**ECU PHYSICIANS NEW PROGRAM REQUEST FORM**

**Date Submitted:**

**Department:** ECU Physicians  
**Section:**  
**Administrator/Contact Person:** Brian Jowers, Executive Director  
**Program Name:** Moye Medical II  
**Banner Fund/Org:**  
**Expected Start Date of Program:** Fall/Winter 2009/2010  

<table>
<thead>
<tr>
<th>Primary Functional Classification (Equipment Replacement, Clinical Program, People, New Equipment, IT, Research, Education, Other)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Medical Office Space</td>
</tr>
</tbody>
</table>

**Request Details**

**Summary of new program:**

**Description of personnel/equipment needed:**
Personnel and equipment needed will be provided by departments moving into new Moye II.

**Proposed salaries and physician time allocation:**
None requested

**Explanation of Funding Source:**
Present leases and expansion of patient care services with new space.

**Anticipated Space Needs:**
See attached

**COORDINATING SIGNATURES (as applicable):**

<table>
<thead>
<tr>
<th>Group Practice Administration</th>
<th>Departmental Approval</th>
<th>DATE</th>
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</thead>
<tbody>
<tr>
<td>ITCS/CIO</td>
<td>Finance Committee Recommendation Approval</td>
<td>DATE</td>
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<tr>
<td></td>
<td>Disapproval</td>
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<tr>
<td>Research</td>
<td>ECU Physicians Board Recommendation Approval</td>
<td>DATE</td>
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</table>
## ECU Physicians Pro Forma & New Program Follow-Up

**Program Name:** Moye Medical II  
**Department:** ECU Physicians  
**Date Approved by Board:**  
**Date of Actual Implementation:** TBD  
**Initial Finance Committee Review**  
*(6 months post implementation)*

### 1. NEW REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Patient Revenue</td>
<td>$512,530</td>
<td>$527,906</td>
<td>$543,743</td>
<td>$560,055</td>
<td>$576,857</td>
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<tr>
<td>b. Contract Revenue</td>
<td>$524,570</td>
<td>$527,340</td>
<td>$538,208</td>
<td>$548,320</td>
<td>$559,820</td>
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<tr>
<td>c. Non-Taxable Revenue</td>
<td>$538,208</td>
<td>$538,208</td>
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<td>$538,208</td>
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<tr>
<td>d. DME/Medicare Pass Thru</td>
<td>$538,208</td>
<td>$538,208</td>
<td>$538,208</td>
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<tr>
<td>e. Medicaid Cost Settlement</td>
<td>$538,208</td>
<td>$538,208</td>
<td>$538,208</td>
<td>$538,208</td>
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<tr>
<td>f. Chemo Revenue</td>
<td>$538,208</td>
<td>$538,208</td>
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<tr>
<td>g. Miscellaneous</td>
<td>$538,208</td>
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<tr>
<td>h. Investment Income</td>
<td>$538,208</td>
<td>$538,208</td>
<td>$538,208</td>
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<td>$538,208</td>
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</tbody>
</table>

### Gross Revenues

- **Year 1:** $0  
- **Year 2:** $1,050,738  
- **Year 3:** $1,066,114  
- **Year 4:** $1,081,951  
- **Year 5:** $1,098,083  
- **Total:** $1,115,065

### 3. NEW EXPENSE

<table>
<thead>
<tr>
<th>Description</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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<tbody>
<tr>
<td>a. Salaries - EPA</td>
<td>$0</td>
<td>$0</td>
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<td>b. Salaries - SPA</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>c. Other Wages</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>d. Benefits (use dept. or division avg)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>e. Contracted Services Personnel</td>
<td>$54,500</td>
<td>$56,135</td>
<td>$57,819</td>
<td>$59,533</td>
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<td>f. Purchased Contractual Services</td>
<td>$889,689</td>
<td>$892,046</td>
<td>$894,471</td>
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<td>g. Supplies</td>
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<td>$50,000</td>
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<td>h. Other Current Services</td>
<td>$0</td>
<td>$0</td>
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<td>i. Travel</td>
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<td>j. Communications</td>
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<td>k. Fixed Charges</td>
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<td>l. Malpractice</td>
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<td>m. Capital</td>
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### Total Expense

