MSK

ATTORNEYS

Via Electronic Mail and U.S. Mail

October 29, 2021

Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board
144 State Street
Montpelier, Vermont 05620

Re: Docket No. GMCB-008-21CON, The Collaborative Surgery Center – Development of an Outpatient Surgery Center in Colchester, Vermont

Dear Ms. Jerry,

Enclosed are the Collaborative Surgery Centers' responses to this Board's September 24, 2021 Second Set of Requests for Information. As requested, a three-hole punched copy will also be mailed to you directly.

Should the Board have any questions, please do not hesitate to contact me.

Sincerely,

A.J. LaRosa, Esq.
ajlarosa@mskvt.com

Cc: Susan Ridzon
Elizabeth Hunt

{00421812.1}

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re.	The Collaborative Surgery Center	)	Docket No. GMCB-008-21CON
	Application for Certificate of Need	)	
	For Ambulatory Surgery Center	)	

APPLICANT'S RESPONSES TO GREEN MOUNTAIN CARE BOARD'S SECOND SET OF REQUESTS FOR INFORMATION DATED SEPTEMBER 24, 2021

NOW COMES Applicant the Collaborative Surgery Center ("CSC") and hereby responds to this Board's September 24, 2021 Second Set of Requests for Information as follows. The CSC's responses are based information known to it or upon such information and belief as is reasonable given the information known to it or made available to it. To the extent the CSC learns that any information or data upon which these responses are based is inaccurate, incomplete, or outdated, of the CSC learns of additional data responsive or related to any response herein, the CSC reserves the right to amend, supplement or otherwise alter the following responses.

SECOND SET OF REQUESTS FOR INFORMATION

Electronic Medical Record

1. Provide more specific information on the cloud based EMR you are planning to use for the facility. Explain whether the costs of $13,500 up front cost and $55,000/year for the subscription rate are represented in each of the applicable financial tables submitted with the application for years 1, 2, and 3 of operation. If so, specify the line item where these costs are represented.

Surgical Information Systems (SIS) has an EMR platform that is specific to ASCs. This EMR is completely cloud based which alleviates the burden of having a server on site, decreases the ability for a hacker to carry out a cyber attack due to the high level of security and keeps the cost relatively low for a comprehensive EMR. SIS Complete is a single solution for all operations within an ASC setting. Through one system you can perform scheduling, nursing documentation, physician dictation, coding, billing, patient portal interaction, patient pre-screening questionnaires and outside physician offices scheduling into the system securely without access to the rest of the system due to heightened security settings. The importance of efficiency in ASCs is respected by this system as it is extremely user friendly and reduces redundancies within the system to allow all employees to complete their task efficiently and effectively.

The upfront cost of $13,500 is built into the Working Capital line within Table 1 - Project Costs. The on-going annual subscriptions costs for years 1, 2 and 3 of operation are part of the Administrative Expenses line item on Table 3 – Income Statement.

2. To be compliant with Vermont's Health Information Exchange, explain how the cloud based EMR you are planning to use will facilitate sharing data from patients seen at CSC with other facilities and providers that the patient also must see and vice versa. See Statutory Criteria 8 (any lease or purchase of Health Care Information Technology conforms with the Health Information Technology Plan). If documents will not need to be shared, please explain.

The cloud based EMR we plan to use is a comprehensive product specific to ASCs and covers all associated management and clinical documentation needs, including patient and physician engagement. As is permitted by prevailing laws, data will be shared with referring provider, primary care physician, patients, and to other entities upon request to facilitate optimal coordination of care for the patient.

Collaborative Surgery Center will coordinate with patient's primary care office either directly or through the scheduling surgeon's office to gather applicable clinical information for their outpatient procedure. Because these are planned outpatient surgeries, and there is no laboratory/pathology facility on site, the performing surgeon will have all records including operative report and pathology report and will share this information with other providers pertaining to a patients care.

The cloud based EMR has the capability to configure custom reports for all applicable reporting. Green Mountain Surgery Center is currently using this cloud based EMR and is actively reporting data to VAAHS/VDH. Collaborative Surgery Center has full intentions in participating in all mandated reporting at state, federal and regulatory levels electronically through the EMR. If VITL were to reach out for data from ambulatory surgery centers, we are prepared to interface with them.

3. Submit a full set of assumptions for each of the financial tables 1-9, including staffing and utilization, revenues and expenses, assets and liabilities.

