

Executive Briefing

Strategic and Campus Master Plan Update / Pre Design Study

April, 2007





ENGAGEMENT CHARGE

- Update pre-storm business plan for MCLNO
- Update pre-storm master plan for MCLNO
- Develop space program for MCLNO
- Work with C.O.P.G. to understand direction on shared services

The purpose of this briefing is to provide an update of the pre-storm business plan for MCLNO. This is a follow-up to our work presented in December 2006 and contains a number of updated assumptions, and incorporates the potential impact of the Healthcare Redesign Collaborative's proposal:

- 3-parish service area population is estimated to be 799,000 by 2016 (82% of Pre-K population)
- Assuming consistent utilization rates, service area hospital admissions are estimated to be 113,000 by 2016 (86% of Pre-K admissions)
- Approximately 3,100 total beds will be required to service these admissions, 2,200 beds (excluding University Hospital) are currently open in the three parishes
- Depending on funding levels, Healthcare Redesign Collaborative's proposal could increase indigent utilization and more evenly distribute indigent patients among area hospitals – may result in a need for additional beds at MCLNO

As a starting point, we examined the economics of the new facility under a “business as usual scenario”

- Prior to Katrina, MCLNO had approximately 13.1% market share and treated more than 63% of the indigent*
- It is unlikely that payor mix would change significantly for this sized facility. Only a reimbursement system that paid higher rates for indigent patients could encourage private hospitals to seek new indigent patients.
- If MCLNO’s market share and payor mix were consistent with Pre-Katrina levels, facility would have an average daily census of approximately 289 patients by 2016
- Assuming 80% occupancy, this would require a 310 Med Surg beds + 52 Psych Beds
- All in cost for a facility of this size is approximately \$1.0 billion
- *Under this scenario, cash flow is NOT sufficient to service required debt*

* “Indigent” includes: Medically Indigent, Self Insured, Self-Pay and Other Unknown (Medicaid Pending)

2016 MCLNO Discharges by Payer ~ Baseline (310 Med Surg Beds, 52 Psych Beds)

- Baseline payor mix and market share result in bed need of approximately 310 Med Surg beds including the impact of Redesign proposals

Service Area Discharge Projections - with Redesign

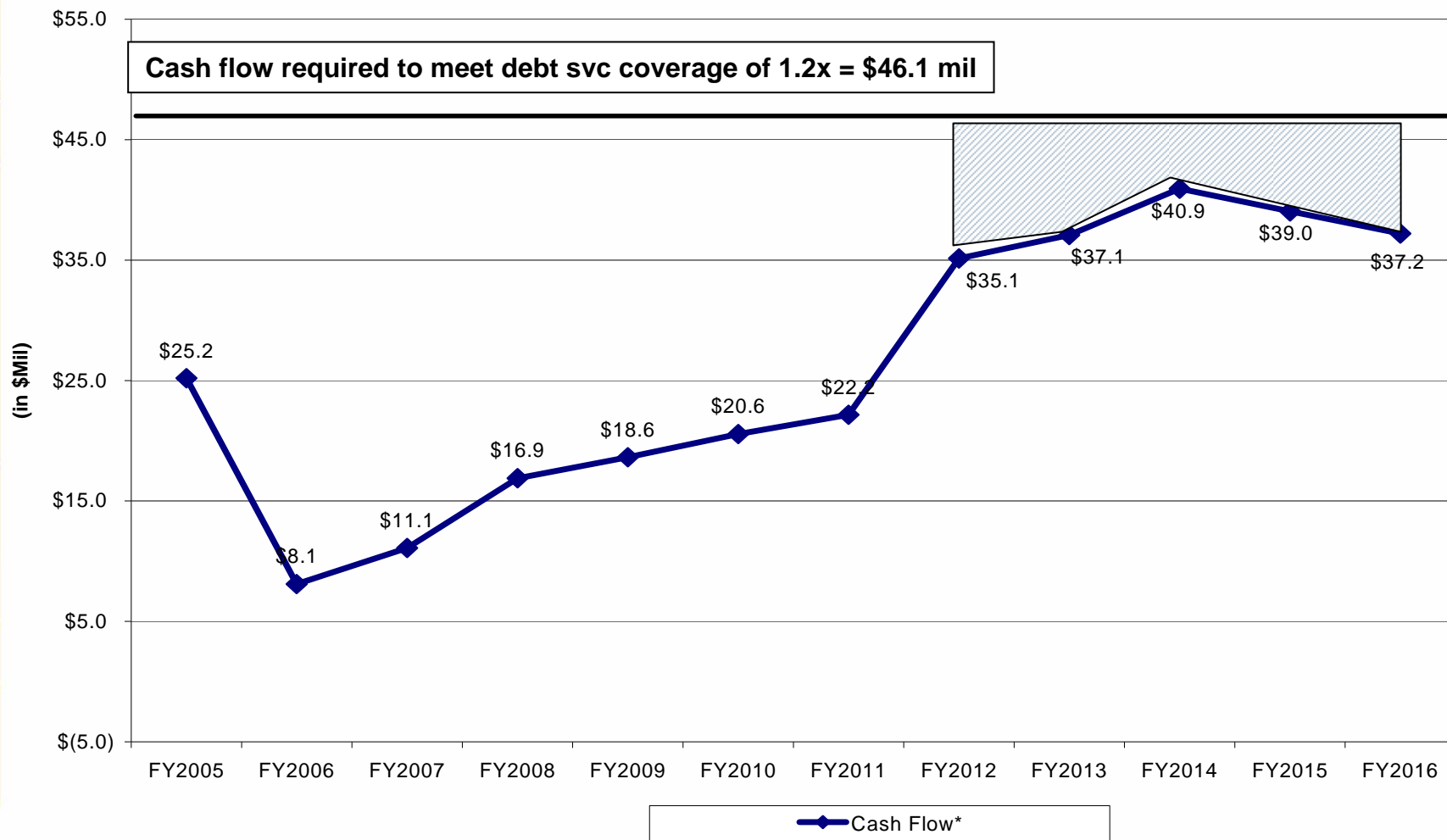
Payer Category	2005 SA Discharges	2005 MCLNO Market Share	2005 MCLNO Discharges	2016 SA Discharges	2016 MCLNO Market Share	2016 MCLNO Discharges
Medicare/ Commercial	86,416	2.6%	2,232	78,992	2.6%	2,040
Medicaid	32,050	21.5%	6,888	24,295	21.5%	5,221
Indigent, Self Pay, & Other	12,714	63.3%	8,048	17,811	43.5%	7,748
Total	131,180	13.1%	17,168	121,098	12.4%	15,009
In-migration			3,858			3,027
Total MCLNO Discharges			21,026			18,036
Sizing						
ALOS 2016						5.86
Patient Days						105,653
ADC						289
Med Surg Bed Need						310
Psych Bed Need						52

