

The background of the slide is a blue-toned image of medical equipment, specifically a stethoscope, resting on a grid pattern. The grid lines are thin and light blue, creating a technical or scientific feel. The stethoscope is metallic and its tubing is visible. The overall lighting is cool and professional.

BKD LLP

CPAs & Advisors



BKD National Health Care Group

The background of the slide features a close-up of medical equipment, including a metal dial and a white plastic component, overlaid on a faint ECG (heart rate) line. The overall color scheme is light blue and white.

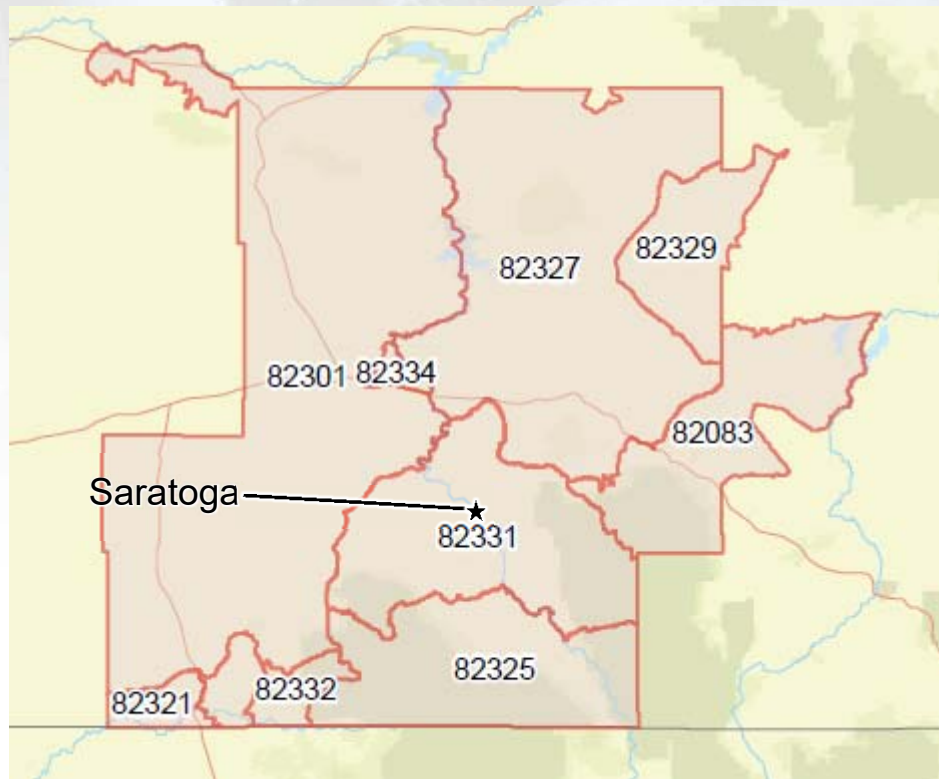
CORBETT MEDICAL FOUNDATION

CARBON COUNTY MARKET DEMAND ANALYSIS

MARKET DEMAND ANALYSIS

- Identification & Description of Geographical Service Area
- Demographics & Socioeconomic Characteristics
- Medicare Market Share
 - Inpatient
 - Outpatient

IDENTIFICATION & DESCRIPTION OF GEOGRAPHICAL SERVICE AREA



- The service area consists of Carbon County, Wyoming & the corresponding zip codes

IDENTIFICATION & DESCRIPTION OF GEOGRAPHICAL SERVICE AREA

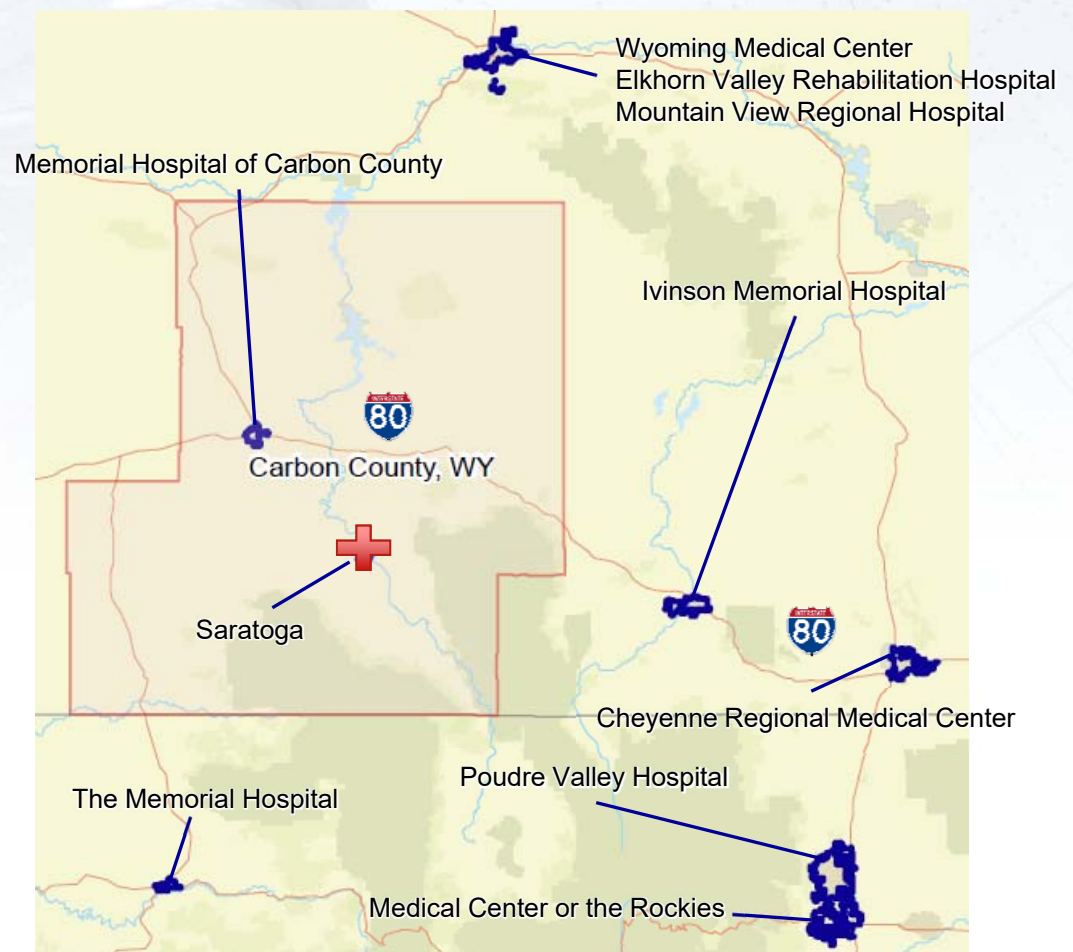
- Residents of Saratoga & Carbon County seek medical attention at facilities in Wyoming & Colorado. However, the closest of these facilities is approximately 45 minutes away from Saratoga.