Staffing, utilization/volume, and revenue assumptions have already been explained in the narrative portions of the initial application, and in our Reponses to Q001 – Questions #1, #14, #23 and #28.

Our Expense assumptions are as follows:

<u>Clinical Personnel Costs</u> – 28% of Revenue, based on ASC industry comparisons

<u>Clinical Expenses (Non Personnel)</u> – 30% of Revenue, based on ASC industry comparisons

Administrative Expenses - 10% of Revenue, based on ASC industry comparisons

Lease Expense – Starting at $64 per foot x 9,016 square feet, with annual 3% escalation

Equipment Expense – Equipment Maintenance expense of $5,000 per month based on ASC industry comparisons

Interest Expense – From the Medical Equipment Loan Payback Schedule, based on 10-yr loan at 10% interest

Depreciation Expense - $200,000 in furniture fixed assets, plus $4.1M in Medical Equipment depreciated using 10-year straight line depreciation method

4. Submit financing assumptions regarding the 10-year loan for the $4,100,652 especially the 10% interest rate and identify who the lender will be.

We have not yet identified the lender. However, we have received offers to discuss financing for the project from CCA Financial based in Richmond, VA and from DLL Group based in Wayne, PA, both with extensive experience in Healthcare and Medical Equipment financing. The interest rate on the loan is based on recent actual experience of medical equipment loans that were given for similar medical start-up projects. The interest rates on these loans ranged from 5.5% - 9.3%. Given that the timeline of when the CON application will be approved, and when CSC will need to purchase Medical Equipment, is entirely unpredictable at this point, we chose to make an assumption on the high-end of this range.

5. Identify and explain all capital lease accounting assumptions regarding the applicant's intention to enter into a capital lease arrangement including accurate recording of the asset and matching liability of this cost in all affected financial tables and the possible future purchase agreement. If the applicant is planning to purchase the property, the asset and liabilities associated with the purchase should be recorded and lease payments should be reflected in the Income Statement. Revise all affected financial tables and resubmit.

We apologize for the confusion. CSC does not intend to enter into a Capital lease, but instead an ordinary lease for the building. CSC does not have any current intent to purchase the building. Please see the 'Letter of Intent to Lease' that was submitted as part of our response to Q001 for the terms of the lease. Total aggregate lease payments over 10-years amount to $6,614,933.50 as shown on Table 1 – Project Costs, in the Subtotal line under Construction Costs.

6. NOTE: All start-up costs must be included in the first year of operation on each financial table submitted. Clarify whether start-up costs are included in the first-year costs shown on Table 3, Income Statement, and all other financial tables submitted with the application. If not, please revise and resubmit all financial tables.

The start-up costs are shown on Table 1 – Project Costs under Related Project Costs, line 9 Working Capital and line 10 Other. Other is specified as the cost of obtaining CON, costs of Medicare and private accreditation, costs of consultants for operations and legal, and the cost of hiring. The total start-up costs on these two lines amount to $862,693 which is shown on Table 5 – Statement of Cash Flows in the first column 'Start-Up' as Income (loss) before income taxes ($592,693) and Increase (decrease) in cash of $300,000. Add to this the initial inventory purchased at Start-up in the amount of $130,000 and the initial Furniture and Fixtures purchased at stat-up in amount of $200,000 from the Cash Flow Statement and you have a total of $1,192,693 in Start-up costs, which equal the Proceeds from the issuance of shares in the first column of Table 5 – Statement of Cash Flows.

7. Financial Tables 1 (Project Costs) and Table 2 (Debt Financing Arrangement, Sources and Uses of Funds): Table 1 was not correctly completed. Identify and populate the costs for each of the line items reflected in Table 1. The Fixed Equipment line item is only for actual fixed equipment. Interior build-out, fit-up, renovation, and/or construction costs should be reflected in the correct line items. Debt Financing Expenses Section of Table 1 must be filled out. Table 1, Project Costs, should be equal to Table 2 for Total Required funds and Total Use of Funds. Please revise and resubmit.

Please see revised Table 1. We have moved the $2,413,173.59 cost from the Fixed Equipment to the Renovation line item to more accurately display what these costs are for. These costs relate to the renovation and fit-up of the existing building. These costs will be borne by the landlord. The landlord will recoup these costs through the lease payments from CSC over 10-years. The subtotal under Construction Costs of $6,614,33.50 equals the total lease payments over 10 years, at $64 per square foot, with a 3% annual inflation per year.

