

PSI ASC - Pro Forma

CPT Category	Volume	Year 1	Year 2	Year 3	Year 4	Year 5
		Amount	Amount	Amount	Amount	Amount
Total Revenue (1)	1,132	\$2,401,894	\$2,548,169	\$2,703,353	\$2,867,987	\$3,042,647
Implant Costs		769,800	792,894	816,681	841,181	866,417
Additional Cost of Revenue		190,957	226,374	264,660	306,013	350,642
Gross Profit		\$1,441,136	\$1,528,901	\$1,622,012	\$1,720,792	\$1,825,588
<i>% Margin</i>		<i>60.0%</i>	<i>60.0%</i>	<i>60.0%</i>	<i>60.0%</i>	<i>60.0%</i>
Payroll Expense (2)		\$370,240	\$392,788	\$416,708	\$442,086	\$469,009
Employee Benefits (3)		31,470	33,387	35,420	37,577	39,866
Advertising & Promotion		723	767	814	863	916
Telecommunications		6,855	7,272	7,715	8,185	8,684
Rent Expense (4)		60,000	61,800	63,654	65,564	67,531
Utilities & Facilities		227,101	242,786	259,481	277,250	296,161
Other Operating Expense		13,040	13,834	14,676	15,570	16,518
Operating Taxes		10,753	11,408	12,103	12,840	13,622
Insurance		14,808	15,710	16,667	17,682	18,759
General & Administrative (5)		209,335	222,084	235,609	249,958	265,180
Depreciation & Amortization		—	—	—	—	—
Interest Expense		—	—	—	—	—
Taxes		—	—	—	—	—
Operating Expenses		\$944,326	\$1,001,836	\$1,062,847	\$1,127,575	\$1,196,244
Operating Income		\$496,810	\$527,066	\$559,164	\$593,217	\$629,344
Other Income / (Expense)		—	—	—	—	—
Other Income		—	—	—	—	—
Net Income		\$496,810	\$527,066	\$559,164	\$593,217	\$629,344
<i>% Margin</i>		<i>20.7%</i>	<i>20.7%</i>	<i>20.7%</i>	<i>20.7%</i>	<i>20.7%</i>

(1) Assumes conservative case volume and CMS fee schedule

(2) Includes 6 full-time clinical employees (3 RNs, 2 Techs, 1 Receptionist)

(3) Full benefits assumed for all employees

(4) Includes base rent based on lease LOI

(5) Includes revenue cycle management services, compliance, operations, and administrative staff

From: [Anne Cooper](#)
To: [Constantino, Mike](#)
Cc: [Roate, George](#); [Kniery, John P.](#)
Subject: [External] Pain & Spine Institute Surgery Center (Proj. No. 23-033)
Date: Friday, August 18, 2023 9:48:02 AM
Attachments: [image003.png](#)
[image004.png](#)
[PSI_ASC_Pro_Forma\(2023.08.16\)-c.pdf](#)

Mike,

Attached please find the pro forma financial statement for Pain & Spine Institute Surgery Center as well as the payor mix data you requested.

Commercial - 43.7%
Workers' Comp – 24.7%
Medicare – 16.2%
Medicaid – 0.2%
Self-Pay – 14.3%
Other - 0.9%

Please let me know if you need anything further.

Thanks

Anne

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