	Facility Type	Bed Size	City	State	Miles from Saratoga	Minutes Driving
Memorial Hospital of Carbon County	CAH	25	Rawlins	WY	44	45
Iverson Memorial Hospital	Acute	66	Laramie	WY	99	100
Wyoming Medical Center	Acute	163	Casper	WY	148	142
Cheyenne Regional Medical Center	Acute	170	Cheyenne	WY	148	142
Elkhorn Valley Rehabilitation Hospital	Rehab	40	Casper	WY	153	147
Mountain View Regional Hospital	Acute	23	Casper	WY	153	147
The Memorial Hospital	CAH	25	Craig	CO	161	150
Poudre Valley Hospital	Acute	225	Fort Collins	CO	164	162
Medical Center of the Rockies	Acute	174	Loveland	CO	179	176

Source: Google Maps, www.costreportdata.com

IDENTIFICATION & DESCRIPTION OF GEOGRAPHICAL SERVICE AREA

- The map to the right shows the location of the hospitals from which residents within the service area seek medical attention
- Frequent closures along Interstate 80 can make travel to surrounding hospitals difficult



DEMOGRAPHIC CHARACTERISTICS

- Population – the following table outlines the population changes for the city of Saratoga, Carbon County, the state of Wyoming and the United States

	2000	2010	2019	2024
Saratoga, WY	1,742	1,690	1,565	1,508
Annual change		-3.0%	-7.4%	-3.6%
Carbon County, WY	15,639	15,885	15,043	14,673
Annual change		1.6%	-5.3%	-2.5%
Wyoming	493,785	563,626	577,936	583,260
Annual change		14.1%	2.5%	0.9%
United States	281,421,942	308,745,538	329,236,175	340,950,101
Annual change		9.7%	6.6%	3.6%

Source: U.S. Bureau of the Census

DEMOGRAPHIC CHARACTERISTICS

- Age distribution – the following table is an analysis of the age distribution of the population for the service area

Primary Service Area Population 2010					
Zip Code	0-17	18-44	45-64	65+	Total
82331 - Saratoga	413	580	805	455	2,253
82083 - Rock River*	55	69	105	63	292
82301 - Rawlins	2,556	3,547	2,667	950	9,720
82321 - Baggs	86	277	160	48	571
82323 - Dixon	42	130	76	23	271
82325 - Encampment	160	201	363	204	928
82327 - Hanna	282	339	366	226	1,213
82329 - Medicine Bow	83	105	112	69	369
82332 - Savery	16	49	31	8	104
82334 - Sinclair	109	141	140	59	449
Total Service Area	3,802	5,438	4,825	2,105	16,170

*Zip code partially in Carbon County, Wyoming

Source: U.S. Bureau of the Census Estimates

Primary Service Area Population 2010					
Zip Code	0-17	18-44	45-64	65+	Total
82331 - Saratoga	18.3%	25.7%	35.7%	20.3%	100.0%
82083 - Rock River*	18.8%	23.6%	36.0%	21.6%	100.0%
82301 - Rawlins	26.3%	36.5%	27.4%	9.8%	100.0%
82321 - Baggs	15.1%	48.5%	28.0%	8.4%	100.0%
82323 - Dixon	15.5%	48.0%	28.0%	8.5%	100.0%
82325 - Encampment	17.2%	21.7%	39.1%	22.0%	100.0%
82327 - Hanna	23.2%	27.9%	30.2%	18.7%	100.0%
82329 - Medicine Bow	22.5%	28.5%	30.4%	18.6%	100.0%
82332 - Savery	15.4%	47.1%	29.8%	7.7%	100.0%
82334 - Sinclair	24.3%	31.4%	31.2%	13.1%	100.0%
Total	23.5%	33.6%	29.9%	13.0%	100.0%

*Zip code partially in Carbon County, Wyoming

Source: U.S. Bureau of the Census Estimates



DEMOGRAPHIC CHARACTERISTICS

Primary Service Area Population 2019						Primary Service Area Population 2019					
Zip Code	0-17	18-44	45-64	65+	Total	Zip Code	0-17	18-44	45-64	65+	Total
82331 - Saratoga	356	560	627	523	2,066	82331 - Saratoga	17.2%	27.1%	30.3%	25.4%	100.0%
82083 - Rock River*	46	72	88	76	282	82083 - Rock River*	16.3%	25.5%	31.2%	27.0%	100.0%
82301 - Rawlins	2,440	3,471	2,198	1,215	9,324	82301 - Rawlins	26.2%	37.2%	23.6%	13.0%	100.0%
82321 - Baggs	82	293	130	56	561	82321 - Baggs	14.6%	52.2%	23.2%	10.0%	100.0%
82323 - Dixon	42	140	60	24	266	82323 - Dixon	15.8%	52.6%	22.6%	9.0%	100.0%
82325 - Encampment	150	204	280	229	863	82325 - Encampment	17.4%	23.6%	32.4%	26.6%	100.0%
82327 - Hanna	271	336	273	229	1,109	82327 - Hanna	24.4%	30.3%	24.6%	20.7%	100.0%
82329 - Medicine Bow	84	108	80	71	343	82329 - Medicine Bow	24.5%	31.5%	23.3%	20.7%	100.0%
82332 - Savery	14	49	27	12	102	82332 - Savery	13.7%	48.0%	26.5%	11.8%	100.0%
82334 - Sinclair	90	132	124	66	412	82334 - Sinclair	21.8%	32.0%	30.1%	16.1%	100.0%
Total Service Area	3,575	5,365	3,887	2,501	15,328	Total	23.3%	35.0%	25.4%	16.3%	100.0%

*Zip code partially in Carbon County, Wyoming

Source: U.S. Bureau of the Census Estimates

*Zip code partially in Carbon County, Wyoming

Source: U.S. Bureau of the Census Estimates



DEMOGRAPHIC CHARACTERISTICS

- While total population in Carbon County is estimated to decrease by approximately 2.5% by 2024, population over 65 is expected to grow approximately 2.6%
- Use rates for over 65 population generally are greater than young population

