



 Northfield
Hospital + Clinics



Space Challenges

The lack of available space on the Northfield Campus is limiting our opportunity for growth.

Numerous potential projects but limited project dollars.



Prioritizing Projects

- Patient impact
- Strategic plan
- Current/Future needs
- Financial analysis
- Conflict with other initiatives



Top Priorities

The top projects include:

1. Clinic expansion
2. Birth Center expansion

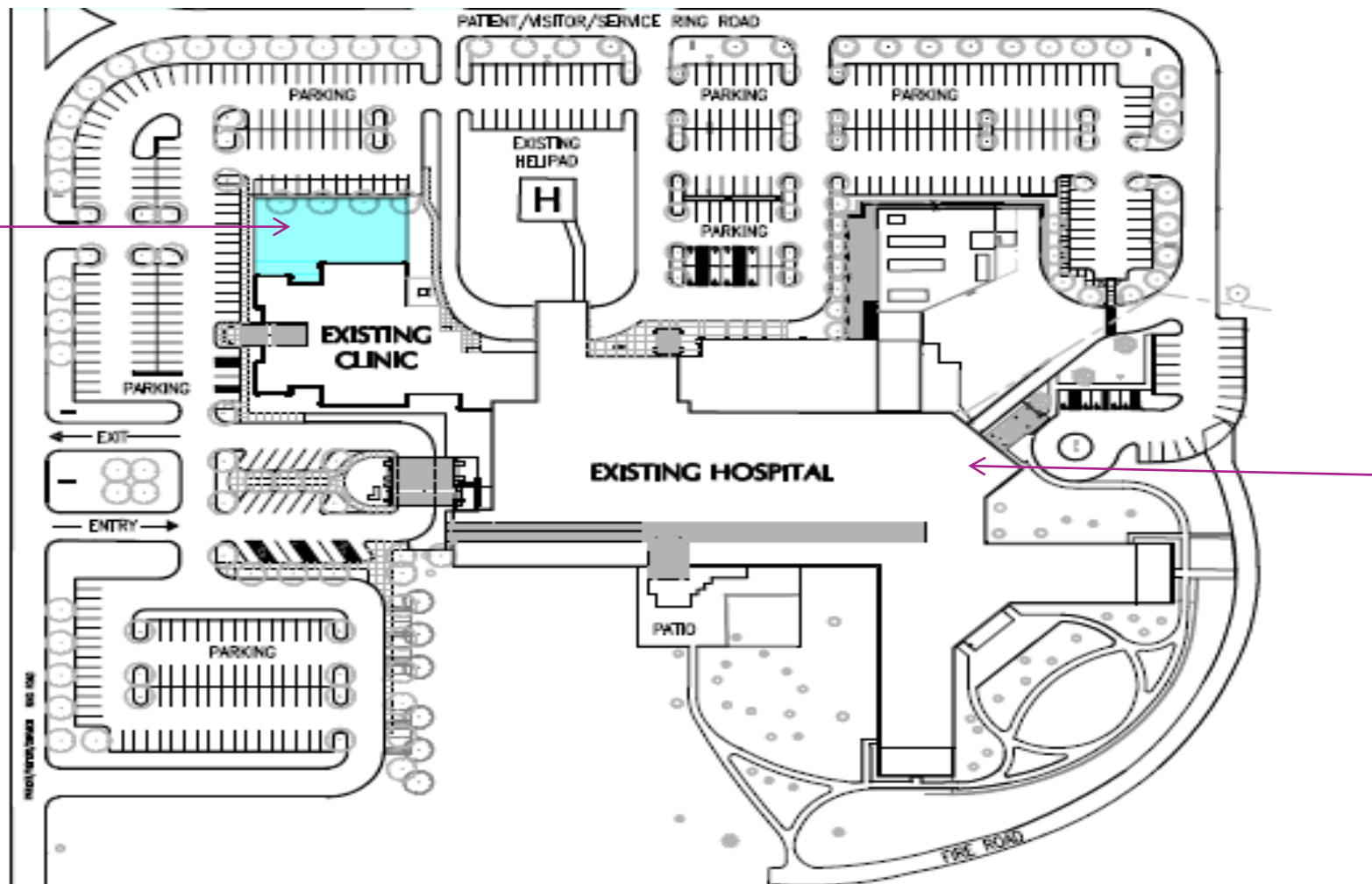


Why the Clinic and Birth Center Projects?

- Clinic access is a strategic goal of the Board
- Clinics are the main referral source to other services
- There is no room for new providers
- Programs have outgrown their current space
- Space is required for new or growing services
- Other options have been exhausted
- Position the Clinic and Birth Center for long-term success



