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South Nassau is a 435 bed acute care teaching hospital founded in 1928 to meet the Healthcare needs of the South Shore of Nassau County in Long Island, New York.

The Hospital is approximately 22 miles from the New York City Borough of Manhattan.

The Hospital has over 550 Active Medical Staff (100 employed).

The Hospital also has 7 Ambulatory Specialty Offsites with 7 Community Based Practices.

South Nassau is a part of the Winthrop South Nassau Health System a two member Health System consisting of South Nassau and Winthrop University Hospital.
The Winthrop South Nassau Health System participates in the Long Island Health Network ("LIHN") which is a regional network of 10 hospitals in both Nassau and Suffolk County.

LIHN was formed to improve and strengthen the delivery of healthcare services to the residents of Long Island through clinical integration across multiple healthcare systems. Goals include increased efficiency, improved quality, better patient satisfaction, decreased variation in care, and a reduction in resource utilization, costs and length of stay.
Nassau County Hospitals (North to South)
St. Francis Hospital (SFH)
Winthrop University Hospital (WUH)
St. Joseph’s Hospital (SJH)
Mercy Medical Center (MMC)
South Nassau Communities Hospital (SNCH)

Suffolk County Hospitals (North to South)
St. Charles Hospital (SCH)
John T. Mather Hospital (JTM)
St. Catherine of Siena (SCS)
Brookhaven Hospital (BH)
Good Samaritan Hospital (GS)
Services Offered by the Hospital

Ambulatory Surgery
Angioplasty
Bariatric Surgery Program
Behavioral Health Program - Counseling Center
Behavioral Medicine Program
Breast/GYN Services
Cancer Center
Cardiac Catheterization Lab
Cardiac Care Unit
Cardiac Rehabilitation
Center for Advanced Orthopedics
Center for Comprehensive Radiation Services
Center for Prostate Health
Center for Sleep Medicine
Community Education
Complete Women’s Imaging, Oceanside
Cultural Initiatives Department
da Vinci Robotic Surgery
Dialysis Services (Inpatient and Outpatient)
Electrophysiology Services
Emergency Services
Level II Trauma Center
Behavioral Health Emergency Area
Pediatric Emergency Area
Endoscopy Unit
Family Medicine, Oceanside
Gamma Knife
Gynecologic Oncology
Head and Neck Surgery
Home Health Care Services
Intensive Behavioral Health Outpatient Program
Inpatient Psychiatric Services
Interventional Radiology
Interventional Cardiology
Lactation Resource Center
Long Island Joint Replacement Institute
Mental Health Counseling Center:
Novalis Tx Stereotactic Body Radiosurgery
Nuclear Medicine
Occupational Therapy (outpatient)
Oceanside Counseling Center (substance abuse)
Optifast Weight Management
Outpatient Surgery
Pain Management
Palliative Care Program
Parent/Child Education
Partial Hospitalization Program for Behavioral Health
Pastoral Care
Pediatric Unit
Physical Rehabilitation and Sports Medicine
Prenatal Care Assistance Program
Primary Medical Care
Radiation Oncology
Radiology
SIBSPlace
Social Services
Speech Therapy (outpatient)
Sports Medicine and Rehab Therapy
Stroke Center
Vascular Laboratory
Wound Care Center
Awards
## Key Statistics

<table>
<thead>
<tr>
<th>Inpatient</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharges</td>
<td>21,735</td>
</tr>
<tr>
<td>Days</td>
<td>117,867</td>
</tr>
<tr>
<td>LOS</td>
<td>5.42</td>
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</tbody>
</table>

### Case Mix

| Medicare and Medicare HMO | 1.44 |

### Selected Outpatient Statistics

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Emergency Room Visits</td>
<td>63,902</td>
</tr>
<tr>
<td>Ambulatory Surgery</td>
<td>14,163</td>
</tr>
<tr>
<td>Clinic Visits</td>
<td>44,239</td>
</tr>
<tr>
<td>Home Care Visits</td>
<td>63,725</td>
</tr>
<tr>
<td>Other Outpatient Visits</td>
<td>228,496</td>
</tr>
</tbody>
</table>
Current Initiatives

**Long Beach Medical Center Closure** - Long Beach Hospital (a 162 bed Hospital 5 miles South of the Hospital) closed as a result of Superstorm Sandy. Due to the proximity to South Nassau, the NYS Department of Health is working with South Nassau to fill the void left by Long Beach Hospital.