Primary Service Area Population 2024					
Zip Code	0-17	18-44	45-64	65+	Total
82331 - Saratoga	333	539	547	572	1,991
82083 - Rock River*	50	70	74	84	278
82301 - Rawlins	2,363	3,367	2,000	1,405	9,135
82321 - Baggs	79	289	120	69	557
82323 - Dixon	38	144	52	30	264
82325 - Encampment	142	203	244	246	835
82327 - Hanna	261	325	234	247	1,067
82329 - Medicine Bow	78	101	70	84	333
82332 - Savery	19	54	19	9	101
82334 - Sinclair	84	124	108	81	397
Total Service Area	3,447	5,216	3,468	2,827	14,958

*Zip code partially in Carbon County, Wyoming

Source: U.S. Bureau of the Census Estimates

Primary Service Area Population 2024					
Zip Code	0-17	18-44	45-64	65+	Total
82331 - Saratoga	16.7%	27.1%	27.5%	28.7%	100.0%
82083 - Rock River*	18.0%	25.2%	26.6%	30.2%	100.0%
82301 - Rawlins	25.9%	36.9%	21.9%	15.3%	100.0%
82321 - Baggs	14.2%	51.9%	21.5%	12.4%	100.0%
82323 - Dixon	14.4%	54.5%	19.7%	11.4%	100.0%
82325 - Encampment	17.0%	24.3%	29.2%	29.5%	100.0%
82327 - Hanna	24.5%	30.5%	21.9%	23.1%	100.0%
82329 - Medicine Bow	23.4%	30.3%	21.0%	25.3%	100.0%
82332 - Savery	18.8%	53.5%	18.8%	8.9%	100.0%
82334 - Sinclair	21.2%	31.2%	27.2%	20.4%	100.0%
Total	23.0%	34.9%	23.2%	18.9%	100.0%

*Zip code partially in Carbon County, Wyoming

Source: U.S. Bureau of the Census Estimates

DEMOGRAPHIC CHARACTERISTICS

- Age distribution – the following table is an analysis of the age distribution of the population for the service area, the state of Wyoming & the United States
- Similar trend across the United States & Wyoming for increase in over 65 population through 2024

Ages	Population								
	Service Area			Wyoming			United States		
	2010	2019	2024	2010	2019	2024	2010	2019	2024
0-17	23.5%	23.3%	23.0%	24.0%	23.6%	23.3%	24.0%	22.5%	22.0%
18-44	33.6%	35.0%	34.9%	35.7%	35.4%	34.9%	36.5%	35.6%	35.0%
45-64	29.9%	25.4%	23.2%	27.9%	24.7%	23.1%	26.5%	25.6%	24.7%
65+	13.0%	16.3%	18.9%	12.4%	16.3%	18.7%	13.0%	16.3%	18.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: U.S. Bureau of the Census Estimates

MEDICARE MARKET SHARE ANALYSIS

- Historical claims data file obtained from the Centers for Medicare and Medicaid Services (CMS)
- Claims data file shows all inpatient & outpatient claims for each calendar year
 - Data from 2015 – 2017 utilized for inpatient and 2016 – 2017 utilized for outpatient and emergency department; 2 quarters of data for 2018 available
- Information was analyzed & summarized by county code **(all of Carbon County)**
 - Facilities providing the services to patients from Carbon County
 - Types of services being provided to patients from Carbon County

MARKET SHARE – MEDICARE INPATIENT

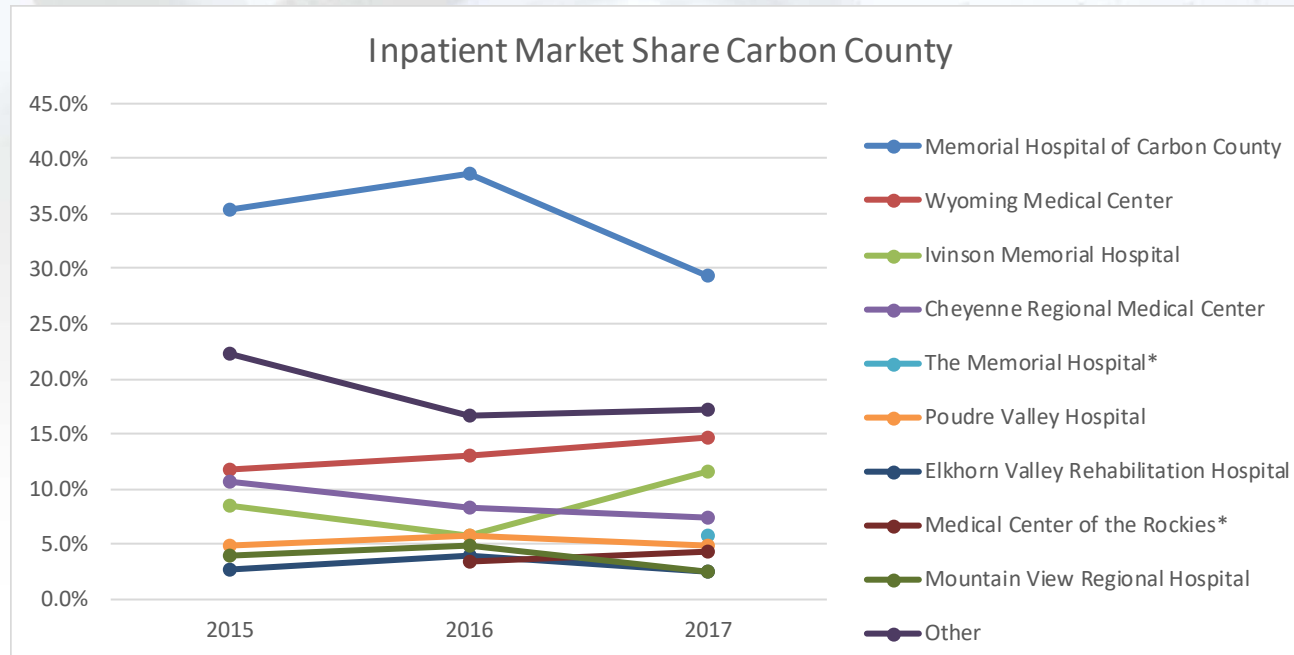
Facility	Inpatient Discharges			IP Market Share		
	2015	2016	2017	2015	2016	2017
Memorial Hospital of Carbon County	186	225	150	35.3%	38.6%	29.4%
Wyoming Medical Center	62	76	75	11.8%	13.0%	14.7%
Iverson Memorial Hospital	45	34	59	8.5%	5.8%	11.6%
Cheyenne Regional Medical Center	56	48	37	10.6%	8.2%	7.3%
The Memorial Hospital*	-	-	29	N/A	N/A	5.7%
Poudre Valley Hospital	26	33	25	4.9%	5.7%	4.9%
Elkhorn Valley Rehabilitation Hospital	14	23	13	2.7%	3.9%	2.5%
Medical Center of the Rockies*	-	19	22	N/A	3.3%	4.3%
Mountain View Regional Hospital	21	28	12	4.0%	4.8%	2.4%
Other	117	97	88	22.2%	16.7%	17.2%
Total Service Area	527	583	510	100.0%	100.0%	100.0%

* In years with "-" for discharges, volumes fell below the threshold for the facility to be disclosed individually in the source data. These were aggregated into an "all other" bucket and therefore were not included in the table above.

