$2,045,141**	**27.48%**	**$14,664,103**

STATEMENT OF REVENUES AND EXPENSES
ASTRIA TOPPENISH HOSPITAL
FOR DECEMBER 31, 2020

	CURRENT MONTH					YEAR-TO-DATE				
	Actual COMB Dec-20	Budget Dec-20	Favorable (Unfavorable) Variance	Percentage Variance	Prior Year Dec-19	Actual Dec-20	Budget Dec-20	Favorable (Unfavorable) Variance	Percentage Variance	Prior Year Dec-19
Gross Patient Revenue										
Inpatient Revenue	3,576,689	4,988,131	(1,411,442)	-28.30%	3,417,156	45,555,252	42,327,671	3,227,581	7.63%	37,917,198
Outpatient Revenue	11,215,444	11,511,326	(295,882)	-2.57%	6,431,491	98,647,260	76,200,836	22,446,424	29.46%	80,129,265
Total Gross Patient Revenue	14,792,133	16,499,456	(1,707,323)	-10.35%	9,848,647	144,202,512	118,528,508	25,674,004	21.66%	118,046,463
Deductions From Revenue										
Discounts and Allowances	11,390,406	11,488,211	97,805	0.85%	6,989,600	97,920,922	83,209,906	(14,711,016)	-17.68%	85,891,687
Bad Debt Write-Offs	(571,446)	324,133	895,579	276.30%	1,099,714	7,778,031	3,677,355	(4,100,676)	-111.51%	6,158,406
Total Deductions From Revenue	10,818,960	11,812,344	993,384	8.41%	8,089,314	105,698,953	86,887,262	(18,811,691)	-21.65%	92,050,093
										0
Net Patient Revenue	3,973,173	4,687,112	(713,939)	-15.23%	1,759,333	38,503,559	31,641,246	6,862,313	21.69%	25,996,370
										0
Other Operating Revenue	19,055	10,000	9,055	90.55%	2,070	9,954,166	110,000	9,844,166	8949.24%	529,718
										0
Total Operating Revenue	**3,992,228**	**4,697,112**	**(704,884)**	**-15.01%**	**1,761,403**	**48,457,725**	**31,751,246**	**16,706,479**	**52.62%**	**26,526,088**
										0
Operating Expenses										0
Salaries and Wages	1,503,379	1,834,041	330,662	18.03%	896,623	16,091,010	13,034,805	(3,056,205)	-23.45%	11,067,694
Benefits	393,644	344,512	(49,132)	-14.26%	118,302	2,473,244	2,448,495	(24,749)	-1.01%	2,008,032
Contract Labor	237,275	60,000	(177,275)	-295.46%	265,404	1,953,123	896,721	(1,056,402)	-117.81%	1,913,113
Physicians Fees	75,137	179,746	104,609	58.20%	176,897	3,158,311	1,942,412	(1,215,899)	-62.60%	2,126,360
Purchased Services	487,327	981,199	493,872	50.33%	337,031	5,770,686	5,542,416	(228,270)	-4.12%	3,934,167
Supply Expense	463,997	444,308	(19,689)	-4.43%	142,091	2,940,625	1,756,565	(1,184,060)	-67.41%	1,683,258
Utilities	43,476	39,000	(4,476)	-11.48%	42,619	448,600	459,559	10,959	2.38%	422,359
Repairs and Maintenance	38,083	18,306	(19,777)	-108.03%	13,531	345,440	197,828	(147,612)	-74.62%	215,001
Property Taxes and Ins	28,360	15,914	(12,446)	-78.21%	87,593	177,512	171,921	(5,591)	-3.25%	488,868
All Other Operating Expenses	169,266	110,000	(59,266)	-53.88%	15,951	1,339,506	1,267,047	(72,459)	-5.72%	1,063,507
Leases and Rentals	72,176	45,833	(26,343)	-57.48%	27,838	392,547	216,957	(175,590)	-80.93%	242,626
Management Fees	39,731	(34,678)	(74,409)	214.57%	17,614	383,283	317,515	(65,768)	-20.71%	265,262
Total Operating Expenses	**3,551,851** 0	**4,038,181**	**486,330**	**12.04%** 0	**2,141,494**	**35,473,886**	**28,252,241**	**(7,221,645)**	**-25.56%**	**25,430,246**
EBITDA	**440,377**	**658,931**	**(218,554)**	**-33.17%**	**(380,091)**	**12,983,839**	**3,499,005**	**9,484,834**	**271.07%**	**1,095,842**
Depreciation	32,344	74,115	41,771	56.36%	68,146	714,846	815,254	100,408	12.32%	900,148
UST Fees	0	0	0	0.00%	0	2,620	823,750	821,130	99.68%	325
Interest Expe	66,206	97,269	31,063	31.94%	113,637	1,330,348	1,436,344	105,996	7.38%	1,444,825
Total Net Surplus/(Loss)	**$341,827**	**$487,547**	**($145,720)**	**-29.89%**	**($561,874)**	**$10,936,025**	**$423,657**	**$10,512,368**	**2481.34%**	**($1,249,456)**

ASTRIA TOPPENISH HOSPITAL
BALANCE SHEET
AS OF DECEMBER 31, 2020

ASSETS	Current Month	Prior Month	Prior Year
Current Assets:			
Cash and Cash equivalents	$ 319,319	$ 55,401	$ 525
Patient accounts receivable	$ 19,102,245	$ 19,408,595	$ 15,216,561
Less: Allowance for bad debts	$ (12,443,088)	$ (8,375,622)	$ (9,281,606)
Net Accounts Receivable	$ 6,659,156	$ 11,032,973	$ 5,934,955
Supplies-Inventory	$ 1,262,694	$ 1,262,466	$ 675,834
Prepaid expenses	$ 650,274	$ 486,620	$ 238,213
Other Current assets	$ 1,189,222	$ 839,098	$ 707,571
Total Current Assets	$ 10,080,664	$ 13,676,558	$ 7,557,097
Property & Equipment at Cost:			
Land and improvements			
Property, Buildings and improvements	$ 10,819,767	$ 10,819,767	$ 10,441,407
Less Accumulated Depreciation	$ (2,209,232)	$ (2,018,854)	$ (1,647,486)
Net Property and Equipment	$ 8,610,535	$ 8,800,913	$ 8,793,921
Other Assets:			
Unamortized Loan costs	$ 712,881	$ 554,848	$ 856,810
Total Other Assets	$ 712,881	$ 554,848	$ 856,810
Total Assets	**$ 19,404,081**	**$ 23,032,319**	**$ 17,207,828**
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	$ 2,746,243	$ 2,825,120	$ 1,150,683
Employee compensation	$ 1,479,865	$ 2,018,041	$ 2,043,800
Other accrued liabilities	$ 3,586,870	$ 3,522,913	$ 1,298,014
PPP Loan - CP	$ 516,494	$ 459,985	$ -
Total Current Liabilities	$ 8,329,472	$ 8,826,059	$ 4,492,497
Long-term Debt	$ 12,315,490	$ 11,970,808	$ 11,970,808
Line of Credit-MidCap			
DIP Loan	$ 2,287,573	$ 2,287,574	$ 2,068,813
PPP Loan - LT Por	$ 1,882,116	$ 2,283,309	$ -
Deferred Credits and Other LT Liabilities	$ -	$ -	$ -
Intercompany Accounts	$ (2,832,605)	$ 584,364	$ 12,911,140
Total Liabilities	$ 21,982,047	$ 25,952,114	$ 31,443,258
Net Assets			
Net Assets	$ (2,577,966)	$ (2,919,793)	$ (14,235,429)
Total	$ (2,577,966)	$ (2,919,793)	$ (14,235,429)
Total Liabilities and Equity	**$ 19,404,081**	**$ 23,032,319**	**$ 17,207,828**