CSC will not have any 'Debt Financing Expenses' which is why this portion of the Table is left blank. CSC will not issue bonds or do any placements. The "cost" of acquiring the debt is only the managers/owners time spent in doing so. No funds will be raised from outside parties, and CSC will not earn any interest on any funds raised.

Table 1 Project Costs – Subtotal - under Related Project Costs of $5,293,344.50 does equal Table 2 for Total Required funds and Total Use of Funds.

8. Revise and resubmit the Tables 3 & 6, showing Gross Revenues on Table 3 less deductions such as bad debt and charity care to equal Net Patient Revenues. These numbers must also tie out in each year on Table 6. Also include totals on Table 6.

Please see revised tables.

9. Table 4, Balance Sheet Fixed Assets - Furniture, Fixtures and Other Equipment: these amounts should equal the project costs of fixed equipment $2,413,173, Major Movable Equipment $4,100,652 and Furnishings, fixtures and & equipment $330,000 for the first year and may change due to additional assets after year 1 and depreciation should change

accordingly as reflected in accumulated depreciation and on Table 3 as depreciation expense. Please revise and resubmit.

Table 4, Balance Sheet Fixed Assets equals $4,100,652 of Major Moveable Equipment, plus $330,000 in Furnishings, fixtures and equipment for Total Assets of $4,430,652. As clarified above in the response to Question 5, CSC does not intend to enter a Capital lease, but instead an ordinary lease for the building. Therefore, CSC will not “own” any of the PPE associated with the building and these assets will not show on the Balance Sheet.

10. Table 4, Balance Sheet should include an Accounts Receivable and Accounts Payable. Please revise and resubmit.

Please see revised tables with Accounts Receivable (equal to one month’s net patient revenue) and Accounts Payable (equal to 3% of Expenses, less interest payments and depreciation) added to the revised Balance Sheet.

11. Page 23: Please explain future ownership arrangements regarding what is represented in the 3rd paragraph and the arrangement around future minority shares. Explain whether minority owners will be physicians and/or non-physician investors. The accounting for these transactions must be reflected in Table 4, Balance Sheet.

Founding members Liz Hunt and Susan Ridzon currently each own 50 percent of the company. It is the current intent that founding members will own a much smaller portion of the company eventually, with the remaining equity to be purchased by physicians who work at CSC. Only physicians who intend to provide professional services at the ASC and to utilize the ASC as an extension of their practice will be qualified to be admitted as investor members of CSC. It is furthermore the intent that each new investor member will own a minority stake in the company, with the initial founding members maintaining control over the management board. CSC intends to raise $1,192,693 in equity contributions from new and existing members during the start-up period, as reflected in the first column of Table 4 – Balance Sheet under ‘Liabilities and Equity – Equity – Capital Contribution.’

12. Revise and submit Table 5, Cash Flow Statement, to include your equity contributions which should also be reflected and flow through to be reflected on Table 4, Balance Sheet. Reflect any of the changes included in your responses to financial questions included in this set of questions.

The equity contributions in the amount of $1,192,693 are included on Table 5, Cash Flow Statement in the first column under ‘Cash flow from financing activities: Proceeds from issuance of shares.’ These contributions are also reflected in the first column of Table 4 – Balance Sheet under ‘Liabilities and Equity – Equity – Capital Contribution.’

Staffing/Other

13. Provide a full staffing plan for years 1, 2 and 3, based on Table 9, Staffing Projections.

As seen in Table 9 submitted with the original application, there is a start-up staff that builds out to a fully staffed facility once into the first year of operations. For start-up, a RN Manager, Business Office Manager and Administrator will need to be full time employees to set up policies, procedures, ordering of instrumentation, disposables, job posting, interviewing, hiring, etc. The 0.5 Surgical Tech position is necessary to assist the RN Manager and Administrator in OR set up. These core 3.5 employees will establish the facility core values and training standards.

Proposed Year 1 is the first operational year. Our staffing is reflective of a fully operational four OR ASC from the first year of operation. We project our case volume will increase 6% in the second year and 8% in the following third and fourth years. Staff and surgeons will be trained, comfortable and efficient within the ASC in proposed year two which will allow staffing to remain at the same level through the following second and third operational years.