Source: CMS, Medicare Inpatient Claims Data for Carbon County, Wyoming



MARKET SHARE – MEDICARE INPATIENT



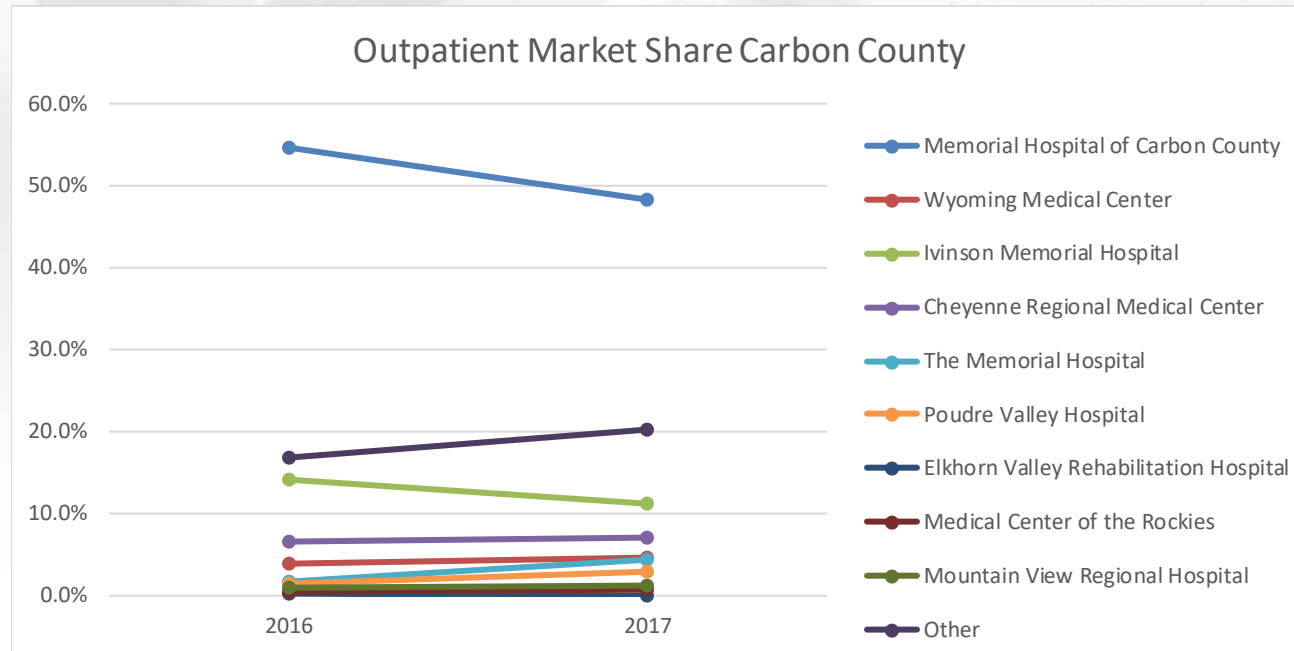
- Memorial Hospital of Carbon County provides the majority of acute care services to the service area, capturing 29-38% of the market share during the years 2015 through 2017

MARKET SHARE – MEDICARE OUTPATIENT

Facility	Outpatient Visits		OP Market Share	
	2016	2017	2016	2017
Memorial Hospital of Carbon County	29,968	21,650	54.7%	48.3%
Iverson Memorial Hospital	7,742	4,965	14.1%	11.1%
Cheyenne Regional Medical Center	3,579	3,130	6.5%	7.0%
Wyoming Medical Center	2,043	2,021	3.7%	4.5%
The Memorial Hospital	808	1,864	1.5%	4.2%
Poudre Valley Hospital	785	1,291	1.4%	2.9%
Mountain View Regional Hospital	424	519	0.8%	1.2%
Medical Center of the Rockies	248	273	0.5%	0.6%
Elkhorn Valley Rehabilitation Hospital	46	-	0.1%	0.0%
Other	9,120	9,072	16.7%	20.2%
Total Service Area	54,763	44,785	100.0%	100.0%