ASTRIA TOPPENISH HOSPITAL
CASH FLOW STATEMENT
AS OF DECEMBER 31, 2020

	CURRENT MONTH	YEAR-TO-DATE
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	341,827	10,936,025
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	190,378	561,746
(Increase)/Decrease in Net Patient Accounts Receivable	4,373,817	(724,201)
(Increase)/Decrease in Inventories	(228)	(586,860)
(Increase)/Decrease in Pre-Paid Expenses	(163,654)	(412,060)
(Increase)/Decrease in Other Current Assets	(350,124)	(481,651)
Increase/(Decrease) in Accounts Payable	(78,877)	1,595,560
Increase/(Decrease) in Accrued Payroll and Benefits	(538,176)	(563,935)
Increase/(Decrease) in Other Accrued Liabilities	63,957	2,288,857
Increase/(Decrease) in Other Accrued Liabilities	56,509	516,494
Net Cash Provided by Operating Activities:	3,895,429	13,129,973
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	-	(378,360)
(Increase)/Decrease in Other Assets	(158,034)	143,928
Net Cash Used by Investing Activities	(158,034)	(234,431)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Bond/Mortgage Debt	344,682	344,682
Increase/(Decrease) in Line of Credit	-	-
Increase/(Decrease) in DIP Loan	(1)	218,760
Increase/(Decrease) in PPP Loan	(401,193)	1,882,116
Increase/(Decrease) in Other Long Term Liabilities	(3,416,968)	(15,022,304)
Net Cash Used for Financing Activities	(3,473,481)	(12,576,746)
Net Increase/(Decrease) in Cash	263,915	318,795
Cash, Beginning of Period	55,401	525
Cash, End of Period	319,319	319,319

EXHIBIT 5

SITE CONTROL

Parcel Search
General Information
Valuation & Tax
Senior or Disabled Exemptions
Open Space
Personal Property
Boundary Line Adjustment Information
Mailing Address Update
Forms
Sales Searches ▸

Property Detail Lookup

Property Details | Other Details | Excise Transactions | Segregations | Tax Information | Values | Photos | Parcel Search

Parcel Number: 201009-14001 View Map | Property Tax | View Printable Version | Print Page
Situs Address: 502 W 4th Ave Toppenish
Property Use: 65 Service - Professional
Tax Code Area: 480
Property Size: 3.77
Neighborhood: C127
Owners: Shc Medical Center Toppenish
Abbreviated Legal Description:
TH PT OF E1/2 NE1/4 BEG AT SEC. COR COMMON TO SEC. 3, 4, 9 & 10,TH S AL SEC LN TO PT OF INTERS OF S LN OF WEST 4TH ST,TH W 200 FT,TO TRUE POB.TH FROM SD TRUE POB S 380 FT,TH W 430 FT,TH N 380 FT,TH E 430 FT TO BEG.

Utility Information: *(indicates utility is available at parcel boundary)*

Gas:	Yes	**Electricity:**	Yes	**Water:**	Public
Sewer/Septic:	Public				

Site Information:

Property Type:	Commercial	**Zoning:**	Sp	**Street Type:**	Two-Way
Street Finish:	Paved/Asphlt	**Traffic:**	Light	**Side Walk:**	Yes
Curbs:	Yes	**Location:**	Corner		

APPENDIX 1

ASTRIA HEALTH

AUDITED FINANCIALS

Report of Independent Auditors
and Consolidated Financial Statements
with Supplementary Information

Astria Health and Subsidiaries

December 31, 2022 and 2021

MOSSADAMS

Table of Contents

MOSSADAMS

Report of Independent Auditors

The Board of Trustees
Astria Health and Subsidiaries

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Astria Health and Subsidiaries (the Organization), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations and change in net deficit and cash flows for the years then ended, and the related notes to the consolidated financial statements.

We do not express an opinion on the accompanying consolidated financial statements of the Organization. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

Management informed us that the Organization had not been audited since 2017. Management was unable to obtain support to complete necessary reconciliations between 2018 and 2020 for certain accounts. In addition, during that same period, the Organization had entered and emerged from bankruptcy and the Organization had also experienced challenges associated with implementing a new revenue system.

As of the date of our audit report, with respect to accounts on December 31, 2022, management was still in the process of reconciling property and equipment, net; and deferred other grant income (recorded in other accrued liabilities).

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary with respect to recorded or unrecorded net deficit without donor restrictions; property and equipment, net; and other accrued liabilities; and the elements included in the consolidated statements of operations and change in net deficit and cash flows for the year ended December 31, 2022.

As of the date of our audit report, with respect to accounts on December 31, 2021, management was still in the process of reconciling some accounts including property and equipment, net; accrued paid time off (recorded in accrued compensation and benefits); and deferred other grant income (recorded in other accrued liabilities).

In addition, we were not engaged as the Organization's auditor until after December 31, 2020, and, therefore, did not observe the counting of physical inventories at the beginning of the year. We were unable to satisfy ourselves by other auditing procedures concerning the activity related to changes in inventory for the year ended December 31, 2021.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary with respect to recorded or unrecorded net deficit without donor restrictions; property and equipment, net; accrued compensation and benefits; other accrued liabilities; and the elements making up the statements of operations and change in net deficit and cash flows for the year ended December 31, 2021.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, in 2022, the Organization adopted new accounting guidance Accounting Standards Codification Topic 842, *Leases*. Our opinion is not modified with respect to this matter.

Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Organization had 10 days of cash on hand and a net deficit of $30,766,757 as of December 31, 2022. The Organization has stated that substantial doubt exists about the Organization's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our audit opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Organization's consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Supplementary Information

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The consolidating balance sheet – December 31, 2022, consolidating balance sheet – December 31, 2021, consolidating statement of operations – year ended December 31, 2022, and consolidating statement of operations – year ended December 31, 2021, are presented for the purposes of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described above in the Basis for Disclaimer of Opinion section, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Moss Adams LLP

Seattle, Washington
April 30, 2023

Consolidated Financial Statements

Astria Health and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 4,499,315	$ 4,612,077
Patient accounts receivable	28,141,842	24,148,323
Other receivables	26,003	-
Inventory	5,559,088	5,339,991
Prepaid expenses and other assets	1,706,069	1,571,810
Total current assets	39,932,317	35,672,201
PROPERTY AND EQUIPMENT, net	25,995,950	27,695,625
OPERATING LEASE RIGHT-OF-USE ASSETS, net	6,777,185	-
FINANCE LEASE RIGHT-OF-USE ASSETS, net	314,434	-
OTHER ASSETS	858,022	1,252,851
Total assets	$ 73,877,908	$ 64,620,677
LIABILITIES AND NET DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 12,454,864	$ 14,452,207
Accrued compensation and benefits	5,968,581	5,978,505
Estimated third-party payor settlements	1,376,815	1,407,995
Other accrued liabilities	2,228,888	1,068,298
Current portion of long-term debt	10,998	1,024,756
Current portion of operating lease liabilities	1,110,709	-
Current portion of finance lease liabilities	50,573	-
Total current liabilities	23,201,428	23,931,761
LONG-TERM DEBT, net of current portion	75,147,867	77,007,294
OPERATING LEASE LIABILITIES, less current portion	5,628,798	-
FINANCE LEASE LIABILITIES, less current portion	266,572	-
OTHER LONG-TERM LIABILITIES	400,000	235,114
Total liabilities	104,644,665	101,174,169
NET DEFICIT		
Without donor restrictions	(30,766,757)	(36,553,492)
Total net deficit	(30,766,757)	(36,553,492)
Total liabilities and net deficit	$ 73,877,908	$ 64,620,677

See accompanying notes.

Astria Health and Subsidiaries
Consolidated Statements of Operations and Change in Net Deficit
Years Ended December 31, 2022 and 2021

	2022	2021
REVENUES, GAINS, AND OTHER SUPPORT		
Net patient service revenue	$ 160,268,604	$ 128,828,544
Other operating revenue	12,225,566	2,751,890
Grant income	1,626,376	11,051,099
Contributions in-kind	-	347,070
Total revenues, gains, and other support	174,120,546	142,978,603
OPERATING EXPENSES		
Salaries and wages	60,753,059	53,855,513
Employee benefits	13,226,561	9,491,838
Professional fees	19,390,100	15,692,362
Supplies	19,934,690	19,260,763
Purchased services	28,060,229	26,021,621
Depreciation and amortization	3,320,345	3,495,065
Interest expenses	7,179,293	7,221,966
Facility expenses	4,089,843	3,613,996
Insurance	3,213,426	2,937,625
Other expenses	8,070,698	5,074,438
Total operating expenses	167,238,244	146,665,187
OPERATING INCOME	6,882,302	(3,686,584)
OTHER INCOME (LOSS)		
(Loss) gain on bankruptcy settlements, net	(730,373)	1,161,662
Other loss, net	(59,807)	(85,920)
Total other income (loss), net	(790,180)	1,075,742
EXCESS OF REVENUES OVER EXPENSES FROM CONTINUING OPERATIONS	6,092,122	(2,610,842)
DISCONTINUED OPERATIONS		
Loss on discontinued operations (see Note 14)	(305,387)	(2,642,072)
Change in net deficit	5,786,735	(5,252,914)
NET DEFICIT WITHOUT DONOR RESTRICTIONS, beginning of year	(36,553,492)	(31,300,578)
NET DEFICIT WITHOUT DONOR RESTRICTIONS, end of year	$ (30,766,757)	$ (36,553,492)

See accompanying notes.

