

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC

**DON APPLICATION # 19120215-CL
LONG TERM CARE CONSERVATION PROJECT**

DECEMBER 4, 2019

BY

**ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
111 ORIENT AVENUE
EAST BOSTON, MASSACHUSETTS 02128**

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
APPLICATION # 19120215-CL
LONG TERM CARE CONSERVATION PROJECT

ADDITIONAL DOCUMENTS
TABLE OF CONTENTS

1. Patient Panel and Additional Data
2. Communication Relative to Community Engagement
3. Independent CPA Analysis
4. Affiliated Parties Form
5. Change in Service Form
6. Affidavit of Truthfulness and Compliance
7. Newspaper Affidavit Relative to Notice of Intent
8. Schematic Drawings
9. Articles of Organization
10. Filing Fee

ATTACHMENT 1

ADDITIONAL DON AND PATIENT PANEL DATA

EXHIBIT 1

ADVOCATE HEALTHCARE OF EAST BOSTON

PATIENT PANEL

The Facility experienced several years of difficulty as its former owner, the Order of the Sons of Divine Providence, struggled to find qualified management for the Facility. In 2015, an affiliate of the Applicant began management of the Facility, which resulted in a steady improvement in operations, both financial and in the quality of care. This improvement is shown in the historical resident days' trends.

Year	Level II	Level III	Total	% Change
2015	31,351	5,902	37,253	-
2016	36,050	6,460	42,510	14.11%
2017	36,840	7,540	44,380	4.40%
2018	36,672	7,529	44,201	(.40)%
2019*	38,119	9,072	47,191	6.76%

*Based on 8-19 YTD numbers

The Facility's ongoing service to the community for more than half a century, coupled with its current demand trend supports the proposed Project. With this Project, the Facility can continue this trend of consistent improvement and achieve levels of financial stability that will permit the Applicant to further enhance its efforts to bring the physical plant into full compliance with current healthcare standards.

For the purposes of its planning relative to the Project, the Applicant conducted a review of the East Boston health needs in order to confirm the need for the Project. A number of the identified health issues impacting East Boston residents are particularly prevalent among older adults and reflected in the diagnoses of the Facility's residents. There is a higher prevalence of diabetes and hypertension, with 38.9% of the East Boston community having diabetes, compared to the state average of 31.7%, and 80.1% of East Bostonians over age sixty-five having hypertension, compared with the state average of 76.2%.¹ 65.5% of the over-sixty-five population of East Boston is living with four or more chronic conditions, and 28.1% self-reported difficulty with independent living, nearly double the statewide measure of 14.3%.² Also, East Boston experiences 128 skilled nursing facility stays per 1,000 residents over the age of sixty-five, compared to the State average of 106.³

Also, as a part of the evaluation of this Project, the Applicant considered population trends. The greater Boston region is expected to see continuous growth over the next twenty-five years, with an estimated 100,000 new residents every five years through 2025, 75,000 new residents from 2025 to 2030, and 57,000 new residents from 2030 to 2035.⁴ East Boston is experiencing a particularly high rate of growth,

¹ 2018 MASSACHUSETTS HEALTHY AGING COMMUNITY PROFILE EAST BOSTON (SUFFOLK), MASSACHUSETTS HEALTHY AGING COLLABORATIVE, 1 (2018), https://mahealthyagingcollaborative.org/wp-content/themes/mhac/pdf/community_profiles/MA_Towncode352_East%20Boston.pdf.

² *Id.* at 4.

³ *Id.* at 5.

⁴ LONG-TERM POPULATION PROJECTIONS FOR MASSACHUSETTS REGIONS AND MUNICIPALITIES, UNIVERSITY OF MASSACHUSETTS DONAHUE INSTITUTE 37 (Mar. 2015), *available at* http://pep.donahue-institute.org/downloads/2015/new/UMDI_LongTermPopulationProjectionsReport_2015%2004%20_29.pdf.

with an increase of 17% from 2000 to 2015, which is higher than Boston's overall growth of 10%.⁵ The increase in population is attributed to a natural increase, including more births than deaths and a longer life expectancy, as well as international immigration.⁶ Boston is also expected to see a relatively higher share of elders over the next decade as Baby Boomers age in place, increasing from 12.7% of the population in 2010 to 18.4% of the population in 2035.⁷

These various factors informed the underlying need for and purpose of the Project, along with a review of historical demand for the Facility's services. The Facility's projections associated with the Project, indicate that the demand for its services will remain strong in the future. Historical data and the Applicant's projections for the future indicate continuing need for the Facility and the type of services provided. See Projection Assumptions and related Patient Panel data provided below.

PATIENT PANEL DATA AND PROJECTION ASSUMPTIONS

Resident Days: Historical and Projections

Year	Level II	Level III	Total	% Change
2015	31,351	5,902	37,253	-
2016	36,050	6,460	42,510	14.11%
2017	36,840	7,540	44,380	4.40%
2018	36,672	7,529	44,201	(.40)%
2019*	38,119	9,072	47,191	6.76%
2020	36,368	8,531	44,899	(4.86)%
2021	36,368	8,531	44,899	0
2022	36,268	11,646	47,914	6.72%
2023	36,268	11,646	47,914	0

Length of Stay: Historical and Projections

Year	ALOS	% Change
2015	227	
2016	197	(4.51)%
2017	222	(12.69)%
2018	216	(9.85)%
2019*	257	29.79%
2020	258	-
2021	258	-
2022	258	-
2023	258	-

⁵ EAST BOSTON, BOSTON PLANNING AND DEVELOPMENT AGENCY (2015), <http://www.bostonplans.org/getattachment/28c2e99c-af11-47e0-b65e-b609fbdc44bd>.

⁶ *Id.* at 37-38.

⁷ *Id.* at 40-41.

Resident Days by Payor

Year	Medicare	Medicaid	Other	Total
2015	3,506	32,136	1,611	37,253
2016	5,263	32,027	5,220	42,510
2017	4,410	36,665	3,305	44,380
2018	4,099	37,120	2,982	44,201
2019*	7,044	38,233	1,914	47,191
2020	4,490	36,368	4,041	44,898
2021	4,490	36,368	4,041	47,898
2022	5,750	37,852	4,312	47,914
2023	5,750	37,852	4,312	47,914

Resident Average Age and Sex

	Residents Average Age	% Male	% Female
2019*	73.13	55 %	45%

Current Resident Origin-Cities/Towns More Than 5%

City/Town	# of Residents	% of Total
E Boston	10	8%
Winthrop	21	17%
Boston	16	12%
Chelsea	12	9%
Revere	10	8%
Other	58	46%

*Est. based on YTD August

ATTACHMENT 2

COMMUNITY RELATIVE TO COMMUNITY ENGAGEMENT

From: Wood, Ben (DPH) <ben.wood@state.ma.us>
Sent: Wednesday, November 27, 2019 10:43 AM
To: Nina Edwards <nedwards@barrettsingal.com>
Cc: Michaels, Margo I (DPH) <margo.i.michaels@state.ma.us>; Allen, Jennica F. (DPH) <jennica.f.allen@state.ma.us>; Maffei, Elizabeth (DPH) <elizabeth.maffei@state.ma.us>
Subject: RE: Advocate Healthcare of East Boston DoN

Hello Nina,

Thanks for the email. This is to confirm that LTC applicants fulfill their community-based health initiative (CHI) requirement by contributing to the statewide Healthy Aging Fund. There are no application materials specific to CHI required for a LTC.

Thank you. Ben

Check out the new Population Health Information Tool (PHIT): <https://www.mass.gov/dph/phit>

Ben Wood, MPH
Director, Division of Community Health Planning and Engagement
Bureau of Community Health and Prevention
Massachusetts Department of Public Health
Phone: (413) 586-7525 ext.3130
Mobile: (413) 406-6429
Fax: (413) 784-1037
ben.wood@state.ma.us



150 YEARS
OF ADVANCING
PUBLIC
HEALTH

nsaction or matter addressed herein.

ATTACHMENT 3

INDEPENDENT CPA ANALYSIS



CliftonLarsonAllen

CliftonLarsonAllen LLP
300 Crown Colony Drive, Suite 310
Quincy, MA 02169
617-984-8100 | fax 617-984-8150
CLAconnect.com

November 25, 2019

Ms. Margo Michaels, Director
Determination of Need Program
Department of Public Health
250 Washington Street, 6th Floor
Boston, MA 02108

RE: Determination of Need Application – Advocate Healthcare of East Boston, LLC

Dear Ms. Michaels,

The accompanying report is included as relevant additional financial information to assist the department in rendering a decision regarding the proposed construction project of Advocate Healthcare of East Boston, LLC (the "Company").

The report is intended solely for the information and use of management and members of the Company, and the Massachusetts Department of Public Health Determination of Need Program in its review of the Company's Determination of Need application under regulation 100.210 (4) a. It is not intended to be and should not be used by anyone other than these specified parties.

Please contact me should you have any questions or need further information.

Sincerely,

CLA (CliftonLarsonAllen)

Mark Cummings, CPA

Principal

617-984-8100

mark.cummings@CLAconnect.com

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC

BENCHMARKING MANAGEMENT'S

PROJECTED FINANCIAL ANALYSIS

FOR THE INITIAL OPERATING PERIOD

NOVEMBER 1, 2019 THROUGH DECEMBER 31, 2019

AND FOR THE YEARS ENDING

DECEMBER 31, 2020 THROUGH DECEMBER 31, 2023

PROCESS OVERVIEW

Management's Projections

CliftonLarsonAllen LLP (CLA) was requested by the management of Advocate Healthcare of East Boston, LLC to read the financial projections prepared by Advocate Healthcare of East Boston, LLC ("Management" or "AHEB") for the initial operating period November 1, 2019 through December 31, 2019 and the years ending December 31, 2020 through 2023 and benchmark the stabilized year of Management's projection.

