

## Sensitivity Analysis I – Payor Mix

Payor mix utilization can vary depending upon hospital admissions, the competitive and regulatory environments, and Management's ability to execute its marketing and admission plans. Management's projection assumes a stabilized occupancy of 62.7 beds (89.6 percent), including a stabilized Medicaid occupancy of 24.7 beds. The following sensitivities will demonstrate the effect of increasing stabilized occupancy to 65.1 beds (93.0 percent) and making payor mix adjustments to stabilized Medicaid, Private Pay, and Medicare occupancies.

### *Sensitivity Analysis I – Incremental Medicaid Occupancy Only*

The data presented in the table below demonstrates the impact of increasing stabilized occupancy to 65.1 beds (93.0 percent) and increasing the Medicaid stabilized occupancy to 28.0 beds.

<b>Sensitivity Analysis – I</b> <b>Estimated Financial Information</b> <b>For the Year Ending December 31, 2027</b>		
	As Projected	Sensitivity I <sup>(1)</sup>
<i>Occupied Beds:</i>		
Private Pay	24.7	23.8
Medicaid	24.7	28.0
Medicare	10.4	10.4
Managed Care	2.9	2.9
Total Occupied Beds	62.7	65.1
Occupancy Percentage	89.6%	93.0%
Annual Debt Service Coverage Ratio	1.44x	1.39x
Days Cash on Hand	152	139

Source: Management

- (1) For purposes of the sensitivity analysis, occupancy was reduced without a corresponding adjustment to certain fixed or staffing expenses.

The following table summarizes the year-to-date utilization for Windemere and the Hospital and the assumed projected utilization for the Project.

Utilization of the Green House Beds – Sensitivity I							
Month/Year	Average Occupied Beds				Total <sup>(4)</sup>	Average Beds Available	Bed Occupancy Percentage <sup>(1)</sup>
	Private Pay	Medicaid	Medicare	Managed Medicare			
Historical <sup>(5)</sup> :							
2019	8.5	37.7	0.3	-	46.4	61.0	76.1%
2020	7.5	43.3	1.4	-	52.2	61.0	85.7%
2021	5.4	34.4	0.5	-	40.4	61.0	66.2%
2022 <sup>(1) (2) (3)</sup>	3.9	33.1	0.4	-	37.3	39.0	96.7%
Projected:							
2024	1.5	4.4	0.6	0.2	6.7	70.0	9.6%
2025	19.6	28.0	9.9	2.7	60.2	70.0	86.0%
2026 - 2029	23.8	28.0	10.4	2.9	65.1	70.0	93.0%

Source: Management

- (1) Year to date occupancy through July 1, 2022.
- (2) Due to COVID constraints Windemere limited the number of occupied residents, decreasing the number of available beds from 61.0 to 39.0
- (3) Prior to COVID Windemere average annual occupancy was 96.7%, or 59.0 occupied beds of the licensed 61.0 available beds.
- (4) As of September 1, 2022 there is currently a fifteen-person waitlist for Windemere Hospital.
- (5) Historical utilization is based on Windemere Hospital.

The following table summarizes the assumed occupancy and payor mix for the Project beginning in November 2024.

<b>Monthly Fill In– Project – Sensitivity I</b>							
<b>Month/Year</b>	<b><u>Average Occupied Beds</u></b>				<b>Cumulative Move Ins</b>	<b>Average Beds Available</b>	<b>Bed Occupancy Percentage</b>
	<b>Private Pay</b>	<b>Medicaid</b>	<b>Medicare</b>	<b>Managed Medicare</b>			
2024:							
November 2024	8.0	25.0	2.4	1.0	36.4	70.0	52.0%
December 2024	2.0	3.0	2.0	-	43.4	70.0	62.0%
2025:							
January 2025	2.0	-	2.0	1.0	48.4	70.0	69.1%
February 2025	2.0	-	2.0	-	52.4	70.0	74.9%
March 2025	2.0	-	2.0	0.9	57.3	70.0	81.8%
April 2025	1.7	-	-	-	59.0	70.0	84.2%
May 2025	1.0	-	-	-	60.0	70.0	85.6%
June 2025	1.0	-	-	-	61.0	70.0	87.1%
July 2025	1.0	-	-	-	62.0	70.0	88.5%
August 2025	1.0	-	-	-	63.0	70.0	89.9%
September 2025	1.0	-	-	-	64.0	70.0	91.4%
October 2025	1.0	-	-	-	65.0	70.0	92.8%
November 2025	0.1	-	-	-	65.1	70.0	93.0%
<b>Average beds occupied</b>	<b>23.8</b>	<b>28.0</b>	<b>10.4</b>	<b>2.9</b>	<b>65.1</b>		<b>93.0%</b>