Astria Health and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net deficit	$ 5,786,735	$ (5,252,914)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization of property and equipment	3,320,345	3,495,065
Non-cash lease expense	1,399,167	-
Gain on forgiveness of PPP Loans	(2,743,300)	-
Loss on disposal of property and equipment	93,339	685,524
Loss on discontinued operations (see Note 14)	305,387	2,642,072
Changes in operating assets and liabilities		
Patient accounts receivable	(3,993,519)	(508,321)
Other receivables	(161,317)	153,357
Inventory	(219,097)	(1,619,308)
Prepaid expenses and other assets	260,570	(218,208)
Due from (to) intercompany for discontinued operations (see Note 13)	1,247,681	(243,665)
Accounts payable and accrued expenses	(1,955,855)	(983,301)
Accrued compensation and benefits	(9,924)	(2,405,040)
Estimated third-party payor settlements	(31,180)	(1,776,505)
Other accrued liabilities	950,867	(32,911,134)
Operating lease liabilities	(1,385,314)	-
Net cash provided by (used in) operating activities	2,864,585	(38,942,378)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	-	314,176
Purchase and construction of property and equipment	(2,798,642)	(1,845,210)
Net cash used in investing activities	(2,798,642)	(1,531,034)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	160,000	76,215,000
Repayment of long-term debt	(289,885)	(58,239,529)
Repayment on finance lease liabilities	(48,820)	-
Net cash (used in) provided by financing activities	(178,705)	17,975,471
NET CHANGE IN CASH AND CASH EQUIVALENTS	(112,762)	(22,497,941)
CASH AND CASH EQUIVALENTS, beginning of year	4,612,077	27,110,018
CASH AND CASH EQUIVALENTS, end of year	$ 4,499,315	$ 4,612,077

See accompanying notes.

Astria Health and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 7,218,833	$ 7,887,963
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Noncash impact of the implementation of ASC 842		
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ 8,009,319	$ -
Finance lease right-of-use assets obtained in exchange for new finance lease liabilities	$ 365,875	$ -

See accompanying notes.

Note 1 – Organization and Principles of Consolidation

Astria Health (the Organization) is a nonprofit corporation operating hospitals, health clinics, home health services, and other healthcare services in Yakima, Toppenish, and Sunnyside, Washington, and the surrounding areas. The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code from federal income taxes except for unrelated business income.

Astria Sunnyside Hospital consists of the following entities:

Astria Sunnyside Hospital (Sunnyside) is a critical access hospital with 25 set-up beds. Services offered at the hospital include medical, surgical, labor/delivery and nursery care, 24-hour emergency, laboratory, imaging services, physical therapy, cardiac rehabilitation, urgent care, oncology, cardiology, and clinics. Members of the medical staff include specialists in emergency medicine, family practice, internal medicine, general surgery, pediatrics, obstetrics/gynecology, orthopedics, otolaryngology, radiology, and inpatient hospitalization. Astria Health is the sole member of Sunnyside.

A wholly owned subsidiary of Sunnyside, Sunnyside Professional Services, LLC (SPS), a for-profit limited liability corporation, has an investment in a corporation that owns two medical office buildings. It manages these buildings for Sunnyside.

Sunnyside Hospital Foundation (the Foundation) is a nonprofit organization that provides contributions to Sunnyside. The Foundation is exempt under Section 501(c)(3) of the Internal Revenue Code from federal income taxes except for unrelated business income. The Foundation is an affiliated organization, and its activity is consolidated with the Organization.

Astria Home Health is a nonprofit organization working toward establishing home health services in Sunnyside and does not currently provide patient care services. Astria Home Health is exempt under Section 501(c)(3) of the Internal Revenue Code from federal income taxes except for unrelated business income. Astria Home Health is a wholly owned subsidiary of Sunnyside.

Astria Home Medical Supply is a for-profit organization providing durable medical equipment and supplies to the community the Organization serves.

SHC Holdco, LLC, whose sole member is Astria Health, consists of the following entities:

Astria Toppenish Hospital (Toppenish) is a 78-bed facility located in Toppenish, Washington. Toppenish has an expanded surgery capability, pediatrics area, and a Family Maternity Center.

A wholly owned subsidiary, Yakima Home Care Holdings, LLC (YHCH), a for-profit limited liability corporation, owns and operates Yakima HMA Home Health, LLC, (YHHH), which provides home health and hospice services throughout Yakima County, Washington.

Astria Regional Medical Center (ARMC) was closed in January 2020 (see Note 14).

The consolidated financial statements reflect the consolidated operations of Astria Health, Sunnyside, and SHC Holdco, LLC, collectively referred herein as the “Organization.” All significant intercompany transactions and balances have been eliminated.

Note 2 – Significant Accounting Policies

Use of estimates – The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents – Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding assets limited as to use.

Patient accounts receivables – Patient receivables are uncollateralized patient, customer, and third-party payor obligations. Payments of patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim. The carrying amount of patient receivables is reduced by implicit and explicit price concessions that reflects management's estimate of amounts that will not be collected from patients, residents, and third-party payors.

Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to implicit price concessions. Management considers historical write-off and recovery information in determining the estimated implicit price concession.

Inventory – Inventory, consisting principally of surgical, medical, and pharmaceutical supplies, are stated at the lower of cost (first-in, first-out) or market.

Prepaid expenses – Prepaid expenses are expenses paid during the fiscal year relating to expenses to be incurred in future periods.

Property and equipment – Property and equipment acquisitions equal to or greater than $5,000 and having more than a one-year useful life are capitalized and recorded at cost. The cost of property and equipment, and the related accumulated depreciation, are removed from the accounts when sold or retired, and any resulting gain or loss is recognized. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. The estimated useful lives of property and equipment are as follows:

Buildings and improvements	3 to 40 years
Equipment	1 to 15 years

The Organization assesses potential impairment to its long-lived assets when there is evidence that events or changes in circumstances have made recovery of the carrying value of the assets unlikely.

Leases – For the year ended December 31, 2021, the Company followed Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 840, *Leases*. Under that guidance, the Company classified leases as either operating or capital. Capital leases resulted in the recognition of the assets and liabilities, whereas operating leases did not.

As of January 1, 2022, the Company adopted FASB ASC 842, *Leases*. The Company implemented this standard utilizing the modified retrospective transition approach and electing to not adjust comparative periods. As a result, the consolidated financial statements for the year ended December 31, 2021, were not changed related to this implementation.

The following lease accounting policies were followed for year ended December 31, 2022:

At lease inception, the Company determines whether an arrangement is or contains a lease. Operating leases and Finance leases are included in property and equipment, current portion of long-term lease obligation, and lease obligation, net of current under long-term liabilities in the consolidated balance sheets. Right-of-use (ROU) assets represent the Company's right to use leased assets over the term of the lease. Lease liabilities represent the Company's contractual obligation to make lease payments arising from the lease.

For operating leases, ROU assets and lease liabilities are recognized at the commencement date. The lease liability is measured as the present value of the lease payments over the lease term. The Company uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Company uses its incremental borrowing rate to determine the present value of the lease payments. Operating ROU assets are calculated as the present value of the lease payments plus initial direct costs, plus any repayments less any lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. Factors considered in determining whether an option is reasonably certain of exercise include, but are not limited to, the value of leasehold improvements, the value of renewal rates, and the presence of factors that would cause a significant economic penalty to the Company if the option were not exercised. Lease expenses are recognized on a straight-line basis over the lease term. The Company has elected not to recognize an ROU asset and obligation for leases with an initial term of 12 months or less. The expense associated with short-term leases is included in rent expense in the consolidated statements of operations.