¹Based on 80% Occupancy

* "Indigent" includes: Medically Indigent, Self Insured, Self-Pay and Other Unknown (Medicaid Pending)

Financial Performance ~ Baseline (310 Med Surg Beds, 52 Psych Beds)

- Assumes pre-Katrina market share and payor mix
- Subsidy is required in each year to achieve debt service coverage ratio



A more likely alternative scenario was developed where MCNLNO's future market share & payor mix are impacted by implementation of service line strategies, changing demographics, and impact of change in regional bed supply

- Proposed facility will have approximately 17.2% market share and will treat more than 84% of the indigent* – 2 new indigent patients for every 1 new Medicare patient
- MCLNO average daily census projected to be 387 by 2016
- Assuming 80% occupancy, the estimated ADC of 387 requires 416 Med Surg beds + 68 Psych Beds
- “All in cost” for the proposed facility is approximately \$1.2B
- *Under this alternative scenario, cash flow is sufficient to service required debt upon facility opening*

* “Indigent” includes: Medically Indigent, Self Insured, Self-Pay and Other Unknown (Medicaid Pending)

2016 MCLNO Discharges by Payer – Likely Scenario (416 Med Surg Beds, 68 Psych Beds)

- Phase 2 estimated incremental discharges to MCLNO due to the closure of the three facilities and the strategic prioritization of ortho, neuro and general medicine
- Based on a 2016 ALOS of 5.86 multiplied by MCLNO’s projected discharges yields an ADC of 387, applying an 80% occupancy level to the ADC, a bed need of 416 Med Surg beds is derived