14. In a table format, specify the number of projected OR cases for proposed years 1, 2, 3 and 4 reflected in Table 7, Utilization Projections included in the application that will be elective vs. urgent.

It is extremely complicated to differentiate between purely elective vs urgent surgical procedures and we have not attempted to do so in our projections. Aside from the relatively few purely cosmetic procedures that may be performed by plastic surgeons operating at CSC, there is always a clinical justification identified and discussed between surgeon and patient to undergo an "elective" procedure. Such reasons may include treatment of cancerous lesions and other potentially life- or limb-threatening medical conditions, alleviation of pain, improvement of function, improvement of quality of life, and prevention of serious complications, or disease progression associated with surgically treatable conditions. It is in fact very infrequent that a patient decides to undergo an "elective" surgery without a sense of feeling that the surgical procedure is, in fact, necessary, and/or in some ways "urgent."

As mentioned in Question 1 Answer from Q001, Collaborative Surgery Center is intentionally planning to keep utilization lower than 70% to allow emergent cases, which cannot be planned in advanced but require surgical intervention urgently, to be seen within a reasonable time frame, which we believe is within a few days.

15. Page 39: It is stated that UVMMC employed surgeons are expected to use CSC facility if needed. Please identify the projected percent of time that CSC may be used by UVMMC employed surgeons.

UVMMC employed surgeons can apply to be credentialed at CSC facility based on their specialty. Once credentialed, their scheduled time will be considered and weighed the same as a non UVMMC employed surgeon. Due to this, CSC is unable to give a percentage as it makes no difference if they are employed by UVMMC or not. Percentages will more likely reflect the community need for surgeries in specific specialties and whether there are more independent or hospital-employed physicians available to perform those procedures.

16. Complete the attached Excel spreadsheet for the Capacity and Volume Survey. For Year 1, 2, 3 and 4 of operation, please specify the calendar year. If you begin operation part way through a calendar year, please proportion capacity and volumes to the nearest quarter of that calendar year.

Please see the Excel spreadsheet for the Capacity and Volume Survey attached. Our assumptions begin in 2023 as we hope to be operational starting January 2023.

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re. The Collaborative Surgery Center Application for Certificate of Need For Ambulatory Surgery Center	)))	Docket No. GMCB-008-21CON

CERTIFICATE OF SERVICE

I hereby certify that I have caused to be served **Applicant's Responses to this Board's September 24, 2021 Second Set of Requests for Information, along with the supporting exhibits, a cover letter and the affirmation of Elizabeth Hunt** upon Michael Barber, Green Mountain Care Board General Counsel; Donna Jerry, Green Mountain Care Board Healty Policy Analyst, Kaili Kuiper, Sam Peisch and Eric Schultheis of the Office of Health Care Advocate by electronic mail on this the 21st Day of September, 2021. I have also caused a three-hole punched copy of same to be mailed to Donna Jerry as instructed by this Board and Ms. Jerry as of this date.

Dated at Burlington Vermont this the 29th day of October, 2021

MSK Attorneys

By: *__/S/ Alexander LaRosa__*

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TABLE 2. CASE VOLUME BY ROOM AND PRODUCT LINE

Calendar Year	2018 Actual		2019 Actual		2020 Actual		*2021 Projected*		*2022 Projected*		*2023 Projected*		*2024 Projected*	
Room Type	**OR**	**PR**	**OR**	**PR**	**OR**	**PR**	**OR**	**PR**	**OR**	**PR**	**OR**	**PR**	**OR**	**PR**
Orthopedics/Musculoskeletal											220	0	242	0
% change year over year			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	10%	#DIV/0!
Ear, Nose, and Throat											350	0	368	0
% change year over year			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5%	#DIV/0!
Ophthalmology											0	0	0	0
% change year over year			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Urology/Male Reproduction											400	0	420	0
% change year over year			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5%	#DIV/0!
Obstetrics/Gynecology											225	0	236	0
% change year over year			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5%	#DIV/0!
Gastrointestinal											0	0	0	0
% change year over year			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Dentistry											200	0	210	0
% change year over year			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5%	#DIV/0!
Plastic Surgery											200	0	210	0
% change year over year			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5%	#DIV/0!
All Other Outpatient Surgery											245	0	257	0
% change year over year			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5%	#DIV/0!
List categories of 'All Other Outpatient Surgery'											General Surgery, Cardiovascular, Podiatry		General Surgery, Cardiovascular, Podiatry	
Total Volume (cases)	**0**	**0**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**1840**	**0**	**1943**	**0**