For finance leases, upon lease commencement, the lease liability is measured on an amortized cost basis and increased to reflect interest on the liability and decreased to reflect the lease payment made during the period. Interest on the lease liability is determined each period during the lease term as the amount that results in a constant period discount rate on the remaining balance of the liability. The ROU asset is subsequently measured at cost, less any accumulated amortization and any accumulated impairment losses. Amortization on the ROU asset is recognized over the period from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The Company uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Company uses its incremental borrowing rate to determine the present value of the lease payments.

Self-insurance reserves – The provisions for the reserves in the self-insured health plan and the workers' compensation trust include estimates of the ultimate costs for both the reported claims and the claims incurred but not reported.

Basis of presentation – The Organization's consolidated financial statements are presented in accordance with GAAP, as codified by the Financial Accounting Standards Board (FASB). Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net (deficit) assets without donor restrictions – Net (deficit) assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. These are reported as reclassifications between the applicable classes of net assets. There were no net assets with donor restrictions for the years ended December 31, 2022 and 2021.

Net patient service revenue – Patient care service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Charity care – Patients who meet the Organization's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue. The costs the Organization incurred to provide charity care were approximately $1,441,732 and $982,000 for the year ended December 31, 2022 and 2021, respectively. The Organization has estimated these costs by multiplying its ratio of costs to gross charges to the gross uncompensated charges associated with providing charity care.

Grant income – Grant income primarily includes revenues generated primarily from U.S. Department of Health and Human Services' Provider Relief Fund (PRF) (see Note 4).

Other operating revenue – Other operating revenue primarily includes revenues generated from cafeteria, rentals, vendor rebates, other ancillary services, and joint venture gains and losses.

Other operating expenses – Other operating expenses primarily include expenses related to taxes, repairs and maintenance, travel, education, professional dues, subscriptions, recruiting, and licenses.

Performance indicator – Deficiency/excess of revenues over expenses from continuing operations, as reflected in the accompanying consolidated statement of operations and change in net deficit, is the performance indicator. Deficiency/excess of revenues over expenses from continuing operations includes all changes in net deficit except for activity of discontinued operations.

Hospital safety net assessment – The state of Washington has a safety net assessment program involving Washington State hospitals to increase funding from other sources and obtain additional federal funds to support increased payments to providers for Medicaid services. In connection with this program, the Organization recorded increases in patient service revenue of $1,724,381 and $1,284,932 for 2022 and 2021, respectively and incurred assessments of $1,196,012 and $776,628, respectively, which were recorded in other operating expenses in the accompanying consolidated statement of operations and change in net deficit. The Organization has outstanding receivables of $524,646 and $99,935 associated with this program as of December 31, 2022 and 2021, respectively, which are included with patient accounts receivable on the consolidated balance sheet.

Federal income tax – The Organization comprises several corporations that are exempt from federal income tax under Section 501(c)(3) of the IRC (see Note 1), except to the extent of unrelated business taxable income as defined under IRC Sections 511 through 515, and several limited liability companies. The Organization has adopted accounting for uncertain tax positions, which is an accounting standard that prescribes a recognition threshold and measurement process for uncertain tax positions. The Organization had no uncertain tax positions as of December 31, 2022.

Subsequent events – Subsequent events are events or transactions that occur after the consolidated balance sheet date but before the consolidated financial statements are issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated balance sheet, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated balance sheets but arose after the consolidated balance sheet date and before the consolidated financial statements are available to be issued.

The Organization has evaluated subsequent events through April 30, 2023, which is the date the consolidated financial statements are available to be issued, and concluded that there were no events or transactions that need to be disclosed.

Note 3 – Going Concern

The Organization, in accordance with FASB ASC Subtopic 205-40, *Presentation of Financial Statements—Going Concern*, has identified conditions that raise substantial doubt about the ability of the Organization to continue as a going concern in the near future. The following is the evaluation of this condition and management's plan: The principal conditions that raised substantial doubt about the Organization's ability to continue as a going concern is the days cash on hand ratio of 10 days and 12 days, negative operating cash flows, and a net deficit of $30,766,757 and $36,553,492 as of and for the years ended December 31, 2022 and 2021, respectively. The Organization's $75,000,000 note payable matures in December 2025 and the Organization was not in compliance with its financial covenants and received a waiver (see Note 7) as of and for the years ended December 31, 2022 and 2021. The Organization is actively working to improve cash flows to provide adequate liquidity for operations and prevent an event of default on the long-term debt obligations.

Note 4 – Coronavirus (COVID-19) Impact

The Organization received funds under the PRF, administered by the U.S. Department of Health & Human Services (HHS), of $221,916 and $3,926,219 in 2022 and 2021, of which the Organization has recognized grant income of $221,916 and $3,926,219 and deferred revenue, which is included in other accrued liabilities, of $0and $0, as of and for the years ended December 31, 2022 and 2021, respectively. The Organization was required to agree to the terms and conditions of payments. Those terms and conditions include measures to help prevent fraud and misuse. Documentation is required to ensure that these funds are to be used for expenses or lost revenue attributable to coronavirus. Also, anti-fraud monitoring and auditing will be done by HHS and the Office of the Inspector General.

The Organization received funds under the Payroll Protection Program (PPP or Program) loans (see Note 7), administered by the Small Business Administration (SBA), The PPP loans may be fully forgiven if (i) proceeds are used to pay eligible payroll costs or other eligible costs and (ii) full-time employee headcount and salaries are either maintained during the eight-week period following disbursement or restored by December 31, 2020. If not maintained or restored, any forgiveness of the PPP loan would be reduced in accordance with the regulations. All the proceeds of the PPP loans were used by the Organization to pay eligible payroll costs and the Organization maintained its headcount and otherwise complied with the terms of the PPP loans.

PPP loan payments were deferred during the Deferral Period. The Deferral Period is the period beginning on the date of the loans and ending 10 months after the last day of the covered period (Deferral Expiration Date). Any amounts not forgiven under the Program will be payable in equal installments of principal plus any interest owed on the payment date from the Deferral Expiration Date through the Maturity Date. Additionally, any accrued interest that is not forgiven under the Program will be due on the First Payment Date.

While the Organization believes that it has acted in compliance with the program and did seek forgiveness of the PPP loans, no assurance can be provided that the Organization will obtain forgiveness of the PPP loans in whole or in part. As a result, the funding provided under the PPP program was recorded as a liability rather than grant revenue as of and for the year ended December 31, 2021. The PPP loans were forgiven in 2022 and gain on forgiveness has been recognized as is included in other operating revenue.

Note 5 – Net Patient Service Revenue

Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the hospitals receiving inpatient acute care services or patients receiving services in the outpatient centers or in their homes (home care). The Organization measures the performance obligation from admission into the hospital, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the patients and customers in a retail setting (for example, pharmaceuticals and medical equipment) and the Organization does not believe it is required to provide additional goods or services related to that sale.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a); therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policy, and implicit price concessions provided to uninsured patients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

Contractual agreements with third-party payors provide for payments at amounts less than the Organization's established charges. A summary of the payment arrangements with major third-party payors is as follows:

Medicare – Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge, which provides for reimbursement based on Medicare Severity Diagnosis-Related Groups (MS-DRGs). These rates vary according to a patient classification system that is based on clinical diagnosis, acuity, and expected use of hospital resources. The majority of Medicare outpatient services is reimbursed under a prospective payment methodology, the Ambulatory Payment Classification System (APCs), or fees schedules.

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a prospective payment system similar to Medicare; however, Medicaid utilizes All Payor Refined Diagnosis-Related Groups (APR-DRGs) as opposed to Medicare's MS-DRGs. The Majority of Medicaid outpatient services are reimbursed under a prospective payment methodology, the Enhanced Ambulatory Patient Groups (EAPG), or fee schedules.

Other – The Organization has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Organization under these agreements includes prospectively determined rates per discharge, discounts form established charges, and prospectively determined daily rates and fee schedules.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements with the government. Compliance with such laws and regulations may also be subject to future government exclusion from the related programs. There can be no assurance that regulatory or government authorities will not challenge the Organization's compliance with these laws and regulations, and it is not possible to determine the impact, if any, that such claims or penalties would have upon the Organization. In addition, the contracts with commercial payors also provide for retroactive audit and review of claims that can reduce the amount of revenue ultimately received.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in the transaction price were not significant in 2022 or 2021.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The Organization estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. For the years ended December 31, 2022 and 2021, no significant additional revenue was recognized due to changes in the Organization's estimates of implicit price concessions, discounts, and contractual adjustments for performance obligations satisfied in prior years. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as changes in the Organization's estimates of implicit price concessions.