We have not compiled or examined any of the financial data utilized in the benchmarking analyses and express no assurance of any kind on it. Furthermore, even if the assumptions disclosed herein were to materialize, there will be differences between projected and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. These analyses are intended for the internal use of Management and the Massachusetts Department of Health Determination of Need Program (DoN) and is not intended to be and should not be used or relied on by anyone other than these specified parties.

BENCHMARK STAFFING AND COST ANALYSIS

Providers in Suffolk County were used to benchmark Management's projections. AHEB's projected initial operating period of November 1, 2019 through December 31, 2019 was compared to Suffolk County Medicare and Medicaid cost report data for the most recent available period of 2018. The data was then projected out to 2023 with an applied 2% revenue inflation factor and 2% expense inflation factor.

MANAGEMENT'S PROJECTIONS

Occupancy/Payer Mix/Revenue per Patient Day

Projected revenue consists of revenue from operating the skilled nursing facility. Management's baseline projected revenue for the initial operating period of November 1, 2019 through December 31, 2019 and the year ending 2020 was derived from the interim financial data for 2019, current reimbursement and nursing home regulations and management's experience in the industry. This information was utilized to project and establish a baseline for the projection. Future years were projected utilizing assumptions for rate increases and operating expenses, and any known changes for operating the renovated facility during the Projection Period.

The following table summarizes the configuration of rooms before renovations and after the proposed renovations:

Resident Room Configuration							
Pre-Renovation - 190 Beds				Post Renovation - 165 Beds			
Type	Bed Capacity	Inventory	Total Beds	Type	Bed Capacity	Inventory	Total Beds
Private	1	21	21	Private	1	28	28
Semi	2	18	36	Semi	2	37	74
Three-Bedded	3	15	45	Three-Bedded	3	21	63
Four-Bedded	4	22	88	Four-Bedded	4	0	0
Total Beds			190	Total Beds			165

Observations:

- The plan for this Determination of Need Application is for the replacement of critical systems and fixed equipment, and renovations addressing improved compliance with healthcare construction requirements for resident rooms and related service areas.

The following table summarizes AHEB's 2019 projected data compared to 2018 Suffolk County data for beds and occupancy, payer mix and revenue per patient day. The numbers are then inflated out for Suffolk County to compare to AHEB's projected year five which is 2023.

	2019	2018			Inflation Adjustment	2023			
	Advocate Healthcare of East Boston	Suffolk, MA 25th percentile	Suffolk, MA 50th percentile	Suffolk, MA 75th percentile		Advocate Healthcare of East Boston	Suffolk, MA 25th percentile	Suffolk, MA 50th percentile	Suffolk, MA 75th percentile
Occupancy~									
Occupancy %	91.8%	86.7%	90.4%	93.3%		91.2%	86.7%	90.4%	93.3%
Total SNF/NH Days	^7,503	27,479	35,642	42,823		47,914	27,479	35,642	42,823
SNF Payor Mix (% of Days)									
Medicare FFS	10.0%	6.4%	8.7%	12.2%		12.0%	6.4%	8.7%	12.2%
Medicaid	81.0%	48.2%	62.1%	68.3%		79.0%	48.2%	62.1%	68.3%
Other (including MC Advantage)	9.0%	45.4%	29.2%	19.5%		9.0%	45.4%	29.2%	19.5%
Revenue per Patient Day									
Medicare FFS	\$625	\$560	\$633	\$649	2.0%	\$677	\$618	\$699	\$717
Other	\$241	\$228	\$242	\$279	2.0%	\$257	\$251	\$267	\$308

~ Based on active beds

^ November 1, 2019 to December 31, 2019

Observations:

- AHEB's projected occupancy is above the median for the county both before and after the proposed project's completion
- Members of AHEB's ownership team have managed the facility since the middle of 2015, as shown in the table below, occupancy has steadily increased during that time
- Since 2017 AHEB's historical occupancy level has been at or above the median. The occupancy is projected to be consistent with these levels throughout the projection period
- AHEB's Medicare utilization is consistently above the median and is projected to remain at these levels during the projection period
- AHEB has consistently reported a Medicaid mix above the 75th percentile, see the historical data below on payer mix for AHEB where they have consistently displayed a higher Medicaid census than any other payer and are projected to continue that trend
- AHEB reports a lower non-Medicare rate due to its higher Medicaid mix

**Historical Average Occupancy
December 31,**

	2015	2016	2017	2018
Occupancy %	76.17%	86.46%	90.73%	90.70%

**Projected Average Occupancy
December 31,**

	*2019	2020	2021	2022	2023
Occupancy %	91.80%	91.80%	91.63%	91.16%	91.16%

* November 1, 2019 through December 31, 2019

**Historical Average Payer Mix*
December 31,**

	2015	2016	2017	2018
Private	3.00%	5.00%	4.00%	3.00%
Medicare	9.00%	12.00%	10.00%	9.00%
Medicaid	86.00%	78.00%	83.00%	84.00%
HMO/Other	2.00%	5.00%	3.00%	4.00%
Total	100.00%	100.00%	100.00%	100.00%

*Massachusetts' Medicaid Cost Report Data

EXPENSES

Operating expenses have been projected to be recognized during the month incurred. Management's baseline projected expenses for the initial operating period of November 1, 2019 through December 31, 2019 and year ending 2020 were derived from interim financial data of the facility (managed by ownership prior to acquisition) for the current period, and Management's historical experience of operating the facility. This information was utilized to project and establish a baseline for the projection. The specific basis for inflationary increases in major expense categories were formulated by Management.

The following table summarizes AHEB's projected 2019 data compared to 2018 Suffolk County data expenses by department per patient day. The numbers are then inflated out for Suffolk County to compare to AHEB's projected year five which is 2023.

Costs per Patient Day*

	2019	2018				2023			
	Advocate Healthcare of East Boston	Suffolk, MA 25th percentile	Suffolk, MA 50th percentile	Suffolk, MA 75th percentile	Inflation Adjustment	Advocate Healthcare of East Boston	Suffolk, MA 25th percentile	Suffolk, MA 50th percentile	Suffolk, MA 75th percentile
Administration	\$76	\$49	\$63	\$81	2.0%	\$84	\$54	\$70	\$90
Plant	\$16	\$14	\$16	\$20	2.0%	\$19	\$15	\$17	\$22
Dietary	\$19	\$19	\$20	\$24	2.0%	\$20	\$21	\$22	\$27
Laundry	\$3	\$3	\$3	\$4	2.0%	\$5	\$3	\$4	\$5
Housekeeping	\$7	\$6	\$6	\$9	2.0%	\$7	\$6	\$7	\$10
Nursing	\$111	\$93	\$100	\$123	2.0%	\$120	\$103	\$111	\$136
Social Services	\$7	\$3	\$4	\$5	2.0%	\$8	\$3	\$4	\$6
Other General Services	\$4	\$3	\$4	\$6	2.0%	\$4	\$3	\$5	\$6
Total Costs	\$244	\$188	\$217	\$273		\$268	\$208	\$239	\$301

*AHEB numbers include benefits which are included in Administration. Benchmark data excludes benefits. Additionally, Ancillary expenditures are excluded for both AHEB and the Benchmark data.

Observations:

- AHEB reports a cost structure between the median and 75th percentile both historically (see table below) and in its projections
- AHEB does not anticipate any significant change in cost structure due to the renovations, as their cost in comparison to the median remains consistent
- Plant costs are projected to increase due to projected higher real estate taxes as a result of the increased value of the building. In addition, various cost centers have increased slightly due to the increase in volume
- Historically, AHEB has had slightly higher nursing cost per patient day in comparison to the median for the county (as noted in the below table). As indicated this trend is projected to continue with no drastic change in the operating structure for patient care
- For purpose of this observation, It is assumed, with no other information on the future of various healthcare factors or changes, that the facilities in Suffolk County will make no changes in nursing staffing

The Following table summarizes the historical cost per patient day by department:

Historical Costs per Patient Day by Department*		
	December 31,	
	2017	2018
Administration	\$77	\$75
Plant	23	16
Dietary	18	18
Laundry	4	3
Housekeeping	6	6
Nursing	103	108
Social Services	4	4
Other General Services	4	5
Total Costs	\$239	\$235

*Massachusetts' Medicaid Cost Report Data

KEY FINANCIAL RATIOS

In performing this analysis both Medicare and Medicaid cost report data maintained by CMS and the Massachusetts Center for Health Information and Analysis (CHIA) was utilized, with the aid of a proprietary software application. This allowed management the ability to compare key financial ratios with those of similarly located facilities. The ratios below are a common tool used by financial institutions and the health care industry to evaluate the operations of a health care entity.

Earnings before Interest, Depreciation and Amortization (EBIDA) Margin:

EBIDA is a measure of a company's operating performance. Essentially, it's a way to evaluate a company's performance without having to factor in financing decisions, accounting decisions or tax environments. EBIDA Margin can be a meaningful gauge of a provider's ability to contain costs, it offers a clearer reflection of operations by stripping out expenses that can obscure how the company is really performing. EBIDA margin is calculated by dividing EBIDA by total revenue.

The greater a company's EBIDA Margin, the lower the company's operating expenses in relation to total revenue. EBIDA margin eliminates the non-operating profitability and cash flow. This margin is important in measuring performance across a single industry with companies of different size and tax situations.

The following chart shows the provider's projected EBIDA Margin against the Suffolk County Median EBIDA Margin.