Source: CMS, Medicare Outpatient Claims Data for Carbon County, Wyoming

MARKET SHARE – MEDICARE OUTPATIENT

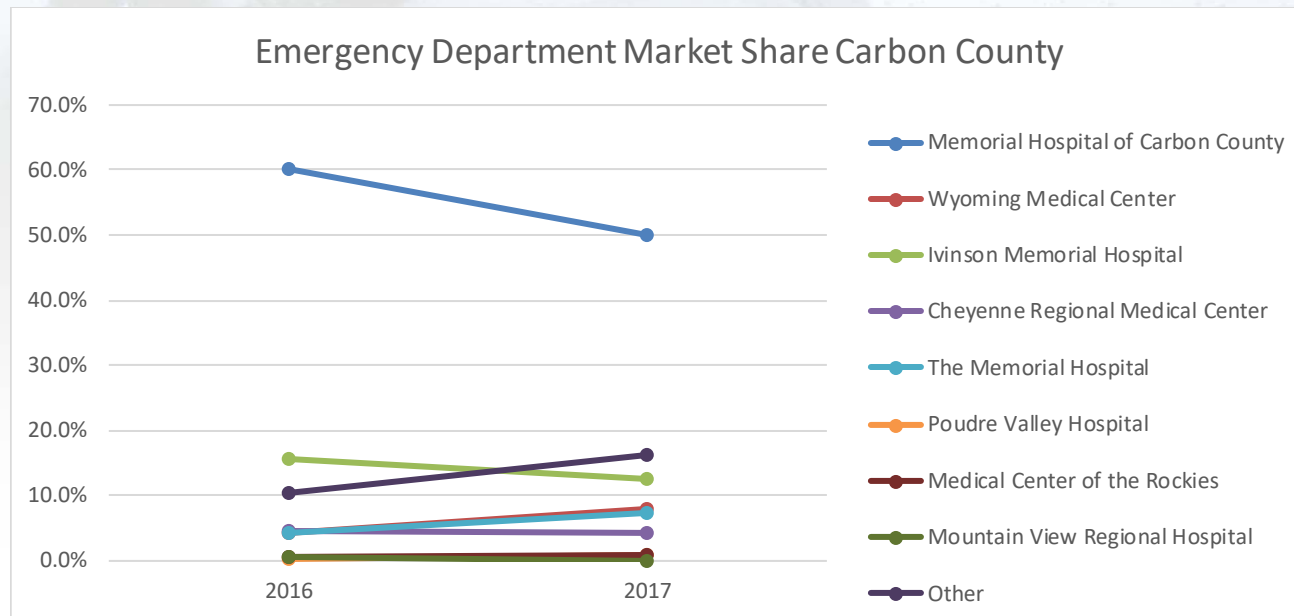


MARKET SHARE – MEDICARE EMERGENCY DEPARTMENT

Facility	Emergency Department Visits		ED Market Share	
	2016	2017	2016	2017
Memorial Hospital of Carbon County	1,103	704	60.0%	49.9%
Ivinson Memorial Hospital	286	177	15.6%	12.5%
Wyoming Medical Center	79	113	4.3%	8.0%
The Memorial Hospital	75	105	4.1%	7.4%
Cheyenne Regional Medical Center	84	61	4.6%	4.3%
Poudre Valley Hospital	4	11	0.2%	0.8%
Medical Center of the Rockies	9	11	0.5%	0.8%
Mountain View Regional Hospital	8	-	0.4%	0.0%
Other	191	230	10.3%	16.3%
Total Service Area	1,839	1,412	100.0%	100.0%

Source: CMS, Medicare Emergency Department Claims Data for Carbon County, Wyoming

MARKET SHARE – MEDICARE EMERGENCY DEPARTMENT

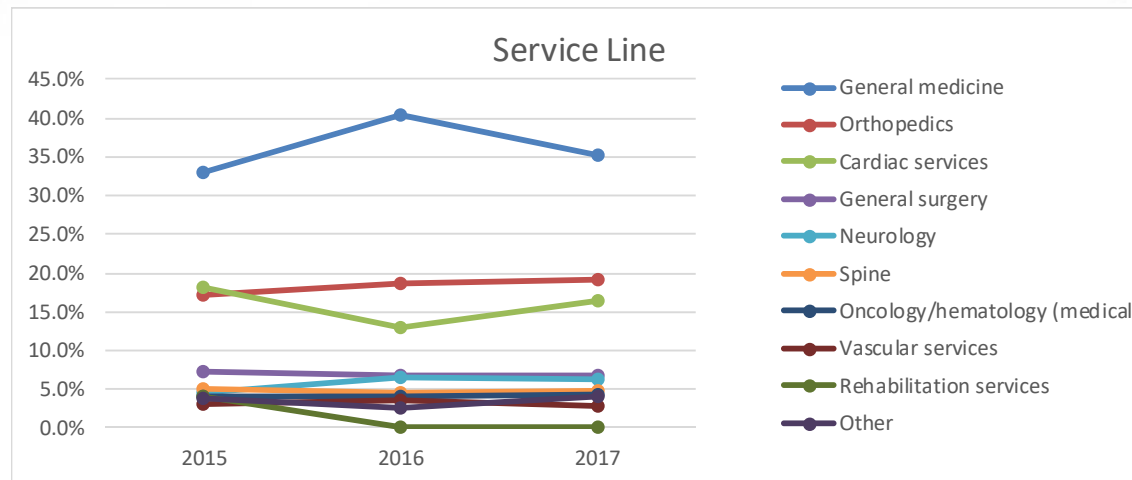


- Memorial Hospital of Carbon County provides the majority of emergency department visits to the service area, capturing approximately 49-60% of the market share from 2015 – 2017

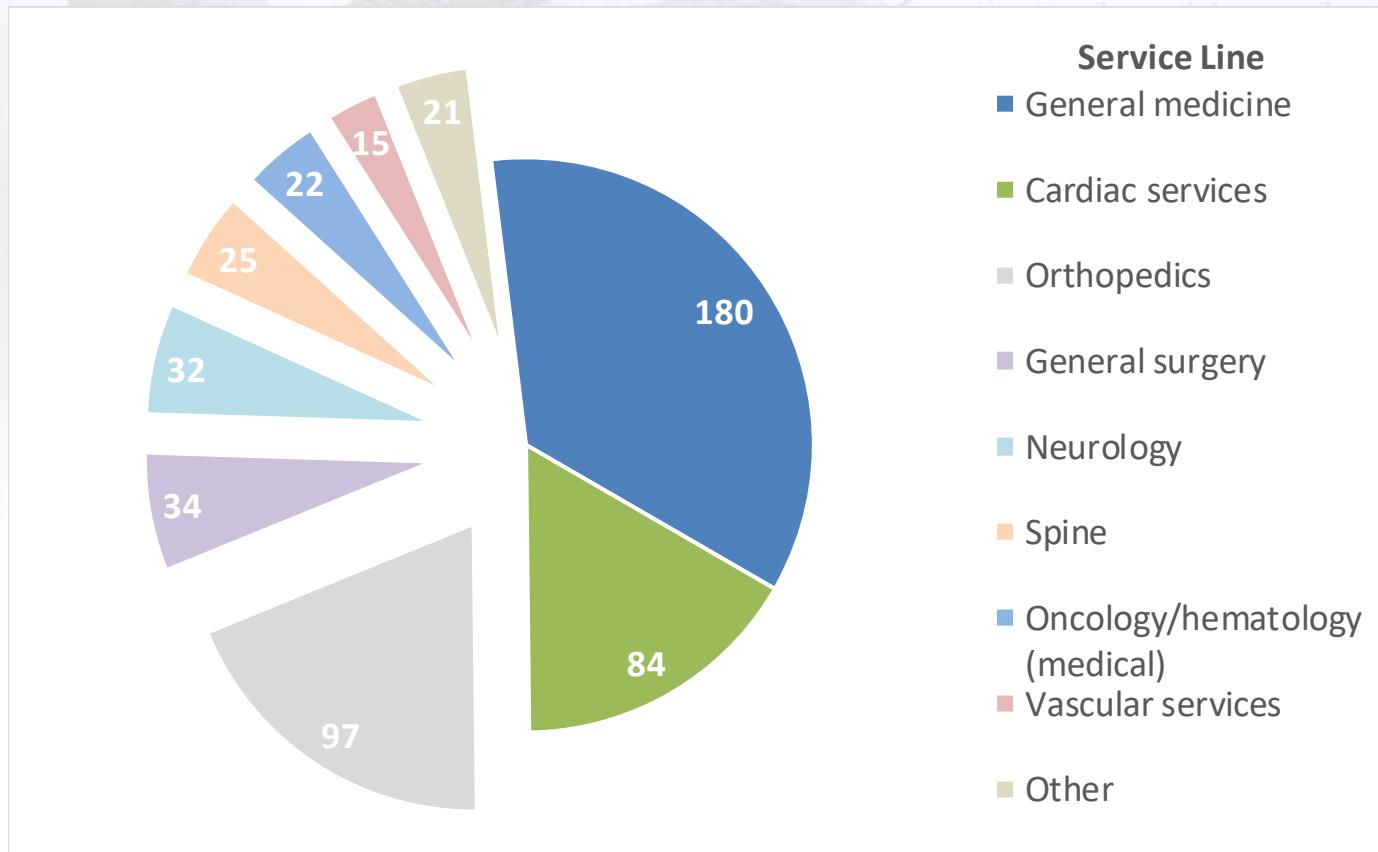
MARKET SHARE – MEDICARE INPATIENT BY SERVICE LINE