Consistent with the Organization's mission, care is provided to patients regardless of their ability to pay. Therefore, the Organization has determined that it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Organization expects to collect based on its collection history with those patients.

The Organization has determined that the best depiction of its revenue is by mix of payors as this shows the amount of revenue recognized from each portfolio and by lines of business.

Patient service revenue disaggregated by payor for the years ended December 31, 2022 and 2021, is as follows:

	2022	2021
Medicare	$ 50,288,489	$ 35,338,693
Medicaid	39,983,368	37,551,399
Commercial	61,350,279	55,682,127
Self-pay	8,646,468	256,325
	$ 160,268,604	$ 128,828,544

Patient service revenue disaggregated by line of business for the years ended December 31, 2022 and 2021, is as follows:

	2022	2021
Hospital	$ 138,625,161	$ 112,529,394
Clinics	17,895,586	13,282,046
Home Health	3,747,857	3,017,104
	$ 160,268,604	$ 128,828,544

The Organization has elected to apply the practical expedient under ASC 340-40-25-4 and therefore, all incremental customer contract acquisition costs are expenses as incurred, as the amortization period of the asset that the Organization would have otherwise recognized is one year or less in duration.

Note 6 – Property and Equipment

A summary of property and equipment at December 31, 2022 and 2021, follows:

	2022	2021
Land and improvements	$ 7,080,212	$ 8,174,095
Buildings and improvements	33,559,474	32,194,317
Fixed, major movable, and minor equipment	34,602,580	34,173,224
Construction in progress	1,174,571	325,899
	76,416,837	74,867,535
Less accumulated depreciation	(50,420,887)	(47,171,910)
Net property and equipment	$ 25,995,950	$ 27,695,625

Depreciation expense on property and equipment was $3,320,345 and $3,495,065 for the years ended December 31, 2022 and 2021, respectively.

Note 7 – Long-Term Debt

Long-term debt consists of the following at December 31, 2022 and 2021:

	2022	2021
MultiCare note payable (a)	$ 75,000,000	$ 75,000,000
PPP loan payable - Toppenish (b)	-	2,358,900
PPP loan payable - YHHH (c)	-	384,400
Other notes payable (d)	-	288,750
Note payable (e)	158,865	-
	75,158,865	78,032,050
Net of current portion	(10,998)	(1,024,756)
	$ 75,147,867	$ 77,007,294

(a) *MultiCare note payable* – In January 2021, the Organization entered into a $75,000,000 note payable to MultiCare, a Washington nonprofit corporation, which was amended in December 2022 to extend the maturity date (MultiCare Note). The MultiCare Note bears a fixed interest rate of 9.5% with payments due on June 30 and December 31 of each year, secured by all assets of the Organization, and matures in December 2025. MultiCare has an option to acquire all of the assets and operations and assume the liabilities arising after the effective date of the note payable (Purchase Option). The Purchase Option may be exercised at any time up to the later of (i) the maturity date, and (ii) the date on which the MultiCare Note is satisfied in full (Option Period). The Purchase Option can be exercised by MultiCare providing written notice to the Organization prior to the expiration of the Option Period. MultiCare has not exercised the Purchase Option as of April 30, 2023, which is the date the consolidated financial statements are available to be issued.

(b) PPP loan payable – Toppenish – In July 2020, Toppenish entered into a PPP loan totaling $2,358,900 with a financial institution. The loan included interest at 1.0% and had an original maturity date of five years in June 2025. Monthly payments of $57,534 were scheduled to commence in February 2022 but were deferred pending outcome of application for forgiveness. This PPP loan was forgiven in 2022.

(c) PPP loan payable – YHHH – In July 2020, YHHH entered into a PPP loan totaling $384,400 with a financial institution. The loan included interest at 1.0% and had an original maturity date of five years in June 2025. Monthly payments of $9,376 were scheduled to commence in February 2022 but were deferred pending outcome of application for forgiveness. This PPP loan was forgiven in 2022.

(d) Other notes payable – In 2021, the Organization entered into two notes payable totaling $1,215,000 with third parties. The unsecured notes payable included fixed interest ranging from 3.0% to 7.5% with monthly payments that totaled $101,250 and matured in 2022.

(e) Note payable – In 2022, the Organization entered into a note payable totaling $160,000 with third parties. The note is secured by real property and bears interest at 8.0% with monthly payments of $1,941 and matures in November 2032.

Long-term debt maturities are as follows:

2023	$ 10,998
2024	75,011,895
2025	12,883
2026	13,952
2027	15,110
Thereafter	94,027
	$ 75,158,865

The note payable to MultiCare is subject to certain covenants regarding certain financial statement amounts, ratios, and activities of the Organization. The Organization received a waiver for minimum days in accounts payable, minimum earnings before interest, tax, depreciation, and amortization, minimum days cash on hand, and 120-day deadline for audited consolidated financial statements covenants as of December 31, 2022, and through March 31, 2023.

Note 8 – Leases

The Company is in engaged in leases for portions of the Company's hospital space, office space, and hospital equipment. These leases have been evaluated and are accounted for under ASC 840 for the year ended December 31, 2021, and under ASC 842 for the year ended December 31, 2022.

Pre-adoption of ASC 842 for the year ended December 31, 2021:

Operating leases – The Organization leased certain equipment under noncancelable long-term operating lease agreements. Total lease expense for the year ended December 31, 2021, for all operating leases, was $2,031,469.

The following is a maturity analysis of the annual undiscounted cash flows of operating lease liabilities as of December 31, 2021:

2022	$ 1,834,633
2023	1,229,459
2024	917,531
2025	918,858
2026	803,507
Thereafter	2,821,253
	$ 8,525,241

Post-adoption of ASC 842 for the year ended December 31, 2022:

The Organization leased certain equipment under noncancelable long-term operating lease agreements.

The Organization recognized the following non-cash expense associated with leases for the year ended December 31, 2022:

Operating leases	
Amortization of ROU assets	$ 1,341,717
Short-term lease expense	1,000,086
Finance leases	
Amortization of ROU assets	51,441
interest on lease liabilities	6,009
Total lease cost	$ 2,399,253

During the year ended December 31, 2022, the Organization had the following cash, noncash activities, and other information associated with leases:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 1,379,395
Operating cash flows from finance leases	$ 5,919
Financing cash flows from finance leases	$ 48,820
Supplemental disclosures on cash flow information	
Noncash impact of the implementation of ASC 842	
Operating lease ROU assets and liabilities recognized	$ 8,009,319
Finance lease ROU assets obtained in exchange for new finance lease liabilities	$ 365,875
Weighted-average remaining lease term (years)	
Operating leases	6.8
Finance leases	6.8
Weighted-average discount rate	
Operating leases	1.5%
Finance leases	1.8%

The undiscounted future payments due under operating and finance leases as of December 31, 2022, were as follows:

	Operating leases	Finance leases	Total
2023	$ 1,204,185	$ 55,705	$ 1,259,890
2024	1,104,320	55,705	1,160,025
2025	1,076,302	55,705	1,132,007
2026	937,711	55,705	993,416
2027	732,797	55,705	788,502
Thereafter	2,051,580	55,705	2,107,285
Total lease payments	7,106,895	334,230	7,441,125
Less imputed interest	(367,388)	(17,085)	(384,473)
Less current obligations	(1,110,709)	(50,573)	(1,161,282)
Long-term lease obligations	$ 5,628,798	$ 266,572	$ 5,895,370

Note 9 – Retirement Plan

The Organization sponsors the Regional Health 401(k) Plan (the 401(k) Plan), a defined contribution plan that covers all employees with a minimum of three months' service. Employees are 100 percent vested upon entering the 401(k) Plan. The Organization makes matching contributions to the 401(k) Plan up to 3% of employee compensation plus additional matching of 50%of employee contributions between 3% and 5% of compensation. Total expenses for the years ended December 31, 2022 and 2021, were $1,739,573 and $1,586,093, respectively.