- **Year 1:** $0  
- **Year 2:** $994,189  
- **Year 3:** $948,181  
- **Year 4:** $952,290  
- **Year 5:** $960,588  
- **Total:** $984,414

### SURPLUS (DEFICIT) FROM OPERATIONS

- **Year 1:** $0  
- **Year 2:** $56,549  
- **Year 3:** $117,933  
- **Year 4:** $129,661  
- **Year 5:** $137,495  
- **Total:** $130,651

**Direct OH Allocation**

- **Year 1:** $0  
- **Year 2:** $15,376  
- **Year 3:** $15,837  
- **Year 4:** $16,312  
- **Year 5:** $16,802  
- **Total:** $17,306

**Indirect OH Allocation**

- **Year 1:** $0  
- **Year 2:** $41,173  
- **Year 3:** $102,096  
- **Year 4:** $113,349  
- **Year 5:** $120,693  
- **Total:** $113,345

### SURPLUS (DEFICIT) AFTER OVERHEAD

- **Year 1:** $0  
- **Year 2:** $61,945  
- **Year 3:** $284,472  
- **Year 4:** $357,987  
- **Year 5:** $411,420  
- **Total:** $429,036

**Dean’s Tax (6%)**

- **Year 1:** $0  
- **Year 2:** $30,752  
- **Year 3:** $31,674  
- **Year 4:** $32,625  
- **Year 5:** $33,603  
- **Total:** $34,611

**VC Tax (1.5%)**

- **Year 1:** $0  
- **Year 2:** $7,688  
- **Year 3:** $7,919  
- **Year 4:** $8,156  
- **Year 5:** $8,401  
- **Total:** $8,653

### SURPLUS (DEFICIT) AFTER OH AND TAXES

- **Year 1:** $0  
- **Year 2:** $2,733  
- **Year 3:** $62,503  
- **Year 4:** $72,568  
- **Year 5:** $78,689  
- **Total:** $70,081

### Cumulative Totals

- **Year 1:** $0  
- **Year 2:** $2,733  
- **Year 3:** $65,236  
- **Year 4:** $137,804  
- **Year 5:** $216,493  
- **Total:** $286,574
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<th>NAME</th>
<th>SECTION</th>
<th>POSITION CLASSIFICATION</th>
<th>FTE</th>
<th>NEW HIRE OR TERM DATE</th>
<th>TOTAL INDIVIDUAL SALARY (for information only)** STATE INDIRECT GRANT MFPP</th>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
<th>TOTAL 09/10 MFPP SALARY</th>
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### EPA POSITIONS

#### ANNUAL SALARY RATES

#### PP MONTHLY BUDGET - YEAR 1 (09/10)

#### PP - YEARS 2 THRU 5

### SPA POSITIONS

#### ANNUAL SALARY RATES

#### PP MONTHLY BUDGET - YEAR 1

### OTHER WAGES

#### ANNUAL SALARY RATES

#### PP MONTHLY BUDGET - YEAR 1 (09/10)

#### PP - YEARS 2 THRU 5

### OTHER WAGES TOTAL 0.00
### Pro Forma Assumptions

**Department:** ECU Physicians  
**Section:**  
**Administrator/Contact Person:** Brian Jowers, Executive Director  
**Program Name:** Moye Medical II  
**Expected Start Date of Program:** Fall/Winter 2009/2010

#### Describe assumptions made in Pro Forma estimates by category.

1. **New Revenue (by category a-h as applicable):**
   - Present leases that will move to pay for new Moye II space: $538,258  
   - ECU Plastic Surgery - $111,375  
   - ECU Adult and Pediatric Healthcare - $88,371  
   - Clinical Finance and Patient Access Services - $224,115  
   - ECU Physicians Administration/Finance Staff - $114,397  

2. **New business as a result of Moye II:** $512,530  
   - MOHs Surgeon - $250,000  
   - Plastic Surgery - $140,000  
   - Pharmacy Drive-Thru, extended hours/weekends - $72,530  
   - Pharmacy re-growth of Moye I business - $50,000  