**Supply Chain Initiative** – In 2012 a consulting firm was engaged by the Hospital to perform an analysis of the Hospital’s supply chain spend. The resulting analysis showed potential savings ranging from $5.0 million to $10.0 million. In 2013 the Hospital engaged the consulting firm and has realized significant savings from the project.

**Physician Initiative** – The Hospital continues its efforts to strategically align with physicians either through an employment model or a physician practice integration strategy where by the Hospital assumes and manages the operations of the physician practice keeping the current operating structure unchanged.

**Clinical Initiatives** – The Hospital continues to strategically align with surrounding facilities looking for ways to expand or augment current services, or provide new services with the support of these facilities physician facilities.
Practice Acquisitions

SOUTH NASSAU MEDICAL GROUP, PC
an affiliate of SOUTH NASSAU COMMUNITIES HOSPITAL

RADIOLOGICAL ASSOCIATES OF LONG ISLAND, PC
an affiliate of SOUTH NASSAU COMMUNITIES HOSPITAL
Aligned Physician Ambulatory Locations

Ambulatory Office Locations
Primary Care Location
Physicians that utilized the Hospitalists Program
SNCH Hospital Location
• During 2011, a Steering Committee met to build the foundation of a Physician Hospital Organization.

• As of December 2013 178 Physicians are enrolled in the PHO.

• South Nassau’s PHO Management currently expects to join a larger Long Island Health Network (“LIHN”) PHO which is currently in the process of being organized.

• Current plans for the LIHN PHO assumes a total membership of 1,500 to 2,000 physicians.
## Education Programs

**Residency Programs**
- Family Medicine
- Podiatry
- Surgery - Integrated
- Pediatric
- OB/GYN
- Physical Medicine and Rehabilitation

**Program Sponsor**
- South Nassau
- South Nassau / New York Hospital Queens
- NUMC/ St. John Episcopal
- Winthrop University
- NUMC/St. Johns Episcopal
- NUMC

**Students Programs**
- NYCOM - Family Medicine, OB, Pediatrics, Surgery, Pysch
- SUNY Downstate and SUNY Stony Brook - Family Medicine
- Ross University Training - OB, Pediatrics, Surgery, Family Medicine, PM&R
- South Nassau Communities Hospital School of Radiology
Affiliations

Long Island Health Network
North Shore Long Island Jewish Health System
SUNY Stony Brook University Hospital
Nassau University Medical Center
Mount Sinai Medical Center
Hofstra Medical School (1 of 5 Primary Sites) NSLIJ
Molloy Nursing School
Nassau Community College
New York College of Osteopathic Medicine (NYCOM)
NYU Langone Medical Center
Winthrop University Hospital
“D- Wing” - 145,000 square foot patient care building housing Maternity, Telemetry, Psychiatric and Medical Surgical Units. Completed in March 2006.
Purchased the Allscripts Enterprise Electronic Medical Records System

Went Live June 23, 2012 (CPOE)

Phase I - Meaningful Use Stage I - Met September 2012

Phase II – Meaningful Use Stage II - Expected to be met September 2014
The Hospital retired $24.6 million in short term capital leases in December of 2013.
Key Financial Statistics and Ratios

### Debt-to-Capitalization (%)
- 2011: 44.0%
- 2012: 49.5%
- 2013: 28.3%

### Cap. Ex. as % of Depreciation (%)
- 2011: 194%
- 2012: 160%
- 2013: 102%

### Operating Margin (%)
- 2011: 2.1%
- 2012: 1.0%
- 2013: 3.7%

### Operating EBITDA Margin (%)
- 2011: 9.0%
- 2012: 8.1%
- 2013: 10.8%
Investments                        $    126.1 million
Malpractice Investments           35.2 million*

The Hospital's portfolios are comprised of several independent managers with oversight by Cambridge Associates, LLC.

*Amount excludes certain cash
RATINGS:
Fitch – BBB+
Moody’s – A3

Series 2012
$95,545,000
Final maturity: 2037
Final coupon: 5.00%

Credit Exposure
- No insurer exposure
- No auction rate exposure
- No interest rate swap exposure
Summary

South Nassau believes it is well positioned for health reform.

South Nassau believes it is the leading provider on the South Shore of Long Island with a strengthening position.

South Nassau’s positive financial performance continues with stable liquidity.

South Nassau continues to grow and expand its scope of services.
Thank you

South Nassau Communities Hospital