Note 10 – Concentrations of Credit Risk

Patient accounts receivable – The Organization grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors and patients at December 31, 2022 and 2021, were as follows:

	2022	2021
Medicare	31%	31%
Medicaid	27%	25%
Commercial insurance	36%	37%
Self-pay	6%	7%
	100%	100%

Physicians – The Organization is dependent on local physicians practicing in its service area to provide admissions and utilize hospital services on an outpatient basis. A decrease in the number of physicians providing these services or change in their utilization patterns may have an adverse effect on hospital operations.

Cash and cash equivalents – At times, deposits with financial institutions exceed Federal Deposit Insurance Corporation insured limits.

Collective bargaining units – Sunnyside and Toppenish both have agreements with Washington State Nurses Association (WSNA). The nurses assigned to YHHH are covered by the Toppenish WSNA agreement. At December 31, 2022, there were 129 nurses of the 689 total employees of the Organization covered by WSNA agreements. At December 31, 2021, there were 193 nurses of the 847 total employees of the Organization covered by WSNA agreements.

At December 31, 2022, the following status for both contracts with WSNA is as follows:

WSNA agreement with Sunnyside has been negotiated and ratified for an effective date of January 1, 2022. The Sunnyside agreement calls for a 7.5% increase in beginning scale rate for registered nurses and keeps in place the existing scale for Sunnyside with a 3% increase in year two and year three scale rates. WSNA agreement with Toppenish has been negotiated and ratified for an effective date of August 1, 2022. The Toppenish agreement calls for a 22% increase in beginning scale rate for registered nurses and keeps in place the existing scale for Sunnyside with a 3% increase in year two and year three scale rates. In August 2022, the Sunnyside agreement was amended with an effective date of October 1, 2022, to increase the beginning scale rate an additional 15%, with no additional changes to year two and year three.

Note 11 – Liquidity and Availability

Financial assets available for general expenditure that are without donor or other restrictions limiting their use within one year of December 31, 2022 and 2021, comprise the following:

	2022	2021
Cash and cash equivalents	$ 4,499,315	$ 4,612,077
Patient accounts receivable	28,141,842	24,148,323
	$ 32,641,157	$ 28,760,400

The Organization has $4,499,315 and $4,612,077 of cash and equivalents available within one year of the balance sheet date at December 31, 2022 and 2021, respectively, to meet cash needs for general expenditures. Those financial assets represent 10 days and 12 days of normal operating expenses, which are, on average, approximately $449,000 and $393,000 per day for the years ended December 31, 2022 and 2021, respectively. The Organization is actively working to improve cash flows (see Note 3). There are certain debt covenant compliances that the Organization must adhere to per its debt agreements, and as of December 31, 2022 and 2021, the Organization was not in compliance with its debt covenants and received a waiver (see Note 7).

Note 12 – Functional Expenses

The Organization provides health care services to patients within its geographic location. Expenses related to providing these services by functional class for the years ended December 31, 2022 and 2021, were as follows:

	Year Ended December 31, 2022		
	Patient Health Care and Program	General and Administrative	Total
Salaries and wages	$ 44,955,655	$ 15,797,404	$ 60,753,059
Employee benefits	4,748,875	8,477,686	13,226,561
Professional fees	20,016,253	(626,153)	19,390,100
Supplies	18,483,187	1,451,503	19,934,690
Purchased services	16,050,199	12,010,030	28,060,229
Depreciation and amortization	-	3,320,345	3,320,345
Interest expense	99,319	7,079,974	7,179,293
Facility expenses	1,613,740	2,476,103	4,089,843
Insurance	51,917	3,161,509	3,213,426
Other expenses	483,897	7,586,801	8,070,698
	$ 106,503,042	$ 60,735,202	$ 167,238,244

	Year Ended December 31, 2021		
	Patient Health Care and Program	General and Administrative	Total
Salaries and wages	$42,071,725	$11,783,788	$ 53,855,513
Employee benefits	7,414,988	2,076,850	9,491,838
Professional fees	12,676,667	3,015,695	15,692,362
Supplies	17,898,021	1,362,742	19,260,763
Purchased services	12,247,116	13,774,505	26,021,621
Depreciation and amortization	559	3,494,506	3,495,065
Interest expense	87,659	7,134,307	7,221,966
Facility expenses	1,683,098	1,930,898	3,613,996
Insurance	34,820	2,902,805	2,937,625
Other expenses	1,719,644	3,354,794	5,074,438
	$ 95,834,297	$ 50,830,890	$ 146,665,187

No significant allocations of expenses are made from general and administrative expenses to patient health care and program services.

Note 13 – Commitments and Contingencies

Professional liability – The Organization has professional liability insurance coverage with Physicians Insurance Mutual Group. The policy provides coverage on a claims-made basis. Claims filed in the current year are covered by the current policy. If there are unreported incidents that result in a malpractice claim for the current year, these will only be covered in the year the claim is reported to the insurance carrier if the Organization purchases claims-made coverage in that year or if the Organization purchases insurance to cover prior acts.

Physicians Insurance Mutual Group (PIMG) malpractice insurance provides $1,000,000 per claim of primary coverage with an annual aggregate limit of $5,000,000 to the Organization. The annual aggregate limit of was reduced to $3,000,000 during 2021. The Organization's policy has no deductible per claim or in the aggregate except for Toppenish, which changed the policy to include a deductible of $250,000 per claim with no aggregate effective June 15, 2021. Sunnyside also maintained excess liability coverage with limits of $10,000,000 per claim and $10,000,000 aggregate with PIMG, which expired June 15, 2021. Toppenish also maintained excess liability coverage with limits of $5,000,000 per claim and $5,000,000 aggregate with PIMG, which expired June 15, 2021. Management is not aware of any pending claims that exceed the coverage limitations provided by their policy. Management is of the opinion that the impact, if any, is immaterial, and any settlement would not have a material adverse effect on the Organization's consolidated balance sheets.

Workers' compensation – The Organization, except for Sunnyside, participates in the Washington State Department of Labor & Industries Workers' Compensation Trust (Trust). Sunnyside participates in a group purchasing pool with Washing State Hospital Association (WHSA) for workers' compensation. The Organization pays monthly premiums to the Trust and WHSA based the number of employee hours by risk class of as defined by the Trust and WHSA. Management is not aware of any pending claims that exceed the coverage limitations provided by their policy. Management is of the opinion that the impact, if any, is immaterial, and any settlement would not have a material adverse effect on the Organization's consolidated balance sheets.

Employee health plan – The Organization partially self-insures the cost of employee healthcare benefits as it purchases annual stop-loss insurance coverage for all claims in excess of $150,000 per claim.

Liabilities on the consolidated balance sheet include an accrual for claims that have been incurred but not reported of approximately $1,292,700 and $925,000 at December 31, 2022 and 2021, which are included in accrued compensation and benefits in the consolidated balance sheet. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, frequency of claims, and other economic and social factors.

Litigation, claims, and disputes – The Organization is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of litigation, claims, and disputes in process will not be material to the consolidated balance sheet of the Organization.

Industry regulations – The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Organization's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Organization. In addition, the contracts the Organization has with commercial payors also provide for retroactive audit and review of claims. Management believes that the Organization is in substantial compliance with current laws and regulations.