NARRATIVE

Projected volume consists of urology and ear, nose, and throat (ENT) procedures as the highest volume specialties (350 - 400 procedures per year). The projected case mix is comprised largely of urology and ENT procedures because these specialties are known to have extremely long wait times for patients in Chittenden County and because procedures in these specialties are nearly all outpatient (not inpatient) surgeries and are commonly performed in ASCs throughout the country. Plastic surgery, orthopedics, and dental procedures are moderate volume specialties (200 - 250 procedures per year) as a portion of the projected cases, with the remainder of the volume across other specialties.

COLLABORATIVE SURGERY CENTER, LLC
COLLABORATIVE SURGERY CENTER
TABLE 1 - REVISED
PROJECT COSTS

				Comments
Construction Costs				
1	New Construction	$	-	
2	Renovation	$	2,413,173.59	Renovation is the interior fit-up cost for the ASC. A detailed 'Interior Improvements - Construction Costs' Budget is included with the application
3	Site Work	$	-	
4	Fixed Equipment	$	-	
5	Design/Bidding Contingency	$	-	
6	Construction Contingency	$	-	
7	Construction Manager Fee	$	-	
8	Other (please specify):	$	4,201,759.91	This is the remaining portion of the Lease Payments over the 10-yr term
	Subtotal	**$**	**6,614,933.50**	
Related Project Costs				
1	Major Moveable Equipment	$	4,100,651.57	See budget included with this application
2	Furnishings, Fixtures & Other Equip.	$	330,000.00	Includes Initial Furniture/Fixtures and Initial Inventory
3	Architectural/Engineering Fees	$	-	
4	Land Acquisition	$	-	
5	Purchase of Buildings	$	-	
6	Administrative Expenses & Permits	$	-	
7	*Total Debt Financing Expenses (see below)*	$	-	
8	Debt Service Reserve Fund	$	-	$300K of Working Capital figure is cash on BS in Start-Up Yr to fund AR plus inventory build, net of AP in Yr 1
9	Working Capital	$	612,693.03	
10	Other (please specify)	$	250,000.00	Other Start-Up Costs include cost of the obtaining CON, cost of Medicare and private accredidation, cost of consultants for operations/legal, cost of hiring staff, etc.
	Subtotal	$	5,293,344.60	
Total Project Costs		**$**	**11,908,278.10**	

Debt Financing Expenses			
1	Capital Interest	$	-
2	Bond Discount or Placement Fee	$	-
3	Misc. Financing Fees & Exp. (issuance costs)	$	-
4	Other (specify):	$	-
	Subtotal	$	-
Less Interest Earnings on Funds			
	Debt Service Reserve Funds	$	-
	Capitalized Interest Account	$	-
	Construction Fund	$	-
	Other (specify):	$	-
	Subtotal	$	-
Total Debt Financing Expenses		$	-
	feeds to Debt Financing Expenses above		

COLLABORATIVE SURGERY CENTER, LLC
COLLABORATIVE SURGERY CENTER
TABLE 3 - REVISED
INCOME STATEMENT

**Because Collaborative Surgery Center LLC was formed exclusively for the development and operation of the proposed ASC, it has no other existing or proposed lines of business. Accordingly, we are not submitting separate subtables A-C.*

	Year 1	Year 2	Year 3	Year 4
Revenue				
Patient Revenues	$ 4,603,394	$ 4,959,165	$ 5,475,243	$ 6,025,647
Deductions from Revenue:				
Bad Debt	$ (67,040)	$ (72,221)	$ (79,737)	$ (87,752)
Charity Care	$ (67,040)	$ (72,221)	$ (79,737)	$ (87,752)
Total Deductions from Revenue	$ (134,079)	$ (144,442)	$ (159,473)	$ (175,504)
Net Patient Revenue	**$ 4,469,315**	**$ 4,814,723**	**$ 5,315,770**	**$ 5,850,143**
Expenses				
Clinical Personnel Costs	$ 1,251,408	$ 1,348,122	$ 1,488,416	$ 1,638,040
Clinical Expenses (Non Personnel)	$ 1,340,795	$ 1,444,417	$ 1,594,731	$ 1,755,043
Administrative Expenses	$ 446,932	$ 481,472	$ 531,577	$ 585,014
Lease Expense	$ 577,024	$ 594,335	$ 612,165	$ 630,530
Equipment Expense	$ 60,000	$ 60,000	$ 60,000	$ 60,000
Interest Expense	$ 410,065	$ 369,059	$ 328,052	$ 287,046
Depreciation Expense	$ 430,065	$ 430,065	$ 430,065	$ 430,065
Total Expenses	$ 4,516,289	$ 4,727,470	$ 5,045,006	$ 5,385,738
Income Before Taxes	$ (46,974)	$ 87,253	$ 270,764	$ 464,405