EBIDA

2019	2018		
Advocate Healthcare of East Boston	Suffolk, MA 25th percentile	Suffolk, MA 50th percentile	Suffolk, MA 75th percentile
7.3%	-3.3%	1.6%	8.8%

2023			
Advocate Healthcare of East Boston	Suffolk, MA 25th percentile	Suffolk, MA 50th percentile	Suffolk, MA 75th percentile
7.3%	-3.3%	1.6%	8.8%

Observations

- AHEB is projecting EBIDA above the median in both 2019 and 2023
- Additionally, for both 2019 and 2023 AHEB's projected EBIDA is approaching the top quartile
- Note: To derive the EBIDA inflation factor for Suffolk County, the % change applicable in EBIDA margin for AHEB was applied to Suffolk County. In this instance, there was no change

Operating and Capital Budgets

In Benchmarking management's projected financial analysis, we analyzed and considered AHEB's past and present operating and capital budgets. Note, AHEB only acquired the license to operate the facility on November 1, 2019 so there are no past operating and capital budgets. Ownership however, did manage the facility prior to acquisition, and the past and present operating budgets are consistent with the results contained in management's projected financial analysis as indicated by the tables presented previously in the report. Additionally, management has no significant plans at this time to materially alter operations, thus impacting care.

AHEB does not maintain formal capital budgets. However, except for the first year following construction, a review of past and present capital expenditures indicates that AHEB intends to invest in the built environment of the residents at amounts consistent with or greater than prior spending levels.

	2017	2018	Planned 2023
Capital Expenditures	\$ 55,919	\$ 96,491	\$ 100,000

Balance Sheets

In benchmarking management's projected financial analysis, we analyzed AHEB's balance sheets. We analyzed AHEB's projected days cash on hand ratio for 2019 and the last year of the projection, 2023. Note as indicated previously AHEB acquired the license to operate the facility on November 1, 2019, there are no prior balance sheets to compare. AHEB's days cash on hand ratio starts slightly higher than the median at December 31, 2019 and is approaching the top quartile by 2023, the last year of the projection. The days cash on hand ratio is a liquidity ratio that indicates an entity's ability to satisfy its current operating expenses with the current cash available.

	2019	2018			2023			
	Advocate Healthcare of East Boston	Suffolk, MA 25th percentile	Suffolk, MA 50th percentile	Suffolk, MA 75th percentile	Advocate Healthcare of East Boston	Suffolk, MA 25th percentile	Suffolk, MA 50th percentile	Suffolk, MA 75th percentile
Days Cash on Hand	25.5	9.7	20.6	91.5	43.2	9.7	20.6	91.5

Absent specific operating conditions and criteria, Suffolk County days cash on hand data was assumed to remain constant

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC

**PROJECTED FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

**INITIAL OPERATING PERIOD
NOVEMBER 1, 2019 THROUGH DECEMBER 31, 2019
YEARS ENDING
DECEMBER 31, 2020 THROUGH 2023**



CLAconnect.com

**WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

**ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
TABLE OF CONTENTS
YEARS ENDING DECEMBER 31, 2019 THROUGH 2023**

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT	1
FINANCIAL STATEMENTS	
PROJECTED BALANCE SHEETS	2
PROJECTED STATEMENTS OF OPERATIONS	3
PROJECTED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL	4
PROJECTED STATEMENTS OF CASH FLOWS	5
SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES	6



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Members

Advocate Healthcare of East Boston, LLC
35 Avco Road
Haverhill, MA 01835

Management is responsible for the accompanying projected financial statements of Advocate Healthcare of East Boston, LLC (the "Company"), which comprise the projected balance sheets as of December 31, 2019, 2020, 2021, 2022, and 2023, and the related projected statements of operations and changes in members' capital, and cash flows for the projected initial operating period of November 1, 2019 through December 31, 2019 and the projected years ending December 31, 2020, 2021, 2022, and 2023, and the related summaries of significant assumptions and accounting policies in accordance with the guidelines for presentation of a financial projection established by the American Institute of Certified Public Accountants (AICPA) (the "Projection"). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the projected financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these projected financial statements or the assumptions.

Furthermore, even if the Company can complete the construction the Project (as defined in the summaries of significant assumptions and accounting policies) at the costs and timeline presented hereafter and is able to achieve the operating assumptions, collectively, the "Hypothetical Assumptions", there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying Projection, and this report, are intended solely for the information and use of management, officers and members of the Company, and the Massachusetts Department of Public Health Determination of Need Program (DPH-DoN) in its review of the Determination of Need application under regulation 105 CMR 100.210 (4) (a) and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
November 25, 2019



ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
PROJECTED BALANCE SHEETS
UNDER THE HYPOTHETICAL ASSUMPTIONS DESCRIBED IN NOTE 1
DECEMBER 31, 2019 THROUGH 2023
(000S OMITTED)

	2019	2020	2021	2022	2023
ASSETS					
CURRENT ASSETS					
Cash	\$ 888	\$ 1,039	\$ 1,228	\$ 1,509	\$ 1,746
Accounts Receivable, Net	1,640	1,709	1,781	1,859	1,939
Total Current Assets	2,528	2,748	3,009	3,368	3,685
PROPERTY AND EQUIPMENT					
Land	300	300	300	300	300
Building and Improvements	3,406	3,406	12,675	12,675	12,675
Equipment & Furniture	225	325	951	1,051	1,151
	3,931	4,031	13,926	14,026	14,126
Accumulated Depreciation	(21)	(149)	(540)	(1,194)	(1,848)
Property and Equipment, Net	3,910	3,882	13,386	12,832	12,278
CONSTRUCTION IN PROGRESS					
	338	6,380	-	-	-
Total Assets	\$ 6,776	\$ 13,010	\$ 16,395	\$ 16,200	\$ 15,963
LIABILITIES AND MEMBERS' CAPITAL					
CURRENT LIABILITIES					
Current Maturities of Long-Term Debt	\$ -	\$ 11	\$ 65	\$ 69	\$ 72
Accounts Payable and Accrued Expenses	2,655	2,708	2,598	2,482	2,305
Due to Related Parties	620	620	620	620	620
Note Payable	3,400	3,400	3,400	3,400	3,400
Total Current Liabilities	6,675	6,739	6,683	6,571	6,397
LONG-TERM DEBT, Net					
	25	6,056	7,838	7,773	7,705
Total Liabilities	6,700	12,795	14,521	14,344	14,102
MEMBERS' CAPITAL					
	76	215	1,874	1,856	1,861
Total Liabilities and Members' Capital	\$ 6,776	\$ 13,010	\$ 16,395	\$ 16,200	\$ 15,963

See Summary of Significant Assumptions and Accounting Policies and Independent Accountants' Compilation Report.

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
PROJECTED STATEMENTS OF OPERATIONS
UNDER THE HYPOTHETICAL ASSUMPTIONS DESCRIBED IN NOTE 1
INITIAL OPERATING PERIOD NOVEMBER 1, 2019 THROUGH DECEMBER 31, 2019
YEARS ENDING DECEMBER 31, 2020 THROUGH 2023
(000S OMITTED)

	2019	2020	2021	2022	2023
REVENUE					
Private	\$ 96	\$ 588	\$ 609	\$ 651	\$ 664
Medicaid	1,411	8,441	8,698	9,141	9,324
Medicare Part A	469	2,870	3,130	3,814	3,890
Commercial	122	747	774	826	843
Part B - Therapy	80	490	500	510	520
Adult Day Care	103	630	643	656	669
Total Patient Service Revenue	2,281	13,766	14,354	15,598	15,910
Other Income	3	18	18	18	18
Total Revenue	2,284	13,784	14,372	15,616	15,928
EXPENSES					
Administration	567	3,631	3,744	3,939	4,018
Plant	131	857	852	895	913
Dietary	145	887	909	940	959
Laundry & Linen	25	153	172	223	227
Housekeeping	54	330	330	316	322
Nursing	702	4,327	4,469	4,725	4,820
Nursing Support	127	860	881	911	929
Social Services/Admissions	54	355	363	373	380
Recreation Therapy	28	171	176	183	187
Ancillary Costs	203	1,242	1,303	1,439	1,468
Adult Day Care	79	483	493	503	513
Interest	21	129	303	533	530
Depreciation	21	128	391	654	654
Total Expenses	2,157	13,553	14,386	15,634	15,920
NET INCOME (LOSS)	<u>\$ 127</u>	<u>\$ 231</u>	<u>\$ (14)</u>	<u>\$ (18)</u>	<u>\$ 8</u>

See Summary of Significant Assumptions and Accounting Policies and Independent Accountants' Compilation Report.

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
PROJECTED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL
UNDER THE HYPOTHETICAL ASSUMPTIONS DESCRIBED IN NOTE 1
INITIAL OPERATING PERIOD NOVEMBER 1, 2019 THROUGH DECEMBER 31, 2019
YEARS ENDING DECEMBER 31, 2020 THROUGH 2023
(000S OMITTED)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Beginning Balance - Members' Capital	\$ -	\$ 76	\$ 215	\$ 1,874	\$ 1,856
Net Income (Loss)	127	231	(14)	(18)	8
Distributions	(51)	(92)	-	-	(3)
Contributions	<u>-</u>	<u>-</u>	<u>1,673</u>	<u>-</u>	<u>-</u>
Ending Balance – Members' Capital	<u>\$ 76</u>	<u>\$ 215</u>	<u>\$ 1,874</u>	<u>\$ 1,856</u>	<u>\$ 1,861</u>

See Summary of Significant Assumptions and Accounting Policies and Independent Accountants' Compilation Report.