Note 14 – Discontinued Operations

In January 2020, the Organization ceased providing patient services at ARMC. In August 2022, the Organization ceased providing durable medical equipment and supplies at Medical Supply. The assets and liabilities of the discontinued operation included in the consolidated balance sheet as of the years ended December 31, 2022 and 2021, were as follows:

	December 31, 2022		
	ARMC	Medical Supply	2021
ASSETS			
Due from (to) intercompany	$ 1,004,016	$ -	$ 1,004,016

	December 31, 2021		
	ARMC	Medical Supply	2021
ASSETS			
Patient accounts receivable	$ 135,314	$ -	$ 135,314
Due from (to) intercompany	-	(243,665)	(243,665)
Property and equipment, net	1,058,400	26,233	1,084,633
	1,193,714	(217,432)	976,282
LIABILITIES			
Accounts payable and accrued expenses	420,169	-	420,169
Other accrued liabilities	(374,609)	-	(374,609)
	45,560	-	45,560
	$ 1,148,154	$ (217,432)	$ 930,722

The operating results of the discontinued operation consists of the following for the years ended December 31, 2022 and 2021:

	Year ended December 31, 2022		
	ARMC	Medical Supply	2021
Major classes			
Net patient service revenue	$ -	$ 384,629	$ 384,629
Other operating revenue	2,672	-	2,672
Salaries and wages	2,399	(72,737)	(70,338)
Employee benefits	(5,424)	(6,927)	(12,351)
Professional fees	(962)	-	(962)
Supplies	4,622	(61,767)	(57,145)
Purchased services	157	-	157
Depreciation and amortization	(50)	(4,465)	(4,515)
Interest expenses	-	(346)	(346)
Facility expenses	(26,400)	(8,114)	(34,514)
Insurance	(9,948)	-	(9,948)
Other	(489,885)	(12,841)	(502,726)
	$ (522,819)	$ 217,432	$ (305,387)

	Year ended December 31, 2021		
	ARMC	Medical Supply	2021
Major classes			
Net patient service revenue	$ 135,311	$ 22,837	$ 158,148
Salaries and wages	32,564	(101,664)	(69,100)
Employee benefits	34,855	(37,964)	(3,109)
Professional fees	(1,928)	-	(1,928)
Supplies	(71,769)	(90,574)	(162,343)
Purchased services	(15,198)	(5,263)	(20,461)
Depreciation and amortization	-	(558)	(558)
Interest expenses	(86,284)	-	(86,284)
Facility expenses	(139,250)	(12,690)	(151,940)
Insurance	(19,490)	(250)	(19,740)
Other	(516,966)	(32,488)	(549,454)
Loss on bankruptcy settlements	(1,735,303)	-	(1,735,303)
	$ (2,383,458)	$ (258,614)	$ (2,642,072)

Significant cash flows and noncash items from operating and investing activities of the discontinued operation for the year ended December 31, 2022 and 2021, were as follows:

	ARMC	Medical Supply	2021
Operating cash flow items			
Changes in operating assets and liabilities			
Other receivables	$ 135,314	$ -	$ 135,314
Due from (to) intercompany	$ 54,384	$ (217,432)	$ (163,048)
Accounts payable and accrued expenses	$ (420,169)	$ -	$ (420,169)
Other accrued liabilities	$ 374,609	$ -	$ 374,609

There were no other capital expenditures or significant noncash investing cash flows during the years ended December 31, 2022 and 2021.

Supplementary Information

Astria Health and Subsidiaries
Consolidating Balance Sheet
December 31, 2022

	Astria Health	Sunnyside	Toppenish	ARMC	Astria Home Health	YHCH	Medical Supply	Foundation	Eliminations	Consolidated Total
ASSETS										
CURRENT ASSETS										
Cash and cash equivalents	$ 527,038	$ 2,897,039	$ 307,312	$ -	$ -	$ -	$ -	$ 767,926	$ -	$ 4,499,315
Patient accounts receivable	-	16,664,604	10,850,256	-	225,275	401,707	-	-	-	28,141,842
Other receivables	-	26,003	-	-	-	-	-	-	-	26,003
Inventory	-	2,828,936	2,730,152	-	-	-	-	-	-	5,559,088
Prepaid expenses and other assets	818,267	306,230	378,612	-	-	17,247	-	185,713	-	1,706,069
Due from (to) intercompany	8,139,896	15,363,452	(25,171,592)	1,004,016	519,907	144,321	-	-	-	-
Total current assets	9,485,201	38,086,264	(10,905,260)	1,004,016	745,182	563,275	-	953,639	-	39,932,317
PROPERTY AND EQUIPMENT, net	1,122,018	16,845,601	8,028,331	-	-	-	-	-	-	25,995,950
OPERATING LEASE RIGHT-OF-USE ASSETS, net	495,318	2,410,244	3,871,623	-	-	-	-	-	-	6,777,185
FINANCE LEASE RIGHT-OF-USE ASSETS, net	-	248,693	65,741	-	-	-	-	-	-	314,434
OTHER ASSETS	-	858,022	-	-	-	-	-	-	-	858,022
Total assets	$ 11,102,537	$ 58,448,824	$ 1,060,435	$ 1,004,016	$ 745,182	$ 563,275	$ -	$ 953,639	$ -	$ 73,877,908
LIABILITIES AND NET (DEFICIT) ASSETS										
CURRENT LIABILITIES										
Accounts payable and accrued expenses	$ 2,088,306	$ 5,406,846	$ 4,931,802	$ -	$ 3,231	$ 24,679	$ -	$ -	$ -	$ 12,454,864
Accrued compensation and benefits	945,728	2,886,792	1,994,113	-	-	141,948	-	-	-	5,968,581
Estimated third-party payor settlements	-	1,878,006	(501,191)	-	-	-	-	-	-	1,376,815
Other accrued liabilities	853,050	1,345,960	25,182	-	-	4,696	-	-	-	2,228,888
Current portion of long-term debt	-	-	10,998	-	-	-	-	-	-	10,998
Current portion of operating lease liabilities	117,184	460,057	533,468	-	-	-	-	-	-	1,110,709
Current portion of finance lease liabilities	-	39,975	10,598	-	-	-	-	-	-	50,573
Total current liabilities	4,004,268	12,017,636	7,004,970	-	3,231	171,323	-	-	-	23,201,428
LONG-TERM DEBT, net of current portion	75,000,000	-	147,867	-	-	-	-	-	-	75,147,867
OPERATING LEASE LIABILITIES, less current portion	380,182	1,894,488	3,354,128	-	-	-	-	-	-	5,628,798
FINANCE LEASE LIABILITIES, less current portion	-	210,897	55,675	-	-	-	-	-	-	266,572
OTHER LONG-TERM LIABILITIES	400,000	-	-	-	-	-	-	-	-	400,000
Total liabilities	79,784,450	14,123,021	10,562,640	-	3,231	171,323	-	-	-	104,644,665
NET (DEFICIT) ASSETS										
Without donor restrictions	(68,681,913)	44,325,803	(9,502,205)	1,004,016	741,951	391,952	-	953,639	-	(30,766,757)
Total net (deficit) assets	(68,681,913)	44,325,803	(9,502,205)	1,004,016	741,951	391,952	-	953,639	-	(30,766,757)
Total liabilities and net (deficit) assets	$ 11,102,537	$ 58,448,824	$ 1,060,435	$ 1,004,016	$ 745,182	$ 563,275	$ -	$ 953,639	$ -	$ 73,877,908

See report of independent auditors.

Astria Health and Subsidiaries
Consolidating Balance Sheet
December 31, 2021

	Astria Health	Sunnyside	Toppenish	ARMC	Astria Home Health	YHCH	Medical Supply	Foundation	Eliminations	Consolidated Total
ASSETS										
CURRENT ASSETS										
Cash and cash equivalents	$ 848,693	$ 3,260,687	$ 114,438	$ -	$ -	$ -	$ -	388,259	-	$ 4,612,077
Patient accounts receivable	-	14,479,183	8,865,278	135,314	95,288	573,260	-	-	-	24,148,323
Inventory	-	2,889,559	2,450,432	-	-	-	-	-	-	5,339,991
Prepaid expenses and other assets	832,754	193,519	305,615	-	-	14,514	-	225,408	-	1,571,810
Due from (to) intercompany	151,961	14,698,896	(14,576,096)	-	237,137	(268,233)	(243,665)	-	-	-
Total current assets	1,833,408	35,521,844	(2,840,333)	135,314	332,425	319,541	(243,665)	613,667	-	35,672,201
PROPERTY AND EQUIPMENT, net	397,520	18,456,463	7,757,009	1,058,400	-	-	26,233	-	-	27,695,625
OTHER ASSETS	-	897,331	-	-	-	-	-	355,520	-	1,252,851
Total assets	$ 2,230,928	$ 54,875,638	$ 4,916,676	$ 1,193,714	$ 332,425	$ 319,541	$ (217,432)	$ 969,187	$ -	$ 64,620,677
LIABILITIES AND NET (DEFICIT) ASSETS										
CURRENT LIABILITIES										
Accounts payable and accrued expenses	$ 3,845,569	$ 6,469,357	$ 3,686,794	$ 420,169	$ -	$ 30,318	$ -	$ -	$ -	$ 14,452,207
Accrued compensation and benefits	812,124	3,445,283	1,569,082	-	-	152,016	-	-	-	5,978,505
Estimated third-party payor settlements	-	1,974,956	(566,961)	-	-	-	-	-	-	1,407,995
Other accrued liabilities	412,476	982,333	38,005	(374,609)	-	10,093	-	-	-	1,068,298
Current portion of long-term debt	80,417	208,333	632,874	-	-	103,132	-	-	-	1,024,756
Total current liabilities	5,150,586	13,080,262	5,359,794	45,560	-	295,559	-	-	-	23,931,761
LONG-TERM DEBT, net of current portion	75,000,000	-	1,726,026	-	-	281,268	-	-	-	77,007,294
OTHER LONG-TERM LIABILITIES	235,114	-	-	-	-	-	-	-	-	235,114
Total liabilities	80,385,700	13,080,262	7,085,820	45,560	-	576,827	-	-	-	101,174,169
NET (DEFICIT) ASSETS										
Without donor restrictions	(78,154,772)	41,795,376	(2,169,144)	1,148,154	332,425	(257,286)	(217,432)	969,187	-	(36,553,492)
Total net (deficit) assets	(78,154,772)	41,795,376	(2,169,144)	1,148,154	332,425	(257,286)	(217,432)	969,187	-	(36,553,492)
Total liabilities and net (deficit) assets	$ 2,230,928	$ 54,875,638	$ 4,916,676	$ 1,193,714	$ 332,425	$ 319,541	$ (217,432)	$ 969,187	$ -	$ 64,620,677