Service Line	Total Market Volumes			Percent of Market		
	2015	2016	2017	2015	2016	2017
General medicine	174	235	180	33.0%	40.3%	35.3%
Orthopedics	90	108	97	17.1%	18.5%	19.0%
Cardiac services	96	76	84	18.2%	13.0%	16.5%
General surgery	38	40	34	7.2%	6.9%	6.7%
Neurology	24	38	32	4.6%	6.5%	6.3%
Spine	26	26	25	4.9%	4.5%	4.9%
Oncology/hematology (medical)	22	24	22	4.2%	4.1%	4.3%
Vascular services	16	21	15	3.0%	3.6%	2.9%
Rehabilitation services	21	-	-	4.0%	0.0%	0.0%
Other	20	15	21	3.8%	2.6%	4.1%
Total	527	583	510	100.0%	100.0%	100.0%

Source: CMS, Medicare Inpatient Claims Data for Carbon County, Wyoming



CRITICAL ACCESS HOSPITAL SERVICE LINES



- Of the service lines being utilized by residents of Carbon County in 2017, general medicine & cardiac services (heart attack & stabilization) could be potential services offered at a new critical access hospital facility

MARKET SHARE – MEDICARE INPATIENT GENERAL MEDICINE & CARDIAC SERVICES

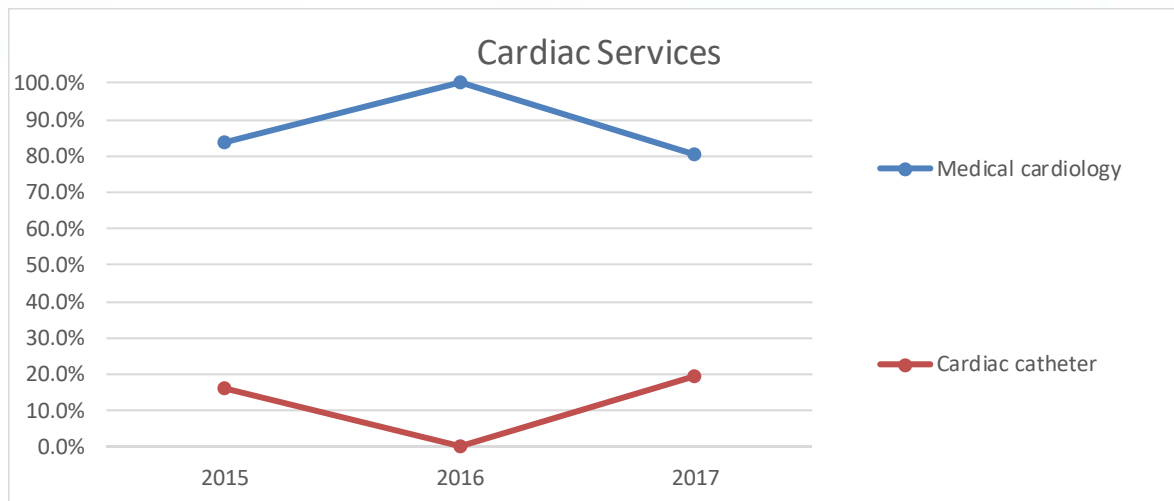
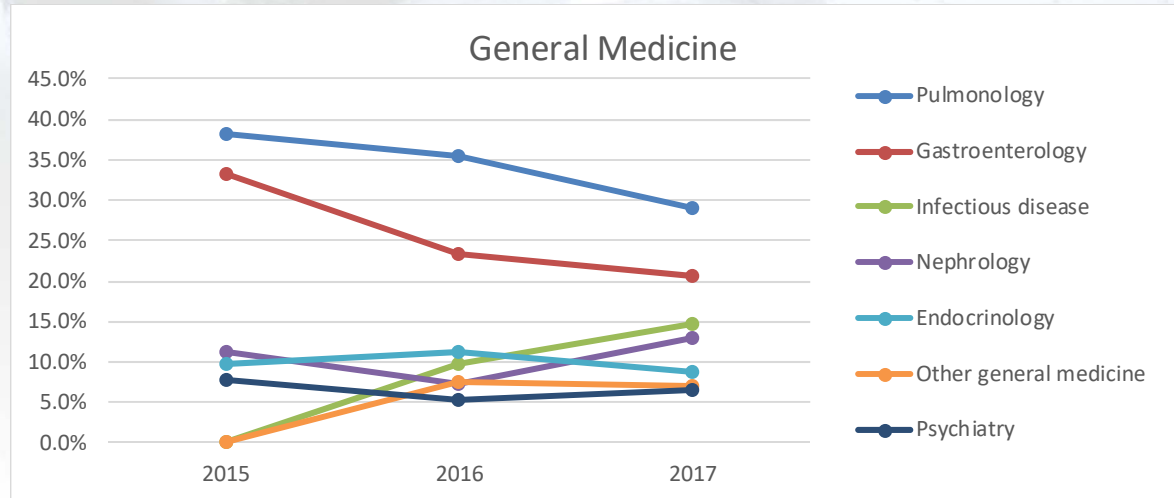
	Total Market Volumes			Percent of Market		
	2015	2016	2017	2015	2016	2017
General Medicine						
Pulmonology	55	79	49	38.2%	35.4%	29.0%
Gastroenterology	48	52	35	33.3%	23.3%	20.7%
Infectious disease	-	22	25	0.0%	9.9%	14.8%
Nephrology	16	16	22	11.1%	7.2%	13.0%
Endocrinology	14	25	15	9.7%	11.2%	8.9%
Other general medicine	-	17	12	0.0%	7.6%	7.1%
Psychiatry	11	12	11	7.7%	5.4%	6.5%
Total	144	223	169	100.0%	100.0%	100.0%
Cardiac Services						
Medical cardiology	67	54	58	83.8%	100.0%	80.6%
Cardiac catheter	13	-	14	16.2%	0.0%	19.4%
Total	80	54	72	100.0%	100.0%	100.0%