COLLABORATIVE SURGERY CENTER, LLC
COLLABORATIVE SURGERY CENTER
TABLE 4 - REVISED
BALANCE SHEET

	Start-Up	Year 1	Year 2	Year 3	Year 4
Assets					
Current Assets:					
Cash	$ 300,000	$ 10,868	$ 86,903	$ 331,670	$ 762,996
Supplies Inventory	130,000	130,000	140,000	155,000	175,000
Accounts Receivable		372,443	401,227	442,981	487,512
Total Current Assets	430,000	513,311	628,130	929,650	1,425,508
Fixed Assets:					
Land and Building	-	-	-	-	-
Furniture, Fixtures and Equipment	4,300,652	4,300,652	4,300,652	4,300,652	4,300,652
Total Fixed Assets	4,300,652	4,300,652	4,300,652	4,300,652	4,300,652
Less: Accumulated Depreciation/Amort		(430,065)	(860,130)	(1,290,195)	(1,720,261)
Net Fixed Assets	4,300,652	3,870,586	3,440,521	3,010,456	2,580,391
Total Assets	$ 4,730,652	$ 4,383,898	$ 4,068,651	$ 3,940,106	$ 4,005,899
Liabilities and Equity					
Current Liabilities					
Accounts Payable		110,285	117,850	128,607	140,059
Current Portion of LTD	410,065	410,065	410,065	410,065	410,065
Total Current Liabilities	410,065	520,350	527,916	538,672	550,124
Long Term Debt					
Non Current Portion	3,690,586	3,280,521	2,870,456	2,460,391	2,050,326
Total Long Term Debt	3,690,586	3,280,521	2,870,456	2,460,391	2,050,326
Total Liabilities	4,100,652	3,800,871	3,398,372	2,999,063	2,600,450
Equity					
Capital Contribution	1,192,693	1,192,693	1,192,693	1,192,693	1,192,693
Retained Earnings	(562,693)	(609,667)	(522,414)	(251,649)	212,756
Closing Equity	630,000	583,026	670,279	941,044	1,405,449
Total Liabilities and Equity	$ 4,730,652	$ 4,383,898	$ 4,068,651	$ 3,940,106	$ 4,005,899

COLLABORATIVE SURGERY CENTER, LLC
COLLABORATIVE SURGERY CENTER
TABLE 5 - REVISED
STATEMENT OF CASH FLOWS

	Start-Up	Year 1	Year 2	Year 3	Year 4
Cash flows from operating activities:					
Income (loss) before income taxes	$ (562,693)	$ (46,974)	$ 87,253	$ 270,764	$ 464,405
Non cash adjustment to income (loss)					
Depreciation and amortization		430,065	430,065	430,065	430,065
(Increase) decrease in accounts receivable		(372,443)	(28,784)	(41,754)	(44,531)
(Increase) decrease in inventory	(130,000)	-	(10,000)	(15,000)	(20,000)
Increase (decrease) in accounts payable		110,285	7,566	10,756	11,452
Net cash provided (used) by operating activities	(692,693)	120,933	486,100	654,832	841,392
Cash flow from investing activities:					
Medical Equipment Purchase	(4,100,652)				
Furniture, fixtures and equipment	(200,000)	-			
Net cash provided (used) by investing activities	(4,300,652)	-	-	-	-
Cash flow from financing activities:					
Proceeds from issuance of long-term debt	4,100,652	-	-	-	-
Principal payments on long-term debt		(410,065)	(410,065)	(410,065)	(410,065)
Proceeds from issuance of shares	1,192,693				
Net cash provided (used) by financing activities	5,293,345	(410,065)	(410,065)	(410,065)	(410,065)
Increase (decrease) in cash	300,000	(289,132)	76,034	244,767	431,326
Cash (Loan), beginning of period	-	300,000	10,868	86,903	331,670
Cash (Loan), end of year before distributions to Memb	300,000	10,868	86,903	331,670	762,996
Cash Available for Distributions	-	-	-	-	-
Cash (Loan), end of period after distributions	$ 300,000	$ 10,868	$ 86,903	$ 331,670	$ 762,996