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
PROJECTED STATEMENTS OF CASH FLOWS
UNDER THE HYPOTHETICAL ASSUMPTIONS DESCRIBED IN NOTE 1
INITIAL OPERATING PERIOD NOVEMBER 1, 2019 THROUGH DECEMBER 31, 2019
YEARS ENDING DECEMBER 31, 2020 THROUGH 2023
(000S OMITTED)

	2019	2020	2021	2022	2023
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income (Loss)	\$ 127	\$ 231	\$ (14)	\$ (18)	\$ 8
Adjustments to Reconcile Net Income (Loss) to					
Net Cash Provided by Operating Activities:					
Depreciation and Amortization	21	128	395	658	658
(Increase) Decrease in Accounts Receivable	(46)	(69)	(72)	(78)	(80)
Increase (Decrease) in Accounts Payable and Accrued Expenses	8	53	(110)	(116)	(177)
Net Cash Provided by Operating Activities	110	343	199	446	409
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property and Equipment	-	(100)	(3,515)	(100)	(100)
Construction in Progress	-	(6,042)	-	-	-
Net Cash Used by Investing Activities	-	(6,142)	(3,515)	(100)	(100)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from Contributed Capital	-	-	1,673	-	-
Distributions	(51)	(92)	-	-	(3)
Deferred Financing Costs	-	(158)	-	-	-
Proceeds from Assets Acquired	429	-	-	-	-
Proceeds from Note Payable	400	-	-	-	-
Proceeds from Long Term Debt	-	6,200	1,843	-	-
Repayment of Long Term Debt	-	-	(11)	(65)	(69)
Net Cash Provided (Used) by Financing Activities	778	5,950	3,505	(65)	(72)
NET INCREASE IN CASH	888	151	189	281	237
Cash - Beginning of Year	-	888	1,039	1,228	1,509
CASH - END OF YEAR	<u>\$ 888</u>	<u>\$ 1,039</u>	<u>\$ 1,228</u>	<u>\$ 1,509</u>	<u>\$ 1,746</u>
REQUIRED SUPPLEMENTAL DISCLOSURE					
OF CASH FLOW INFORMATION					
Interest	<u>\$ 21</u>	<u>\$ 129</u>	<u>\$ 299</u>	<u>\$ 529</u>	<u>\$ 526</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING					
AND FINANCING ACTIVITIES					
Property and Equipment Acquired	<u>\$ (3,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Note Payable Acquired	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Noncash Assets Acquired	<u>\$ (2,838)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Noncash Liabilities Assumed	<u>\$ 3,267</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Construction in Progress Placed in Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,380</u>	<u>\$ -</u>	<u>\$ -</u>

See Summary of Significant Assumptions and Accounting Policies and Independent Accountants' Compilation Report.

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES
DECEMBER 31, 2019 THROUGH 2023

NOTE 1 BASIS OF PRESENTATION AND NATURE AND LIMITATIONS OF PROJECTIONS

Basis of Presentation

The financial projection (the "Projection") presents, to the best of the knowledge and belief of management ("Management") of Advocate Healthcare of East Boston, LLC, (the "Applicant", or the "Company"), the expected financial position as of December 31, 2019 through 2023, and the expected results of operations and cash flows for the initial operating period November 1, 2019 through December 31, 2019 and the years ending December 31, 2020 through 2023 (the "Projection Period").

A projection although similar to a forecast, is a presentation of prospective financial information that is subject to one or more hypothetical assumptions. Management has included several assumptions that are considered to be hypothetical assumptions as defined by the American Institute of Certified Public Accountants' *Guide for Prospective Financial Information*.

Management's hypothetical assumptions (the "Hypothetical Assumptions") are as follows:

- The Applicant is able to develop, market, construct, and complete the proposed substantial renovation (the "Project", as defined more fully hereinafter).
- The Applicant is able to obtain all regulatory approvals for construction of its Project.
- The Applicant is able to obtain debt financing (the "Financing") via a construction loan for approximately \$8,043,000 (the "Construction Loan") consistent with the plans presented in this Summary of Significant Projection Assumptions and Accounting Policies.
- The Applicant is able to achieve the occupancy, payer mix, and average rates detailed in Note 4. If this is not achieved it may significantly impact the Projection results.
- The Applicant is able to maintain its projected operating structure and limit the additional expenses associated with operating the facility under the completed Project model to the scenario as outlined in Note 4.

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES
DECEMBER 31, 2019 THROUGH 2023

**NOTE 1 BASIS OF PRESENTATION AND NATURE AND LIMITATIONS OF PROJECTIONS
(CONTINUED)**

Basis of Presentation (Continued)

Accordingly, the Projection reflects Management's judgement as of November 25, 2019 the date of the Projection, of the expected conditions and its expected course of action assuming the Hypothetical Assumptions. The assumptions disclosed herein, while not all-inclusive, are the assumptions which Management believes are significant to the Projection. The prospective results may not be achieved. Furthermore, even if the Hypothetical Assumptions were to occur, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

NOTE 2 NATURE OF THE ORGANIZATION AND PROJECT DESCRIPTION

Nature of the Organization

Advocate Healthcare of East Boston, LLC, is a limited liability company that acquired the real estate and license to operate a 190-bed skilled nursing home and adult day care program located in East Boston, Massachusetts on November 1, 2019.

Project Description

The Applicant is submitting a request for a Notice of Determination of Need ("DoN") for a substantial capital expenditure in connection with planned renovations to the property located at 111 Orient Avenue in East Boston, Massachusetts (the "Facility"). The planned construction to be undertaken by the Applicant will include replacement of critical systems and fixed equipment, and renovations addressing improved compliance with health care construction requirements for resident rooms and related service areas. As a result of the Project, the total number of beds at the Facility will change as noted in the "Resident Room Configuration" table on page 8.

Construction is expected to begin during 2020 and is anticipated to be completed by the third quarter of 2021. The Projection presentation reflects the Project assets being placed in service by October 1, 2021. Additionally, the majority of the associated debt utilized to fund the Project is assumed to be incurred in 2020. The remaining \$1,843,000 of associated debt and approximately \$1,673,000 of equity contributions from members are assumed to occur in 2021.

The total Project costs assumed in the Projections are approximately \$10,053,000.

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES
DECEMBER 31, 2019 THROUGH 2023

NOTE 2 NATURE OF THE ORGANIZATION AND PROJECT DESCRIPTION (CONTINUED)

Project Description (Continued)

The following table summarizes the configuration of rooms before renovations and after the proposed renovations of the Facility:

Resident Room Configuration							
<u>Pre-Renovation - 190 Beds</u>				<u>Post Renovation - 165 Beds</u>			
Type	Bed Capacity	Inventory	Total Beds	Type	Bed Capacity	Inventory	Total Beds
Private	1	21	21	Private	1	28	28
Semi	2	18	36	Semi	2	37	74
Three-Bedded	3	15	45	Three-Bedded	3	21	63
Four-Bedded	4	22	88	Four-Bedded	4	0	0
Total Beds			<u>190</u>	Total Beds			<u>165</u>

NOTE 3 LONG TERM DEBT, FINANCING AND NOTE PAYABLE

The accompanying Projection assumes that the Project will be financed by the Construction Loan, secured by a second mortgage on the real property, in the amount of approximately \$8,043,000, and contributed capital of approximately \$1,673,000. Additionally, approximately \$337,000 of existing pre-planning construction in progress costs were funded prior to the Projection Period. The interest rate assumed in the Projection for the Construction Loan is 5.0%. Payments on the Construction Loan are assumed to be interest only through completion of the Project. Subsequent to the Project completion, it is assumed the Construction Loan will be payable in monthly installments of principal and interest of approximately \$39,000 and mature on October 1, 2061. Any material changes in the terms of the actual Construction Loan would impact the results of the Projection. The Projection assumes an existing note payable executed November 1, 2019 of approximately \$3,400,000, remains payable throughout at an estimated interest rate of 2.88%, which is the current rate on the debt. Payments on the note are assumed to be interest only throughout the Projection Period. The note matures in a year, thus has been presented as current throughout the Projection Period. The note payable is secured by a first mortgage on the real estate and collateralized for the full amount by the majority member.

The following are assumed current maturities of long-term debt for each of the next five years:

<u>Projected Year Ending December 31,</u>	<u>Assumed Current Maturities</u>
2020	\$ -
2021	11,000
2022	65,000
2023	69,000
2024	72,000

See Independent Accountants' Compilation Report

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES
DECEMBER 31, 2019 THROUGH 2023

NOTE 4 MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES AND EXPENSES

Projected revenue consists of revenue from operating the Facility and the adult day care program. Prior to acquiring the facility, the ownership group managed the Facility. Thus, Management's baseline projected revenue and expenses for the initial operating period and 2020 were derived from interim financial data for the current period, and management's historical experience of operating the Facility. This information was utilized to project and establish a baseline for the initial operating period of November 1, 2019 through December 31, 2019 and year ending 2020. Future years were projected utilizing assumptions for rate increases and operating expenses, and any known changes for operating the renovated Facility during the Projection Period.