See report of independent auditors.

Astria Health and Subsidiaries
Consolidating Statement of Operations
Year Ended December 31, 2022

	Astria Health	Sunnyside	Toppenish	ARMC	Astria Home Health	YHCH	Medical Supply	Foundation	Eliminations	Consolidated Total
REVENUES, GAINS, AND OTHER SUPPORT										
Net patient service revenue	$ -	$ 102,776,838	$ 53,743,909	$ -	$ 1,054,421	$ 2,693,436	$ -	$ -	$ -	$ 160,268,604
Other operating revenue	42,774,286	296,360	2,635,817	-	3,801	731,788	-	-	(34,216,486)	12,225,566
Grant income	-	412,915	1,213,461	-	-	-	-	-	-	1,626,376
Total unrestricted revenues, gains, and other support	42,774,286	103,486,113	57,593,187	-	1,058,222	3,425,224	-	-	(34,216,486)	174,120,546
OPERATING EXPENSES										
Salaries and wages	6,800,472	30,739,421	21,035,919	-	413,321	1,763,926	-	-	-	60,753,059
Employee benefits	5,696,146	7,911,476	4,468,667	-	57,292	252,107	-	-	(5,159,127)	13,226,561
Professional fees	(927,833)	8,580,384	11,710,352	-	750	26,447	-	-	-	19,390,100
Supplies	112,748	13,733,954	5,974,751	-	22,490	82,162	-	10,076	(1,491)	19,934,690
Purchased services	11,243,717	12,081,527	4,497,938	-	126	236,921	-	-	-	28,060,229
Depreciation and amortization	339,680	2,265,107	715,558	-	-	-	-	-	-	3,320,345
Interest expense	7,133,925	4,629,848	2,483,700	-	-	65,745	-	-	(7,133,925)	7,179,293
Facility expenses	489,761	1,848,448	1,706,893	-	2,928	41,813	-	-	-	4,089,843
Insurance	723,621	1,919,361	575,024	-	-	5,019	-	349	(9,948)	3,213,426
Other expenses	989,027	16,741,291	11,757,446	-	151,475	340,161	-	3,293	(21,911,995)	8,070,698
Total operating expenses	32,601,264	100,450,817	64,926,248	-	648,382	2,814,301	-	13,718	(34,216,486)	167,238,244
OPERATING INCOME (LOSS)	10,173,022	3,035,296	(7,333,061)	-	409,840	610,923	-	(13,718)	-	6,882,302
OTHER INCOME (LOSS)										
Loss on bankruptcy settlements, net	(730,373)	-	-	-	-	-	-	-	-	(730,373)
Other income (loss), net	66	(58,043)	-	-	-	-	-	(1,830)	-	(59,807)
Total other income (loss), net	(730,307)	(58,043)	-	-	-	-	-	(1,830)	-	(790,180)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM CONTINUING OPERATIONS	9,442,715	2,977,253	(7,333,061)	-	409,840	610,923	-	(15,548)	-	6,092,122
DISCONTINUED OPERATIONS										
Loss on discontinued operations	30,144	(446,826)	-	(144,138)	(314)	38,315	217,432	-	-	(305,387)
Changes in net (deficit) assets	$ 9,472,859	$ 2,530,427	$ (7,333,061)	$ (144,138)	$ 409,526	$ 649,238	$ 217,432	$ (15,548)	$ -	$ 5,786,735

See report of independent auditors.

Astria Health and Subsidiaries
Consolidating Statement of Operations
Year Ended December 31, 2021

	Astria Health	Sunnyside	Toppenish	ARMC	Astria Home Health	YHCH	Medical Supply	Foundation	Eliminations	Consolidated Total
REVENUES, GAINS, AND OTHER SUPPORT										
Net patient service revenue	$ -	$ 76,623,198	$ 49,188,242	$ -	$ 894,602	$ 2,122,502	$ -	$ -	$ -	$ 128,828,544
Other operating revenue	33,534,726	390,473	2,360,816	-	-	481	-	-	(33,534,606)	2,751,890
Grant income	-	10,636,714	414,385	-	-	-	-	-	-	11,051,099
Contributions in-kind	-	215,385	131,685	-	-	-	-	-	-	347,070
Total unrestricted revenues, gains, and other support	33,534,726	87,865,770	52,095,128	-	894,602	2,122,983	-	-	(33,534,606)	142,978,603
OPERATING EXPENSES										
Salaries and wages	5,896,580	26,555,480	19,210,314	-	538,292	1,654,847	-	-	-	53,855,513
Employee benefits	5,785,910	4,902,631	3,684,680	-	149,781	318,437	-	-	(5,349,601)	9,491,838
Professional fees	1,943,054	5,858,615	7,930,545	-	-	16,962	-	-	(56,814)	15,692,362
Supplies	216,665	14,535,484	4,582,215	-	37,736	76,664	-	-	(188,001)	19,260,763
Purchased services	10,811,932	23,748,125	11,085,736	-	94,093	372,892	-	-	(20,091,157)	26,021,621
Depreciation and amortization	397,105	2,441,048	656,912	-	-	-	-	-	-	3,495,065
Interest expense	7,121,315	4,580,014	2,566,238	-	-	75,050	-	-	(7,120,651)	7,221,966
Facility expenses	256,050	1,872,822	1,449,609	-	3,324	32,696	-	-	(505)	3,613,996
Insurance	831,352	1,704,229	419,970	-	-	1,621	-	349	(19,896)	2,937,625
Other expenses	1,002,549	2,285,917	2,269,662	-	53,109	170,637	-	545	(707,981)	5,074,438
Total operating expenses	34,262,512	88,484,365	53,855,881	-	876,335	2,719,806	-	894	(33,534,606)	146,665,187
OPERATING INCOME (LOSS)	(727,786)	(618,595)	(1,760,753)	-	18,267	(596,823)	-	(894)	-	(3,686,584)
OTHER INCOME (LOSS)										
Gain on bankruptcy settlements, net	1,161,662	-	-	-	-	-	-	-	-	1,161,662
Other income (loss), net	5,202	(137,105)	1	-	-	-	-	45,982	-	(85,920)
Total other income (loss), net	1,166,864	(137,105)	1	-	-	-	-	45,982	-	1,075,742
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM CONTINUING OPERATIONS	439,078	(755,700)	(1,760,752)	-	18,267	(596,823)	-	45,088	-	(2,610,842)
DISCONTINUED OPERATIONS										
Loss on discontinued operations	(462,321)	-	-	(1,921,137)	-	-	(258,614)	-	-	(2,642,072)
Changes in net (deficit) assets	$ (23,243)	$ (755,700)	$ (1,760,752)	$ (1,921,137)	$ 18,267	$ (596,823)	$ (258,614)	$ 45,088	$ -	$ (5,252,914)

See report of independent auditors.


MOSSADAMS