Service Area Discharge Projections

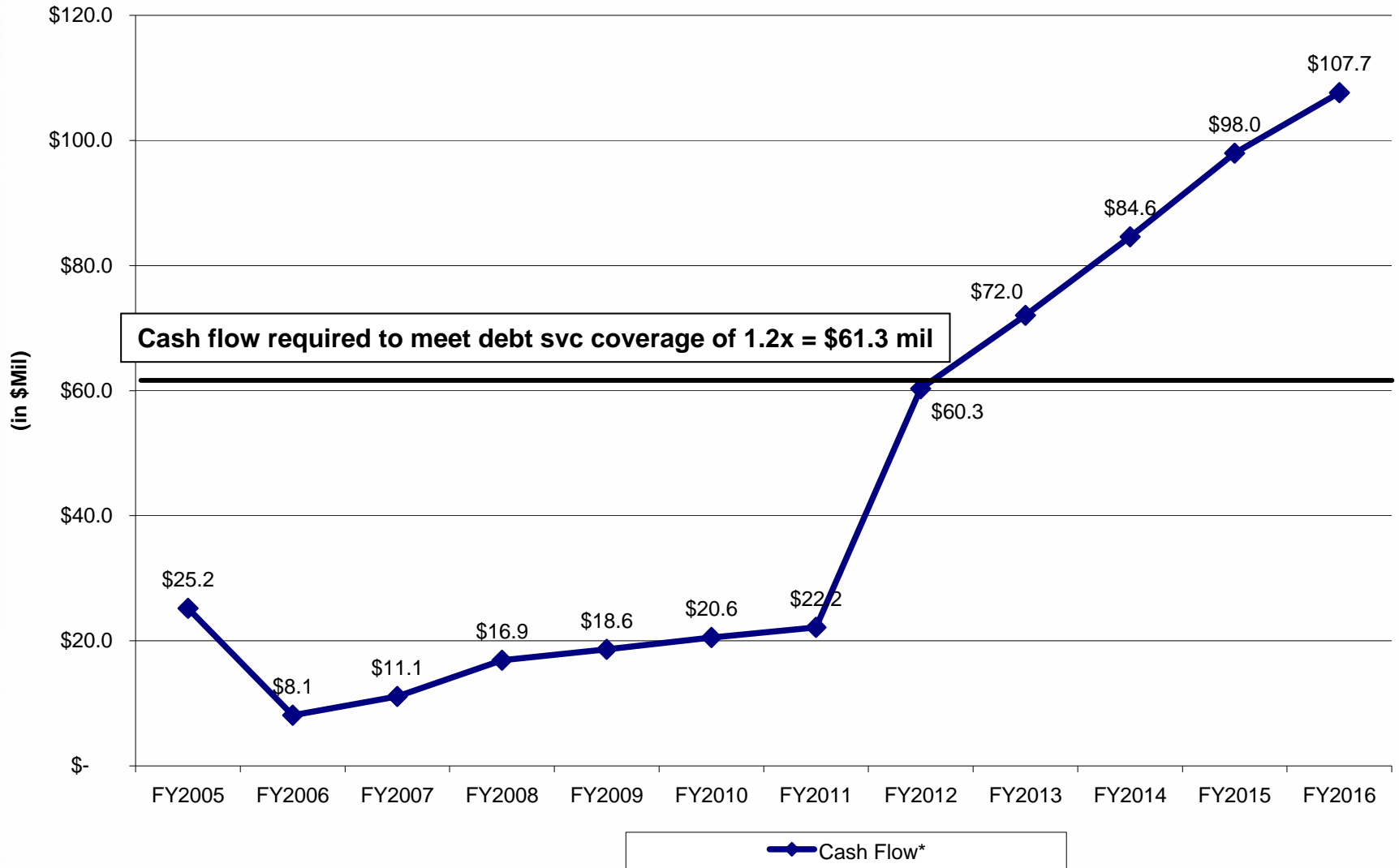
Payer Category	2005 SA Discharges	2005 MCLNO Market Share	2005 MCLNO Discharges	2016 SA Discharges	2016 MCLNO Market Share	2016 MCLNO Discharges
Medicare/ Commercial	86,416	2.6%	2,232	78,992	5.2%	4,094
Medicaid	32,050	21.5%	6,888	24,295	29.1%	7,065
Indigent, Self Pay, & Other	12,714	63.3%	8,048	9,811	84.1%	8,255
Total	131,180	13.1%	17,168	113,098	17.2%	19,414
In-migration			3,858			4,703
Total MCLNO Discharges			21,026			24,117

Sizing	
ALOS 2016	5.86
Patient Days	141,273
ADC	387
Med Surg Bed Need	416
Psych Bed Need	68

¹Based on 80% Occupancy

* “Indigent” includes: Medically Indigent, Self Insured, Self-Pay and Other Unknown (Medicaid Pending)

Financial Performance – Likely Scenario (416 Med Surg Beds, 68 Psych Beds)



* "Cash flow" is defined as earnings before interest, taxes, depreciation and amortization or EBITDA

Service Area Volume Projection Assumptions

Service area volume projection is based on several major assumptions:

- Service area is defined as Orleans, Jefferson and St. Bernard Parish
- Repopulation was tied the extent of Katrina-related flooding in a given zip code
- Population is projected to be slightly older in the future, accordingly, Medicare payor mix for the market has been adjusted
- Though significantly higher than national averages, we have assumed that use rates will remain constant due to historic trends and lifecycle
- Depending on reimbursement levels, Healthcare Redesign Collaborative's proposal could increase indigent utilization and more evenly distribute indigent patients among area hospitals – may result in a need for additional beds at MCLNO
- Immigration is assumed to be generally consistent with historical info, but has been adjusted for anticipated service mix changes