The following tables summarize the current and projected baseline payer mix and per diems:

	Current		Per Diem	
	Payer Mix			
Private	4.00 %		\$	320
Medicare	10.00			625
Medicaid	81.00			232
HMO	5.00			325
Total	100.00 %			

	11/1/2019- 9/30/2021	10/1/2021- 12/31/2023	2019	2020	2021	2022	2023
	Projected Payer Mix	Projected Payer Mix	Per Diem	Per Diem	Per Diem	Per Diem	Per Diem
Private	4.00 %	4.00 %	\$ 320	\$ 327	\$ 334	\$ 340	\$ 346
Medicare	10.00	12.00	625	639	653	663	677
Medicaid	81.00	79.00	232	232	237	241	246
HMO	5.00	5.00	325	332	339	345	352
Total	100.00 %	100.00 %					

The following tables summarize the historical and projected occupancy at December 31:

	2015	2016	2017	2018
Occupancy %	76.17%	86.46%	90.73%	90.72%

Based on Active Beds

	2019	2020	2021	2022	2023
Occupancy %	91.80%	91.80%	91.63%	91.16%	91.16%
Total Days	* 7,503	44,898	45,659	47,914	47,914

* November 1, 2019 through December 31, 2019
Based on Active Beds

See Independent Accountants' Compilation Report

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES
DECEMBER 31, 2019 THROUGH 2023

NOTE 4 MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES AND EXPENSES
(CONTINUED)

Management calculated the baseline revenues for the initial operating period of November 1, 2019 through December 31, 2019 utilizing current reimbursement and economic conditions, and current nursing home regulations. In the subsequent years of the Projection Period (years ending December 31, 2020-2023), Management applied a 2% rate increase per year across all payer classes, except Medicaid in 2020, for which no increase was applied. The projection assumes an average daily census of 123.01 for the initial operating period of November 1, 2019 through December 31, 2019, year ending December 31, 2020, and through September 30, 2021. Thereafter, the projected average daily census is 131.27. Additionally, the projection assumes a slight change in the case mix on October 1, 2021 upon completion of the project.

Effective October 1, 2019, the Medicare reimbursement system for skilled nursing facilities underwent a significant change in methodology. Management's projected Medicare revenue was based on the existing reimbursement methodology. The impact of the new reimbursement methodology on projected revenue can't be determined at this time.

Other Revenue Items

Other revenue items include Adult Day Care and Medicare Part B services. These are assumed to increase based on the consumption of services and for general inflation assumed to be approximately 2% annually during the Projection Period.

Operating Expenses

Operating expenses have been projected to be recognized during the month incurred. Management's baseline projected expenses for the initial operating period of November 1, 2019 through December 31, 2019 and year ending 2020 were derived from interim financial data of the facility operations (managed by ownership prior to acquisition) for the current period and Management's historical experience of operating the facility. This information was utilized to project and establish a baseline for the initial operating period November 1, through December 31, 2019 and 2020. In subsequent years, in general, operating expenses are projected to increase 2% annually for salaries and benefits and nonwage costs throughout the projection period. The specific basis for inflationary increases in major expense categories were formulated by Management and are discussed below.

Salaries and Related Taxes and Benefits

A full time equivalent employee ("FTE") is assumed to represent 2,080 hours of time paid annually. Salaries were assumed to increase 2% annually during the Projection Period. Employee benefits such as federal and state payroll taxes, health insurance, workers compensation, pension costs, and other miscellaneous benefits for the entire Facility were assumed to approximate 13% of wages during the Projection Period. Commencing in October of 2021, and January of 2022 approximately \$119,000 and \$356,000, respectively, in additional salaries and related benefit costs were added to projected expenses to account for the additional resources necessary upon completion of the Project.

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES
DECEMBER 31, 2019 THROUGH 2023

NOTE 4 MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES AND EXPENSES
(CONTINUED)

Administration

Management has projected nonsalary costs of general and administrative services to include property and liability insurance, management fees, accounting and legal fees, computer expenses, human resources, professional fees, telephone and internet service, marketing costs and other miscellaneous costs associated with administrative services. Generally, these costs are anticipated to increase 2% annually throughout the Projection Period for inflation. Additionally volume increases of approximately \$30,000 and \$88,000 in 2021 and 2022, respectively, are included in the projection.

Dietary

Nonsalary cost of dining services relate to the projected costs for providing food services to the residents, including raw food, dietary supplies and other such costs. Management assumes that these costs would vary with occupancy levels. Additionally, these costs are anticipated to increase at 2% annually throughout the Projection Period. Additionally operational decreases of approximately \$2,500 and \$7,500 in 2021 and 2022, respectively, are included in the projection.

Plant Operations, Housekeeping, & Laundry and Linen

Nonsalary related costs of plant, housekeeping, and laundry and linen operations are projected to include the cost of service contracts, repairs, supplies and other miscellaneous costs associated with providing these services. In addition, these costs are anticipated to increase at 2% annually throughout the Projection Period for inflation. Additionally operational decreases of approximately \$28,000 and \$84,000 in 2021 and 2022, respectively, are included in the projection.

Utilities and Real Estate Taxes

Utilities and real estate taxes are included under the caption Plant on the Projected Statement of Operations. Nonsalary related utility costs are projected to include the cost of gas and oil, electricity, water, and sewer services, and trash removal. In addition, these costs are anticipated to increase at 2% annually throughout the Projection Period for inflation.

Real estate taxes were estimated based on current rates and assumed to increase 2% annually throughout the Projection Period. Additionally, commencing in 2022, an estimated increase of approximately \$100,000 per year was included in the projected Statement of Operations to account for the estimated increase in the assessment value of the property.

Nursing Support, Social Services, Recreation, & Ancillaries

Nonsalary related health service costs are projected based upon Management's estimate of the cost of nursing supplies, ancillary supplies, consultants, and other miscellaneous costs associated with providing health care services. Management assumes that these costs would vary with changes in occupancy levels. These costs are anticipated to increase 2% annually throughout the Projection Period. Additionally, operational increases of approximately \$9,000 and \$28,000 in 2021 and 2022, respectively are included in the projection.

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES
DECEMBER 31, 2019 THROUGH 2023

**NOTE 4 MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES AND EXPENSES
(CONTINUED)**

Depreciation

Property and equipment are projected to be depreciated over the estimated useful lives by the straight-line method.

Operating Assets and Liabilities

The accompanying Projection assume an increase of 2% of revenue to the accounts receivable balance in the initial operating period and .50% throughout the subsequent years of the Projection Period. Accounts payable is assumed to be 20% of total expenses net of depreciation, interest, real estate taxes, and income taxes (projected accounts payable) in each of the Projection years. Additionally, the accounts payable balance is projected to increase by 2% of the projected accounts payable in the initial operating period and 2020 and decrease by 4% in each of the subsequent Projection years. Excess cash flow generated is assumed to increase cash except as noted above.

All other items, if any, were assumed to be constant during the Projection Period.

NOTE 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company maintains its accounting and financial records according to the accrual basis of accounting.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful life of the assets. The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell. No impairment losses were recorded in the Projection.

Due to Related Parties

The Company has a related party payable of approximately \$620,000 to a member with no fixed repayment terms. It is assumed the balance will remain constant throughout the projection period. Interest on the above loan was estimated at 5% throughout the projection.

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES
DECEMBER 31, 2019 THROUGH 2023

NOTE 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due to Related Parties (Continued)

Additionally, the projection includes management fee expense to a related party estimated at 4% of revenues for 2019 and 5% of revenues thereafter.

The projection includes distributions to members to cover estimated income tax liabilities derived from projected net income.

Cash and Cash Equivalents

The Company considers all short-term debt securities purchased with an original maturity of three months or less to be cash or cash equivalents.

Accounts Receivable

Accounts receivable are recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. Credit is extended to customers and collateral is not required. The Company determines delinquent accounts based on individual facts and circumstances. The Company does not plan to charge interest on accounts that are deemed to be delinquent.

Income Taxes

The projection does not include a provision for income taxes because the Company does not incur federal or state income taxes. Instead, its earnings and losses are included in the members' personal income tax returns and are based on their personal tax strategies.

Estimates

The preparation of projected financial statements in conformity with accounting principles generally accepted in the United States of America 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 projected financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Promotional Advertising

Promotional advertising costs are expensed as incurred.

Deferred Financing Costs

Deferred financing costs are amortized over the period the obligation is outstanding using the effective interest method, and is reflected as a component of interest expense.

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES
DECEMBER 31, 2019 THROUGH 2023

NOTE 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The guidance requires the Company to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. ASU 2014-09 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. The Projection assumes the Company adopted ASU 2014-09 during the Projection period.

ASU 2014-09 requires the Company to exercise more judgment and recognize revenue using a five-step process. The Projection assumes the Corporation adopted ASU 2014-09 using the modified retrospective method for all contracts prior to the Projection Period and is using a portfolio approach to group contracts with similar characteristics and analyze historical cash collections trends. Modified retrospective adoption requires entities to apply the standard retrospectively to the most current period presented in the financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of equity at the date of initial application. The Projection does not reflect any cumulative-effect adjustment in members' equity as there is no prior period shown in the projection.

Patient Services Revenue

Agreements with third-party payers typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payers follows:

Medicare

Currently, the Facility participates in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). Through September 30, 2019, The Facility was paid under the Medicare Prospective Payment System (PPS) through an insurance intermediary for residents who are Medicare Part A eligible and meet the coverage guidelines for skilled nursing facility services. The PPS is a per diem price-based system. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

The federal rates utilize facility case-mix resident assessment data, completed by the Facility, to assign patients into a Resource Utilization Group (RUGs). The Facility must complete the resident assessments according to a specific time schedule designed for Medicare payment. Organizations that do not comply with this requirement will be paid at a default payment (the lowest of the federal rates) for the days of a patient's care for which the organization is not in compliance.

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES
DECEMBER 31, 2019 THROUGH 2023

NOTE 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Patient Services Revenue (Continued)

Medicare (Continued)

The PPS program mandates the implementation of fee schedules for Facility therapy services to residents not in a covered Part A stay and to nonresidents who receive outpatient rehabilitation services from the Facility. The Centers for Medicare and Medicaid Services imposed a limit for both physical therapy (including speech therapy) and occupational therapy services. However, an exception may be granted to the limit if the patient meets certain criteria.