   **Estimate a 3% increase in years 2-5**

2. **New Expense (by category a-m as applicable):**
   - 44,259 square feet of medical office space - $17/sq. ft. for 38,134 sq. ft - $648,278 and $22.25/sq. ft. for 6,125 sq. ft - $136,281 = $784,559. Utilities at 10% of lease costs $78,455. Building contents insurance - $26,675.  
   - Total year 1 - $889,689  
   - Year 2: 3% utilities escalation  
   - Year 3: 3% utilities escalation  
   - Year 4: Plastic Surgery space (6,125/sq. ft.) escalates 3% to $140,369 and 3% utilities escalation  
   - Year 5: escalation of 3% for 38,134 sq. ft. to $667,726 (Plastic Surgery space escalation of 3% done in year 4) and 3% utilities escalation  
   - Housekeeping will be contracted - 1st year - $54,500 with escalation of 3% for years 2-5  
   - One-time capital equipment cost of $50,000 for Lobby, waiting room furnishings

#### Other:
Investments
Moye Medical II

Location: Adjacent to Moye Medical I, across Moye Boulevard from the Brody School of Medicine

Proposed Facility: New three-story, 44,259 gross square foot, energy efficient clinical/office space building

Parking: 200 new surface parking spaces
Proposed Tenants:

1st Floor - ECU Pharmacy with drive-thru service - 1,976 sq. ft.
   ECU Surgery and Bariatric Surgery – 12,777 sq. ft.

2nd Floor - ECU Adult and Pediatric Healthcare – 8,500 sq. ft. (est.)
   ECU Endocrinology – 3,000 sq. ft. (est.)
   ECU Bone Densitometry – 500 sq. ft. (est.)

3rd Floor - ECU Plastic Surgery – 7,613 sq. ft.
   ECU Dermatology – 5,766 sq. ft.

Square Foot Rate:
- $17.72 per square foot (5.6% increase from Moye I) – average for all three floors
- Moye I Rates: $16.78 per square foot – average for all three floors

Lease Agreement:
- $648,278 per year for 1st four years for all space except Plastic Surgery – Ten Year term, escalates 3% for years 5-10
- $136,281 per year for 1st three years for Plastic Surgery space – Ten year term, escalates 3% for years 4-10
Lease Rates:
$17.00 per square foot for 38,134 sq. ft.
$22.25 per square foot for 6,125 sq. ft. for Plastic Surgery Space

Option to Purchase:
• Option to purchase Moye II at the end of the term at fair market value based on appraisals
• Opportunity to discuss the purchase of Moye I, Moye II or both in year 5 or later at fair market value based on appraisals

Available Space: 12,318 sq. ft. in Brody Outpatient Center (proposed to be used by Clinical Finance and Patient Access Services, presently located in Thomas Building)

• Brody Pharmacy – 693 sq. ft.
• Brody Bone Densitometry – 305 sq. ft.
• Brody Module A – Endocrinology 2,248 sq. ft.
• Brody Module F – Surgery – 5,737 sq. ft.
• Brody Module G – Dermatology – 3,335 sq. ft
Present Leases:

$538,258 paid to non-Brody School of Medicine Entities
- ECU Plastic Surgery - $111,375
- Clinical Finance and Patient Access Services - $224,115 *
- ECU Physicians Administration/Finance staff - $114,397 *
- ECU Adult and Pediatric Healthcare - $88,371

* Includes Housekeeping and Utilities

New Business Net Profit = $512,530

Mohs Surgeon: Presently interviewing candidates; existing space is not acceptable
- Estimated Charges $1,558,300
- Estimated collections $975,660
- Estimated salary + FB $500,000
- Estimated net profit $250,000+

Plastic Surgery: Reduced significantly over the past two years; reconstructive business has become priority, while plastic surgery has become secondary; existing OR is not usable
- Estimated net profit in elective procedures - $140,000+
Moye Medical II Cont.

Pharmacy:

• Drive thru service for our patients
• Extended hours, including weekends, allowing us to compete more appropriately with the larger pharmacies
• Help to attract state employee business thru internal marketing
• Re-grow Internal Medicine business that previously used Brody Pharmacy before moving to Moye I.

Estimated net profit from drive-thru, extended hours and weekends - $72,530
Estimated net profit from re-growth of Moye I business - $50,000