Clinic Expansion



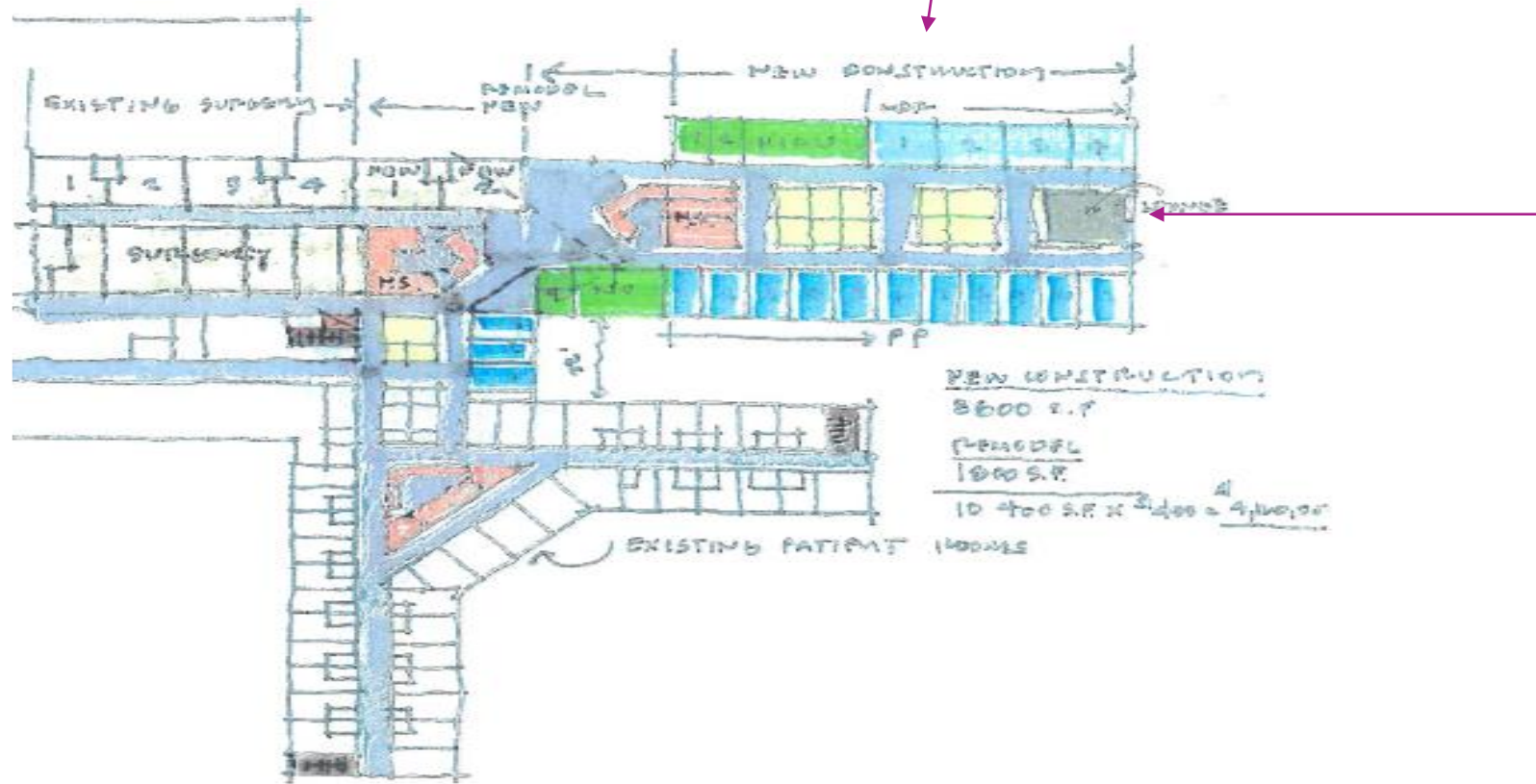


Project Goals – Clinic

- Improve clinic access
- Increase referrals to other services
- Provide optimal number of exam rooms
- Space for providers joining the practice
- Design that supports a team care model



Birth Center Expansion





Project Goals – Birth Center

- Improve the patient experience
- Increase capacity to over 750 births
- Reduce dependence on medical/surgical unit
- Lower the impact on the operating room
- Position Birth Center for long-term success
- Provide shelled space for future services



Project Budget

Project dollars available: \$13M

- \$9-10M: Construction
- \$3-4M: Fees, Furniture, Fixtures, Equipment



Financial Impact

Expense

- About 45 days of cash
- Could drop us below 200 days of cash
- Depreciation expense about \$600K annually



Financial Impact

Revenue

- Increased clinic visit revenue
- Increased surgical and testing revenue
- Increased revenue from births

Overall Impact

- Maintain our margin
- Quickly return to 200+ days cash
- Does not impact other strategic initiatives (EHR, ASC,...)



Overall Impact of Strategic Projects

Northfield Hospital & Clinics									
5 year Capital Strategic Planning									
	2018	2019	2020	2021	2022	2023	2024	2025	2026
Days CASH - after major CAPEX	237	196	182	189	200	213	229	247	270
Debt Coverage (EBIDA/Current Debt Service)	3.5	3.9	3.9	4.2	4.5	4.9	4.4	7.6	8.2
Annual Operating Capital EX	4,000,000	4,000,000	4,000,000	4,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Capital Expenditures - Strategic:									
	0								
MEDITECH 6.16 license Or EPIC Downpayment		6,000,000							
EPIC license @ 50%									
EPIC install, implementation & training									
ERP - G/L, Acct, HR & Supply chain software									
Nfld Clinic Remodel		2,000,000							
Nfld Clinic Expansion		4,000,000							
ED expansion Remodel	250,000								
Express Care Equipment	85,000								
Remodel LTCC for OB, no Clinic (#1)	0								
Summit - clinic space remodel	250,000								
Freestanding Birthing Center				2,500,000					
Lower Level - Supply Chain Buildout	400,000								
OB Triage Room									
OB Remodel & Addition			7,000,000						
ASC - Land & Building?		3,000,000							
TOTAL Strategic Capital Additions	985,000	15,000,000	7,000,000	2,500,000	0	0	0	0	0
TOTAL CAPITAL Expenditures - Oper & Strategic	4,985,000	19,000,000	11,000,000	6,500,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000



Schedule

Now:

- Presenting project information to the Board and Council
- Finalize Request For Proposal

Near:

- If approved by the Board in November, seek a resolution by the Council in December.
- Select contractor/architect (Dec – Jan)
- Design and bid phase (Jan – April)
- Construction phase starting spring 2019

Far:

- NH+C is a viable provider for clinic and OB services



Potential Upcoming Request

Resolution to support a Birth Center and Clinic expansion project.



Questions