Effective October 1, 2019, the Medicare reimbursement system for skilled nursing facilities underwent a significant change in methodology. Management's projected Medicare revenue was based on the existing reimbursement methodology. The impact of the new reimbursement methodology on projected revenue can't be determined at this time.

Medicaid – Standard Payments to Nursing Facilities

The Company receives reimbursement from the Commonwealth of Massachusetts under a standard rate of reimbursement payment system for the care and services rendered to publicly aided patients pursuant to regulations promulgated by the Center for Health Information and Analysis. Under the regulations, current year rates are a combination of actual base year costs blended with industry standards adjusted for inflation. The base year costs are subject to audit and may result in a retroactive rate adjustment for the current year.

Private/HMO/Other

Payment agreements with private residents and certain commercial insurance carriers provide for payment using prospectively determined daily rates. Revenue from these payer classes are recorded at the estimated net realizable amounts.

Settlements with third-party payers 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 payer, correspondence from the payer and the Company'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.

ADVOCATE HEALTHCARE OF EAST BOSTON, LLC
SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES
DECEMBER 31, 2019 THROUGH 2023

NOTE 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Patient Services Revenue (Continued)

Generally residents who are covered by third-party payers are responsible for related deductibles and coinsurance, which vary in amount. The Company estimates the transaction price for residents with deductibles and coinsurance 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 charges to the estimate of the transaction price are generally recorded as adjustments to resident services revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

The Company has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payers, service line, method of reimbursement, and timing of when revenue is recognized.

Revenue from resident's deductibles and coinsurance are classified based on the primary payer.

Financing Component

The Projection assumes the Company elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from residents and third-party payers for the effects of a significant financing component due to the Company's expectation that the period between the time the service is provided to a resident and the time that the Resident or a third-party payer pays for that service will be one year or less. However, the Projection assumes the Company does, in certain instances, enter into payment agreements with residents that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Contract Costs

The projection assumes the Company has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Company otherwise would have recognized is one year or less in duration.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | CliftonLarsonAllen LLP



ATTACHMENT 4

AFFILIATED PARTIES FORM



Massachusetts Department of Public Health Determination of Need Affiliated Parties

Version: DRAFT
3-15-17

DRAFT

Application Date: 12/04/2019

Application Number: 19120215-CL

Applicant Information

Applicant Name: Advocate Healthcare of East Boston, LLC

Contact Person: Nina G. Edwards

Title: Attorney

Phone: 6175986700

Ext: 239

E-mail: nedwards@barrettsingal.com

Affiliated Parties

1.9 Affiliated Parties:

List all officers, members of the board of directors, trustees, stockholders, partners, and other Persons who have an equity or otherwise controlling interest in the application.

Add/ Del Rows	Name (Last)	Name (First)	Mailing Address	City	State	Affiliation	Position with affiliated entity (or with Applicant)	Stock, shares, or partnership	Percent Equity (numbers only)	Convictions or violations	List other health care facilities affiliated with	Business relationship with Applicant
<input type="checkbox"/> <input type="checkbox"/>	Walsh	Michael	81 Middle Road	Newbury	MA		Board of Managers		0%	No	None	No
<input type="checkbox"/> <input type="checkbox"/>	Mantzoukas	William	328 Nahant Road	Nahant	MA		Board of Managers		0%	No	None	No
<input type="checkbox"/> <input type="checkbox"/>	McDonnell	Laura	28 Mooney Road	Salem	MA	Owner	Board of Managers	Partnership	12%	No	None	Yes
<input type="checkbox"/> <input type="checkbox"/>	Dos Santos	Laura	90 Longview Road	New Bedford	MA	Owner	Board of Managers	Partnership	10%	No	None	Yes
<input type="checkbox"/> <input type="checkbox"/>	Gomes	Thomas	279 Shore Drive	Salem	NH		Board of Managers			No	None	No
<input type="checkbox"/> <input type="checkbox"/>	2008 Mantzoukas Family Trust		30 Monument Square suite 214	Concord	MA	Owner		Partnership	12%	No	None	No
<input type="checkbox"/> <input type="checkbox"/>	Walsh Irrevocable Gift Trust of 2013		6 Pine Hill Road	Bedford	MA	Owner		Partnership	53%	No	None	No
<input type="checkbox"/> <input type="checkbox"/>	Gomes 2015 Trust		279 Shore Drive	Salem	NH	Owner		Partnership	12%	No	None	No

Document Ready for Filing

When document is complete click on "document is ready to file". This will lock in the responses and date and time stamp the form. To make changes to the document un-check the "document is ready to file" box. Edit document then lock file and submit. Keep a copy for your records. Click on the "Save" button at the bottom of the page.

To submit the application electronically, click on the "E-mail submission to Determination of Need" button.

This document is ready to file:



E-mail submission to
Determination of Need

Date/Time Stamp: 12/04/2019 11:50 am

ATTACHMENT 5

CHANGE IN SERVICE FORM



Massachusetts Department of Public Health

Determination of Need

Change in Service

Version: DRAFT
6-14-17

DRAFT

Application Number: 19120215-CL

Original Application Date: 12/04/2019

Applicant Information

Applicant Name: Advocate Healthcare of East Boston, LLC

Contact Person: Nina G. Edwards Title: Attorney

Phone: 6175986700 Ext: 239 E-mail: nedwards@barrettsingal.com

Facility: Complete the tables below for each facility listed in the Application Form

1 Facility Name: Advocate Healthcare of East Boston CMS Number: 225413 Facility type: Long Term Care Facility

Change in Service

2.2 Complete the chart below with existing and planned service changes. Add additional services with in each grouping if applicable.

Add/Del Rows		Licensed Beds	Operating Beds	Change in Number of Beds (+/-)		Number of Beds After Project Completion (calculated)		Patient Days (Current/ Actual)	Patient Days Projected	Occupancy rate for Operating Beds		Average Length of Stay (Days)	Number of Discharges	Number of Discharges
		Existing	Existing	Licensed	Operating	Licensed	Operating			Current Beds	Projected	(Days)	Actual	Projected
	Acute													
	Medical/Surgical									0%	0%			
	Obstetrics (Maternity)									0%	0%			
	Pediatrics									0%	0%			
	Neonatal Intensive Care									0%	0%			
	ICU/CCU/SICU									0%	0%			
<input type="checkbox"/> + <input type="checkbox"/> -										0%	0%			
	Total Acute									0%	0%			
	Acute Rehabilitation									0%	0%			
<input type="checkbox"/> + <input type="checkbox"/> -										0%	0%			
	Total Rehabilitation									0%	0%			
	Acute Psychiatric													

Add/Del Rows		Licensed Beds	Operating Beds	Change in Number of Beds (+/-)		Number of Beds After Project Completion (calculated)		Patient Days (Current/Actual)	Patient Days Projected	Occupancy rate for Operating Beds		Average Length of Stay (Days)	Number of Discharges	Number of Discharges
		Existing	Existing	Licensed	Operating	Licensed	Operating			Current Beds	Projected		Actual	Projected
	Adult									0%	0%			
	Adolescent									0%	0%			
	Pediatric									0%	0%			
	Geriatric									0%	0%			
<input type="checkbox"/> + <input type="checkbox"/> -										0%	0%			
	Total Acute Psychiatric									0%	0%			
	Chronic Disease									0%	0%			
<input type="checkbox"/> + <input type="checkbox"/> -										0%	0%			
	Total Chronic Disease									0%	0%			
	Substance Abuse													
	detoxification									0%	0%			
	short-term intensive									0%	0%			
<input type="checkbox"/> + <input type="checkbox"/> -										0%	0%			
	Total Substance Abuse									0%	0%			
	Skilled Nursing Facility													
	Level II	107				107		38,119	36,268	0%	0%	243	157	231
	Level III	83		-25		58		9,072	11,646	0%	0%	185	63	185
	Level IV									0%	0%			
<input type="checkbox"/> + <input type="checkbox"/> -										0%	0%			
	Total Skilled Nursing	190		-25		165		47,191	47,914	0%	0%	428	220	416

2.3 Complete the chart below If there are changes other than those listed in table above.

Add/Del Rows	List other services if Changing e.g. OR, MRI, etc	Existing Number of Units	Change in Number +/-	Proposed Number of Units	Existing Volume	Proposed Volume
<input type="checkbox"/> + <input type="checkbox"/> -						

Document Ready for Filing

When document is complete click on "document is ready to file". This will lock in the responses and date and time stamp the form. To make changes to the document un-check the "document is ready to file" box. Edit document then lock file and submit. Keep a copy for your records. Click on the "Save" button at the bottom of the page.

To submit the application electronically, click on the "E-mail submission to Determination of Need" button.

This document is ready to file:



Date/time Stamp: 12/04/2019 11:46 am

E-mail submission to
Determination of Need

ATTACHMENT 6

AFFIDAVIT OF TRUTHFULNESS AND COMPLIANCE



Massachusetts Department of Public Health
Determination of Need
Affidavit of Truthfulness and Compliance
with Law and Disclosure Form 100.405(B)

Version: 7-6-17

Instructions: Complete Information below. When complete check the box "This document is ready to print:". This will date stamp and lock the form. Print Form. Each person must sign and date the form. When all signatures have been collected, scan the document and e-mail to: **dph.don@state.ma.us** Include all attachments as requested.