Source: CMS, Medicare Inpatient Claims Data for Carbon County, Wyoming

- The table above further breaks down Medicare inpatient volumes for general medicine & cardiac services by sub-service line
- **General Medicine** - Pulmonology is largest sub-service, including pneumonia & other respiratory infections
- **Cardiac Services** - Medical cardiology is largest sub-service, including heart attack

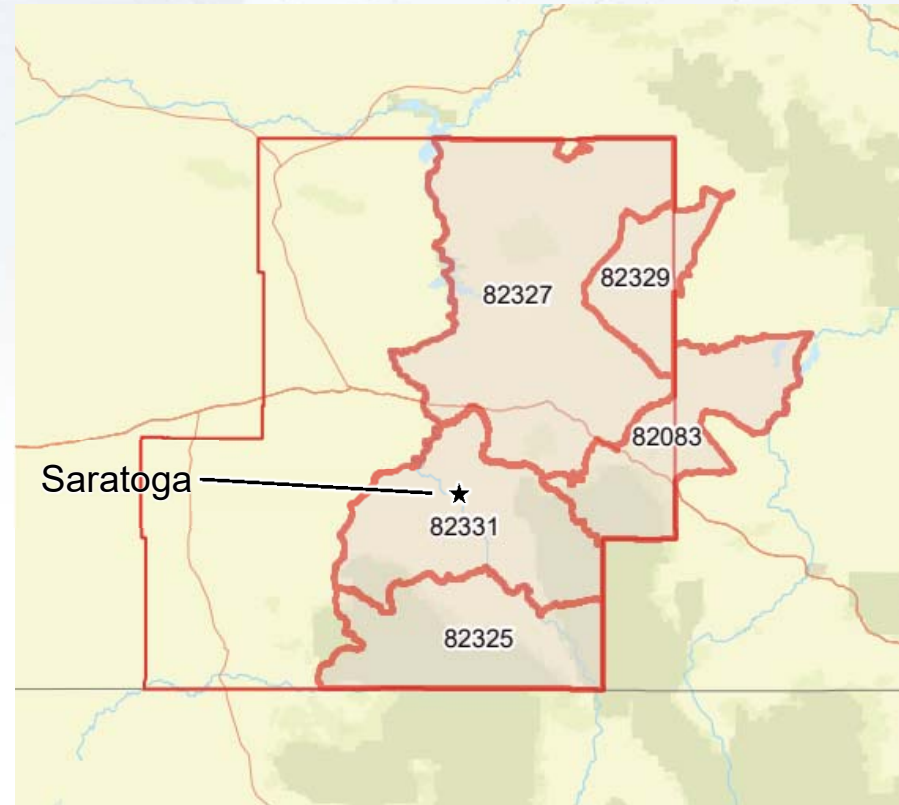


MARKET SHARE – MEDICARE INPATIENT GENERAL MEDICINE AND CARDIAC SERVICES



EASTERN CARBON COUNTY AREA MARKET SHARE

- For purposes of market share analysis, zip code 82083 – Rock River was excluded
- Zip codes were included based upon drive time & proximity to other hospitals



EASTERN CARBON COUNTY INPATIENT MARKET SHARE

- Using 2017 inpatient Medicare discharges by zip code, a potential capture rate from Carbon County was estimated based on the number of Medicare discharges in the zip codes for the Eastern Carbon County market
- An estimated capture rate of 32% was applied to the general medicine & cardiac service lines to arrive at total estimated Medicare discharges of 85 for the Eastern Carbon County market

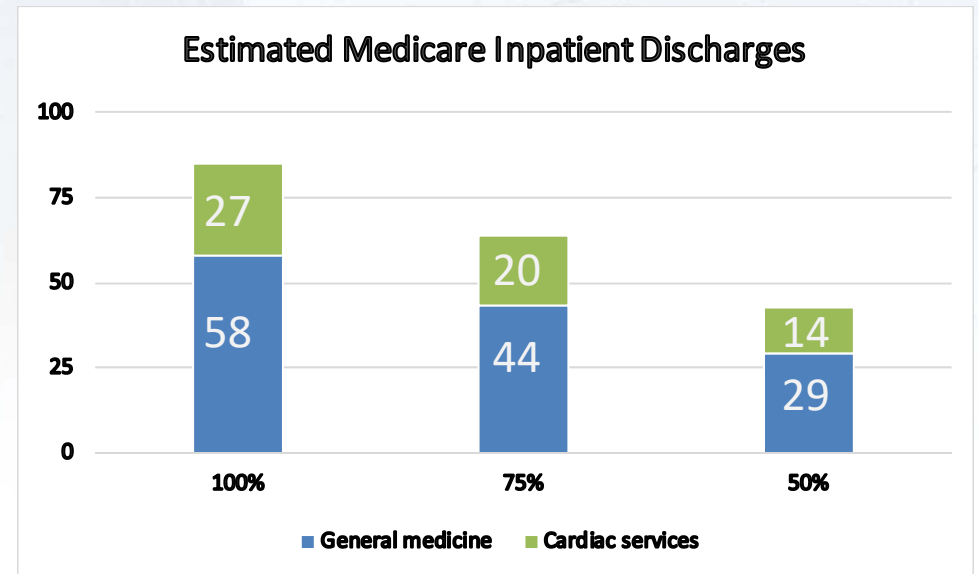
	2017 Medicare Discharges
Service area*	510
82331 - Saratoga	70
82325 - Encampment	49
82327 - Hanna	20
82329 - Medicine Bow	24
Total	163
Potential capture rate	32%

**Includes total inpatient discharges for entire zip codes within Carbon County, per CMS*

	2017 Medicare Discharges	Potential Capture Rate	Estimated Medicare Discharges
General medicine	180	32%	58
Cardiac services	84	32%	27
Total	264		85

EASTERN CARBON COUNTY IP MARKET SHARE - SENSITIVITY

- Estimated Medicare inpatient discharges for the Eastern Carbon County market assumes 100% capture within those zip codes
- Chart to the right shows impact on total Medicare inpatient discharges if capture rate decreases to 75% and 50% within the Eastern Carbon County market



EASTERN CARBON COUNTY OUTPATIENT MARKET SHARE

- Using 2017 outpatient Medicare visits for Carbon County, outpatient visits were estimated per 1,000 population
- A Medicare outpatient use rate per 1,000 population of the Eastern Carbon County market was used to estimate total Medicare outpatient visits