COLLABORATIVE SURGERY CENTER, LLC
COLLABORATIVE SURGERY CENTER
TABLE 6* - REVISED
REVENUE SOURCE PROJECTIONS

**Because CSC was formed exclusively for the development and operation of the proposed ASC, it has no other existing or proposed lines*

	Latest Actual	Budget	Proposed Year 1
Gross Inpatient Revenue			
Medicare	N/A	N/A	N/A
Medicaid	N/A	N/A	N/A
Commercial	N/A	N/A	N/A
Self Pay	N/A	N/A	N/A
Free Care/Bad Debt	N/A	N/A	N/A
Other	N/A	N/A	N/A
Gross Outpatient Revenue			
Medicare	N/A	N/A	$2,507,350
Medicaid	N/A	N/A	$1,003,848
Commercial	N/A	N/A	$4,745,081
Self Pay	N/A	N/A	$417,892
Free Care/Bad Debt	N/A	N/A	($134,079)
Other	N/A	N/A	$0
TOTAL			$8,540,091
Gross Other Revenue			
Medicare	N/A	N/A	N/A
Medicaid	N/A	N/A	N/A
Commercial	N/A	N/A	N/A
Self Pay	N/A	N/A	N/A
Free Care/Bad Debt	N/A	N/A	N/A
Other	N/A	N/A	N/A
Gross Patient Revenue			
Medicare	N/A	N/A	N/A
Medicaid	N/A	N/A	N/A
Commercial	N/A	N/A	N/A
Self Pay	N/A	N/A	N/A
Free Care/Bad Debt	N/A	N/A	N/A
Other	N/A	N/A	N/A
Deductions from Revenue			
Medicare	N/A	N/A	N/A
Medicaid	N/A	N/A	N/A
Commercial	N/A	N/A	N/A
Self Pay	N/A	N/A	N/A
Free Care/Bad Debt	N/A	N/A	N/A
Other	N/A	N/A	N/A
Net Patient Revenue			
Medicare	N/A	N/A	$835,783
Medicaid	N/A	N/A	$334,616
Commercial	N/A	N/A	$3,321,557
Self Pay	N/A	N/A	$111,438
Free Care/Bad Debt	N/A	N/A	($134,079)

Other	N/A	N/A	$0
Disproportionate Share Adjustment	N/A	N/A	$0
TOTAL			$4,469,315

of business. Accordingly, we are not submitting separate subtables A-C

Proposed Year 2	Proposed Year 3	Proposed Year 4
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
$2,701,124	$2,981,985	$3,282,641
$1,079,523	$1,190,904	$1,311,128
$5,113,008	$5,645,654	$6,213,055
$449,415	$496,210	$544,697
($144,442)	($159,473)	($175,504)
$0	$0	$0
$9,198,628	$10,155,280	$11,176,017
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
$900,375	$993,995	$1,094,214
$359,841	$396,968	$437,043
$3,579,105	$3,951,958	$4,349,138
$119,844	$132,323	$145,252
($144,442)	($159,473)	($175,504)

$0	$0	$0
$0	$0	$0
$4,814,723	$5,315,770	$5,850,143

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re.	The Collaborative Surgery Center Application for Certificate of Need For Ambulatory Surgery Center	)))	Docket No. GMCB-008-21CON

VERIFICATION UNDER OATH

NOW COMES Elizabeth Hunt and having been duly sworn states as follows:

1. My name is Elizabeth Hunt. I am a founding member and manager of The Collaborative Surgery Center (the "CSC").
2. I have reviewed the CSC's responses to the Green Mountain Care Board's Second Set of Requests for Information.
3. Based on my personal knowledge and belief, and along with a reasonable and diligent inquiry I attest that the information contained in the CSC's responses to be true and accurate to the best of my knowledge and information.

Furthermore Elizabeth Hunt sayeth nothing.

Dated October 29, 2021 at Colchester, Vermont

Elizabeth Hunt

Member, The Collaborative Surgery Center

Subscribed and sworn to before me this the 29 st day of October, 2021.

Notary Public
My Commission Expires: 1/31/2023