Application Number: NOT AVAILABLE - # 19120215-CL

Original Application Date: 12/04/2019

Applicant Name: Advocate Healthcare of East Boston, LLC

Application Type: Conservation Long Term Care Project

Applicant's Business Type: ☐ Corporation ☐ Limited Partnership ☐ Partnership ☐ Trust ☒ LLC ☐ Other

Is the Applicant the sole member or sole shareholder of the Health Facility(ies) that are the subject of this Application? ☐ Yes ☐ No

LLC

All parties must sign. Add additional names as needed.

Michael Walsh

Name:

Signature:

Date

This document is ready to print: ☒

Date/time Stamp: 12/02/2019 10:00 am

ATTACHMENT 7

**NEWSPAPER AFFIDAVIT RELATIVE TO NOTICE OF
INTENT**

RETURN OF PUBLICATION AFFIDAVIT

I, the undersigned, hereby certify under the pains and penalties of perjury, that I am employed by the publishers of **The Boston Herald** and the following Public/Legal announcement was published in two sections of the newspaper on **Wednesday, November 20, 2019** accordingly:

- 1) "PUBLIC ANNOUNCEMENT CONCERNING A HEALTH CARE PROEJCT"
for Advocate Healthcare of East Boston, 111 Orient Avenue, East Boston, MA on page 28, Legal Notice Section.
- 2) "PUBLIC ANNOUNCEMENT CONCERNING A HEALTH CARE PROEJCT"
for Advocate Healthcare of East Boston, 111 Orient Avenue, East Boston, MA on page 11, Local News Section.



Signature

Amanda Stamas

Name

Advertising Consultant

Title

Commissioner Ryan Woods. "The people of Nova Scotia, in sending this tree down to us every year, remind us of that message and the importance of that."

The city of Boston's 78th annual tree lighting on Boston Common is scheduled from 6 to 8 p.m. Dec. 5.

FOODS PLUS
 617-361-8588
Marlboro '20'
JUUL
 Available these prices



PUBLIC ANNOUNCEMENT CONCERNING A PROPOSED HEALTH CARE PROJECT

Advocate Healthcare of East Boston, LLC is a 190 bed long term care facility located at 111 Orient Avenue, East Boston, MA 02128. It intends to file an application with the Massachusetts Department of Public Health on December 4, 2019 ("Filing Date") to perform substantial renovations and repairs to portions of its ground and first floors, along with material repairs or replacement of key building systems and related fixed equipment with no expansion in the gross square feet of the Facility ("Project"). Such renovations will result in a decrease of 25 beds in order to further compliance with current health care facility standards. The applicant does not anticipate any price impacts on its Patient Panel as a result of the Project, nor does it expect any service impacts from the Project, including the bed reduction due to its current occupancy levels. The Applicant is requesting approval of a Maximum Capital Expenditure in the amount of \$10,087,722.00 (November 2019 Dollars). Any ten Taxpayers of Massachusetts may register in connection with the intended Application by January 3, 2020 or within 30 days from the Filing Date, whichever is later, by contacting the Department of Public Health, Determination of Need Program, Attention Program Director, 250 Washington Street, 6th Floor, Boston, MA 02108. The application may be inspected at such address.

S,

want

could get a

gs, exams,

can receive

Here's the information you requested on Den

Your Na

icate of this type. Contact us for 969-4781 or respond for similar 30K; TN: P150TN)

MB17-NM008EC

WEDNESDAY, NOVEMBER 20, 2019

BOSTON HERALD

MORTGAGE FORECLOSURE**MORTGAGE FORECLOSURE****MORTGAGE FORECLOSURE**

HARVARD LANE
150 California St.
Newton, MA 02458
(617) 558-0500
16742

Nov 6 13 20

LEGAL NOTICES**LEGAL NOTICES****LEGAL NOTICES**

By its Attorneys
MCCUE, LEE & GREENE, LLP
99 Derby Street, Suite 200
Hingham, MA 02043
(617) 236-0212

Nov 6 13 20

BOSTON HERALD WEDNESDAY, NOVEMBER 20, 2019

Small Business Owners

Discover affordable advertising options to reach your target market.

Call 617-423-4545.



617-423-4545 to place your classified ad.

LEGAL NOTICES**LEGAL NOTICES****LEGAL NOTICES**

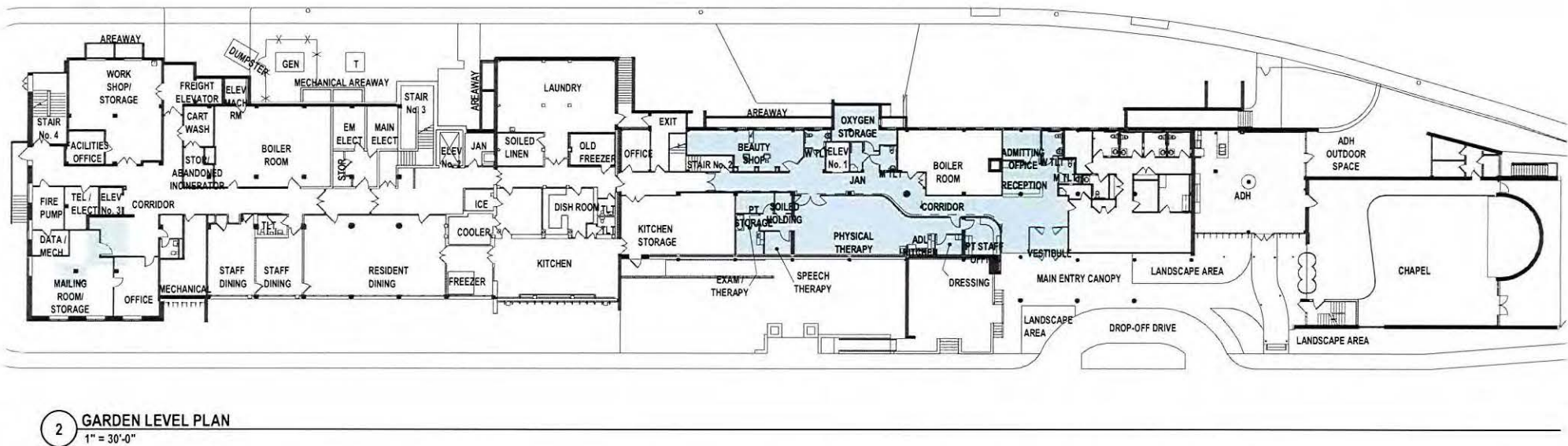
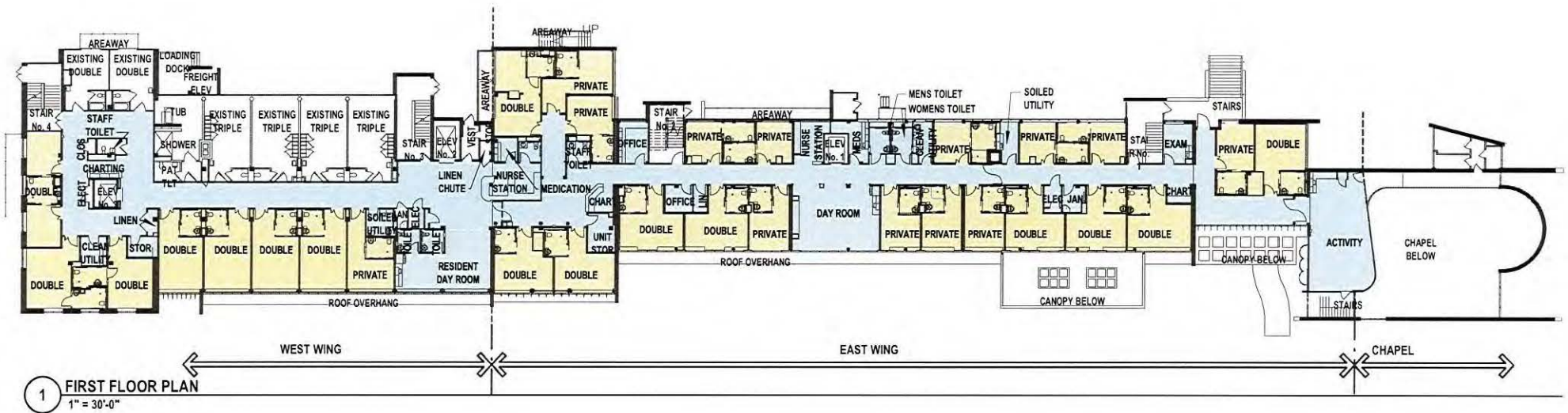
Public Announcement Concerning a Proposed Health Care Project

Advocate Healthcare of East Boston, LLC is a 190 bed long term care facility located at 111 Orient Avenue, East Boston, MA 02128. It intends to file an application with the Massachusetts Department of Public Health on December 4, 2019 ("Filing Date") to perform substantial renovations and repairs to portions of its ground and first floors, along with material repairs or replacement of key building systems and related fixed equipment with no expansion in the gross square feet of the Facility ("Project"). Such renovations will result in a decrease of 25 beds in order to further compliance with current health care facility standards. The applicant does not anticipate any price impacts on its Patient Panel as a result of the Project, nor does it expect any service impacts from the Project, including the bed reduction due to its current occupancy levels. The Applicant is requesting approval of a Maximum Capital Expenditure in the amount of \$10,087,722.00 (November 2019 Dollars). Any ten Taxpayers of Massachusetts may register in connection with the intended Application by January 3, 2020 or within 30 days from the Filing Date, whichever is later, by contacting the Department of Public Health, Determination of Need Program, Attention Program Director, 250 Washington Street, 6 th Floor, Boston, MA 02108. The application may be inspected at such address.