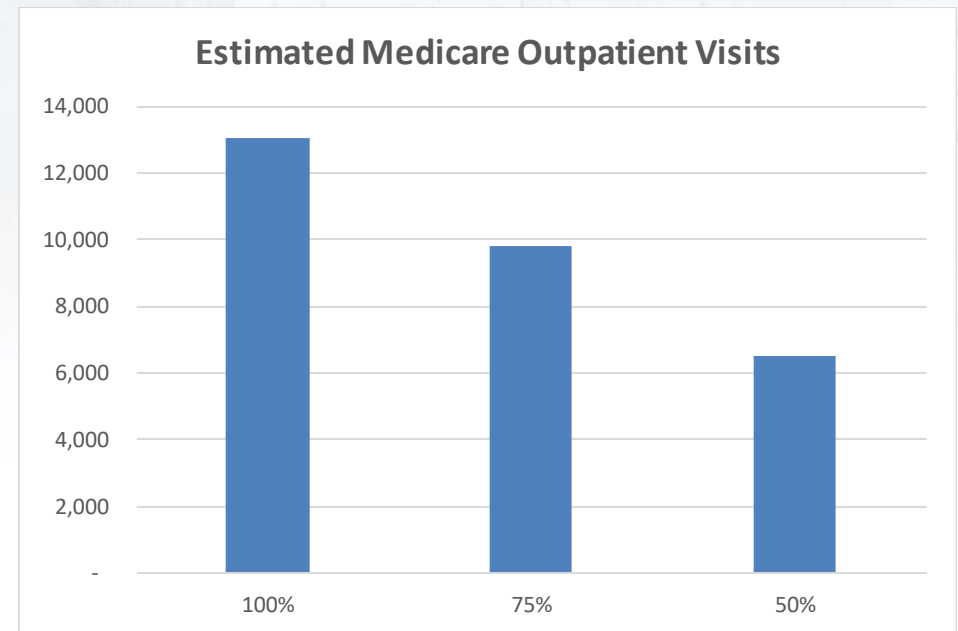
Outpatient Visits	
2017 Medicare outpatient visits	44,785
Service area population	15,046
Service area per 1,000 population	15.05
Outpatient visits per 1,000 population	2,977

Eastern Carbon County Market Population 2019	
Zip Code	
82331 - Saratoga	2,066
82325 - Encampment	863
82327 - Hanna	1,109
82329 - Medicine Bow	343
Total Eastern Carbon County market	<u>4,381</u>

Outpatient Use Rates	
Medicare OP use rate per 1,000 population	4.38
Outpatient visits per 1,000 population	2,977
Estimated Medicare Outpatient visits	13,040

EASTERN CARBON COUNTY OP MARKET SHARE - SENSITIVITY

- Estimated Medicare outpatient visits for the Eastern Carbon County market assumes 100% capture within those zip codes
- Chart to the right shows impact on total Medicare outpatient visits if capture rate decreases to 75% and 50% within the Eastern Carbon County market



EASTERN CARBON COUNTY EMERGENCY MARKET SHARE

- Using 2017 emergency department (ED) Medicare visits for Carbon County, ED visits were estimated per 1,000 population
- A Medicare ED use rate per 1,000 population of the Eastern Carbon County market was used to estimate total Medicare ED visits

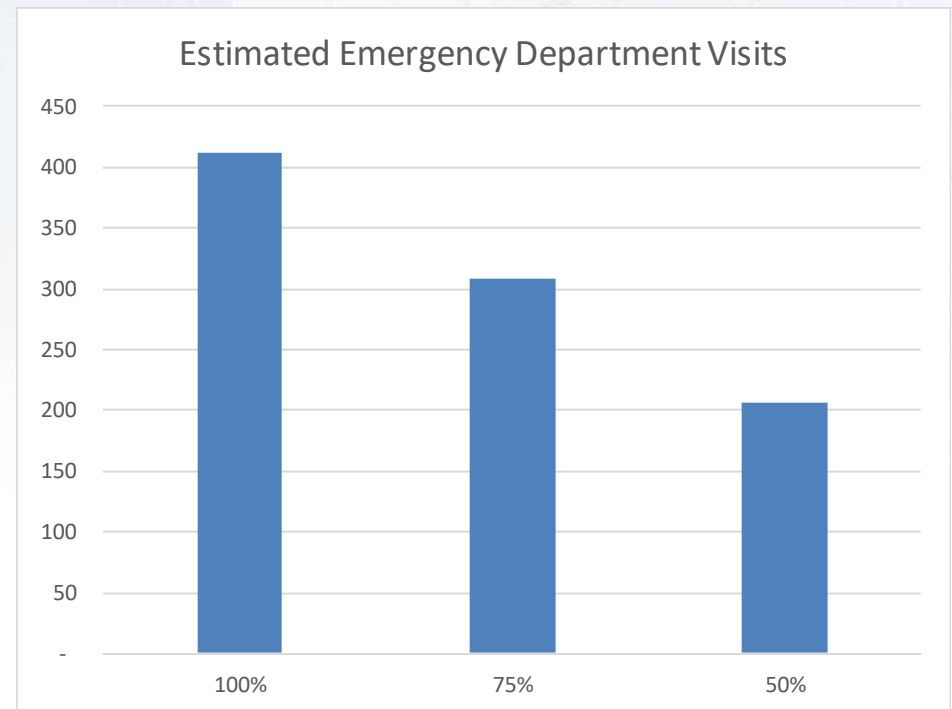
Emergency Department Visits	
2017 Medicare emergency department visits	1,412
Service area population	15,046
Service area per 1,000 population	15.05

Eastern Carbon County Market Population 2019	
Zip Code	
82331 - Saratoga	2,066
82325 - Encampment	863
82327 - Hanna	1,109
82329 - Medicine Bow	343
Total Eastern Carbon County market	<u>4,381</u>

ED Use Rates	
Medicare ED use rate per 1,000 population	4.38
ED visits per 1,000 population	94
Estimated Medicare ED visits	411

EASTERN CARBON COUNTY ED MARKET SHARE - SENSITIVITY

- Estimated Medicare ED visits for the Eastern Carbon County market assumes 100% capture within those zip codes
- Chart to the right shows impact on total Medicare ED visits if capture rate decreases to 75% and 50% within the Eastern Carbon County market



NEXT STEPS

Market Demand Analysis

- Discussion on Medicare market information
- Feedback from Corbett Medical Foundation and HMS

Facility Planning

- Determination of service lines for the CAH by Corbett Medical Foundation and HMS
- Service line determination provided to BKD for financial forecast model

Scoping of Building

- Estimates on building costs generated from service line planning
- Estimated building costs provided to BKD