Nov 20

ATTACHMENT 8

SCHEMATIC DRAWINGS



COLORED FLOOR PLAN LEGEND

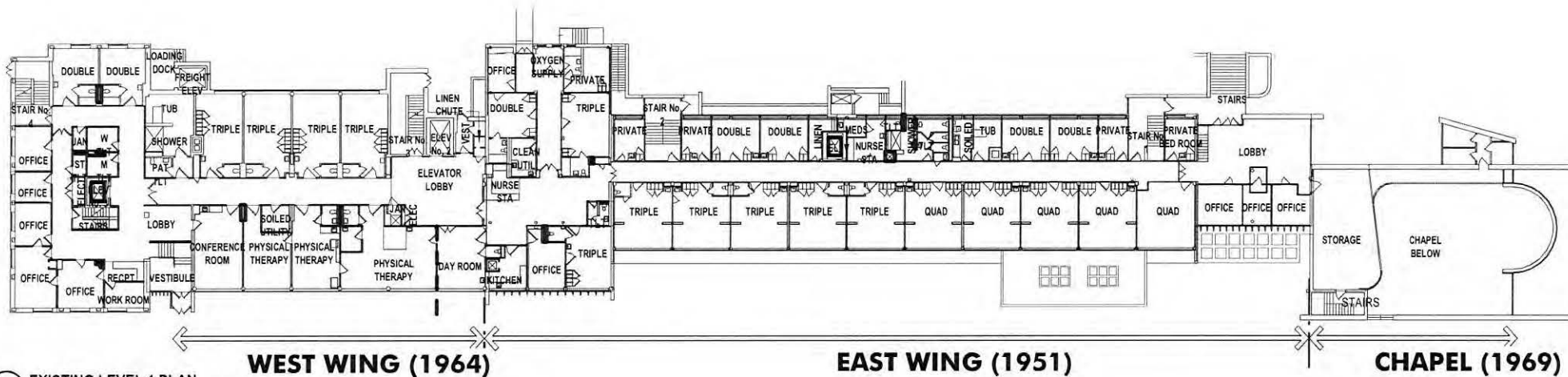
NEW SKILLED NURSING SUPPORT SPACES	NEW SKILLED NURSING ADMINISTRATION SPACES	NEW SKILLED NURSING PATIENT ROOMS	FINISH UPGRADES ONLY
------------------------------------	---	-----------------------------------	----------------------

PROPOSED GARDEN AND FIRST FLOOR PLAN SNF RENOVATIONS

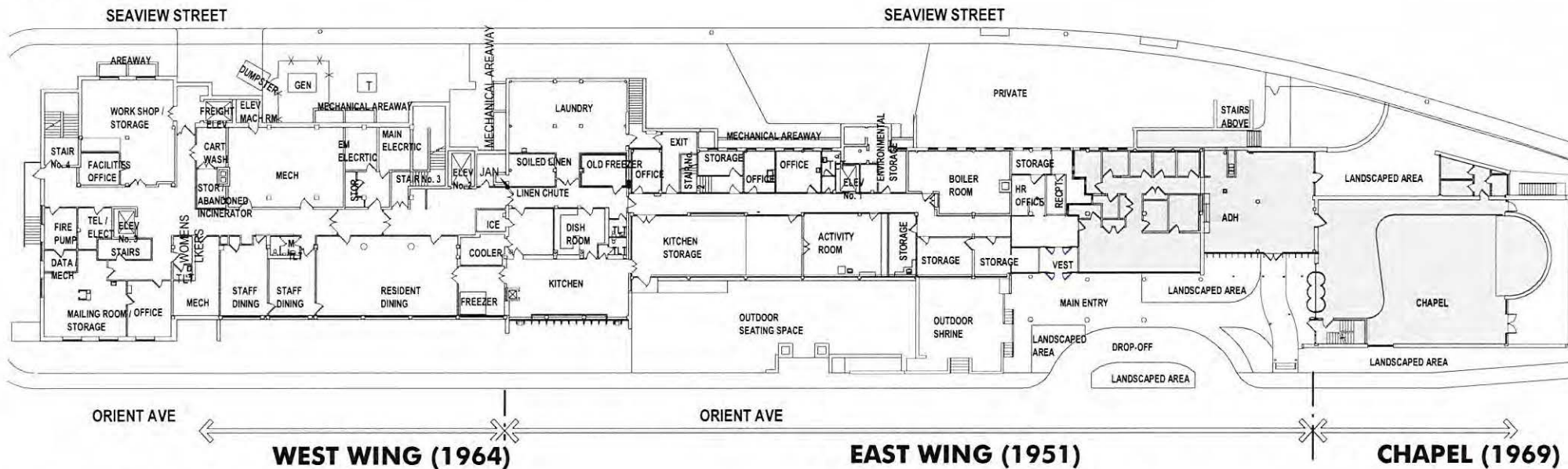
SCALE: 1" = 30'-0"



COPYRIGHT ©
2018



2 EXISTING LEVEL 1 PLAN
1" = 30'-0"



1 EXISTING GARDEN LEVEL PLAN
1" = 30'-0"

EXISTING GARDEN AND FIRST FLOOR PLANS SNF RENOVATIONS

SCALE: 1" = 30'-0"



ARCHITECTS
INTERIORS
PLANNERS

COPYRIGHT ©
2018

ATTACHMENT 9

ARTICLES OF ORGANIZATION

Certificate of Organization
of
ADVOCATE HEALTHCARE OF EAST BOSTON, LLC

FILED
AUG 09 2016

SECRETARY OF THE COMMONWEALTH
CORPORATIONS DIVISION

Pursuant to the provisions of the Massachusetts Limited Liability Company Act (the "Act"), the undersigned hereby certifies as follows:

1. Federal Employer Identification Number. The limited liability company is in the process of applying for a federal employer identification number.
2. Name of the Limited Liability Company. The name of the limited liability company formed hereby is Advocate Healthcare of East Boston, LLC (the "LLC").
3. Address of Office of the LLC. The address of the office of which the LLC is required to maintain in the Commonwealth of Massachusetts under Section 5 of the Act is 35 Avco Road, Haverhill, MA 01835.
4. Agent of the LLC for Service of Process. The name of the resident agent of the LLC for service of process is Michael Walsh. The address of the LLC's resident agent is 35 Avco Road, Haverhill, MA 01835.

Michael Walsh, resident agent of the LLC, hereby consents to his appointment as resident agent.
5. Date of Dissolution. The LLC has no specific date of dissolution.
6. Execution of Documents. Michael Walsh is individually authorized to execute any documents to be filed with the Secretary of State of the Commonwealth of Massachusetts.
7. Business of the LLC. The purpose of the LLC is to acquire, own, develop, mortgage, encumber, hypothecate, lease, sell, maintain, improve, alter, remodel, expand, manage, provide consulting services, and otherwise operate, provide services to, and deal with, or dispose of, nursing homes and other housing, elder care, or health care businesses, health care facilities, real estate, and related assets, including, without limitation, obtaining financing or refinancing for the above purposes, selling, exchanging, transferring, or otherwise disposing of all or any part of the real estate, and investing and reinvesting any funds held in reserve pursuant to the terms of this Agreement. The LLC shall also be authorized to engage in any other activity in which a limited liability company organized under the laws of the Commonwealth of Massachusetts may lawfully engage.

8. Execution of Documents Relating to Real Property. Michael Walsh is individually authorized to execute, acknowledge, deliver and record any recordable instrument on behalf of the LLC purporting to affect an interest in real property, whether to be recorded with a registry of deeds or a district office of the Land Court.

9. Effective Date. The effective date of this certificate shall be on the filing date.

Under the penalties of perjury, the undersigned hereby affirms that the facts stated in this certificate are true this 5th day of August, 2016.


Michael Walsh, Duly Authorized

CHECK/VOUCHER # 35666

The Commonwealth of Massachusetts
Limited Liability Company
(General Laws, Chapter 156C)

Filed this 9 day of August, 2016

SECRETARY OF THE
COMMONWEALTH
2016 AUG -9 AM 11:22
CORPORATIONS DIVISION

William Francis Galvin

1272351

William Francis Galvin
Secretary of the Commonwealth

Name Donoghue, Barret & Sigal, P.C.

Phone 617-720-5090

ATTACHMENT 10

FILING FEE

ADVOCATE HEALTHCARE OF EAST BOSTON LLC
111 ORIENT AVENUE
EAST BOSTON, MA 02128-1006

1172

COMMONWEALTH OF MASSACHUSETTS

Advocate Healthcare Of East Boston

Invoice Number	Description	PO No	Date	Amount	Discount	Net Amount
11272019	DON Application		11/27/19	\$20,175.44		\$20,175.44

Check Date:	11/27/19	Check Number:	1172	Amount:	\$20,175.44
-------------	----------	---------------	------	---------	-------------

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES MICROPRINTED ENDORSEMENT LINES AND ARTIFICIAL WATERMARK. HOLD AT AN ANGLE TO VIEW.

ADVOCATE HEALTHCARE OF EAST BOSTON LLC
111 ORIENT AVENUE
EAST BOSTON, MA 02128-1006

EAST BOSTON SAVINGS BANK
EAST BOSTON, MA 02128

1172

53-7012/2110 3

1172

Twenty-Thousand-One-Hundred-Seventy-Five and 44/100 dollars

COMMONWEALTH OF MASSACHUSETTS

DATE

AMOUNT

11/27/19

\$20,175.44

VOID AFTER 60 DAYS

PAY
TO THE
ORDER
OF

[Signature]
AUTHORIZED SIGNATURE



⑈001172⑈ ⑆211070120⑆ 77 7254281⑈