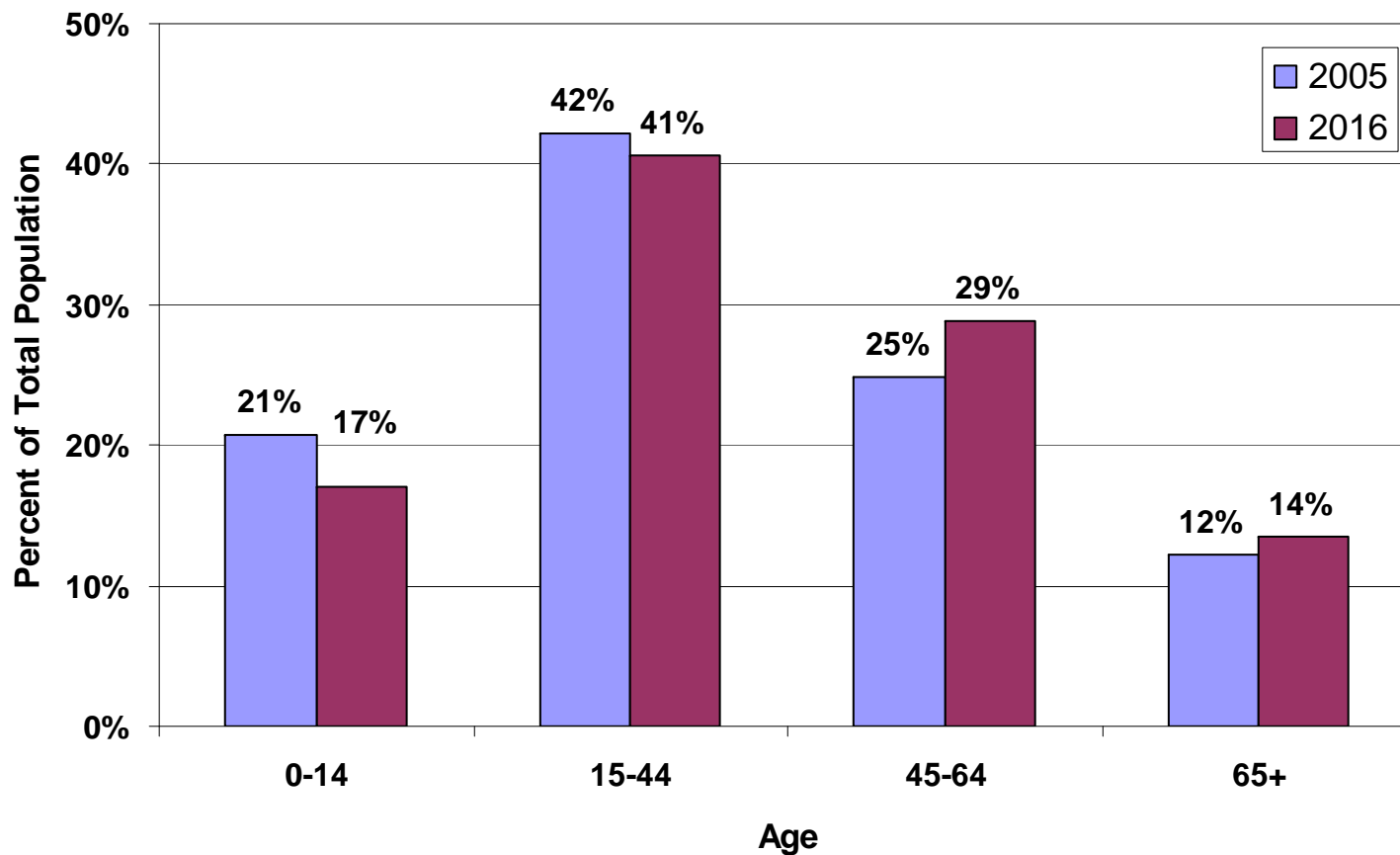
Summary of Population Estimates & Projections

MCLNO Service Area

Parish	# Zip Codes	2000 Census	2005 Claritas	Aug-06 LA Rec Auth	2008 P2C	2011 P2C	2016 P2C
Jefferson*	14	447,793	444,512	435,786	446,289	446,915	449,740
As a % of 2005				98.0%	100.4%	100.5%	101.2%
Orleans	17	484,686	462,869	187,525	270,447	287,212	303,978
As a % of 2005				40.5%	58.4%	62.1%	65.7%
St. Bernard	5	67,004	65,548	25,016	41,044	42,985	44,926
As a % of 2005				38.2%	62.6%	65.6%	68.5%
Total	36	999,483	972,929	648,327	757,780	777,112	798,644
As a % of 2005				66.6%	77.9%	79.9%	82.1%

* numbers for 2005, 2008, 2011, & 2016 exclude 3 small Jefferson Parish zip codes (70036, 70067, & 70358)

Service Area Age Distribution



Source: Claritas; P2C Estimates

2005 Service Area Market Share & Payer Mix

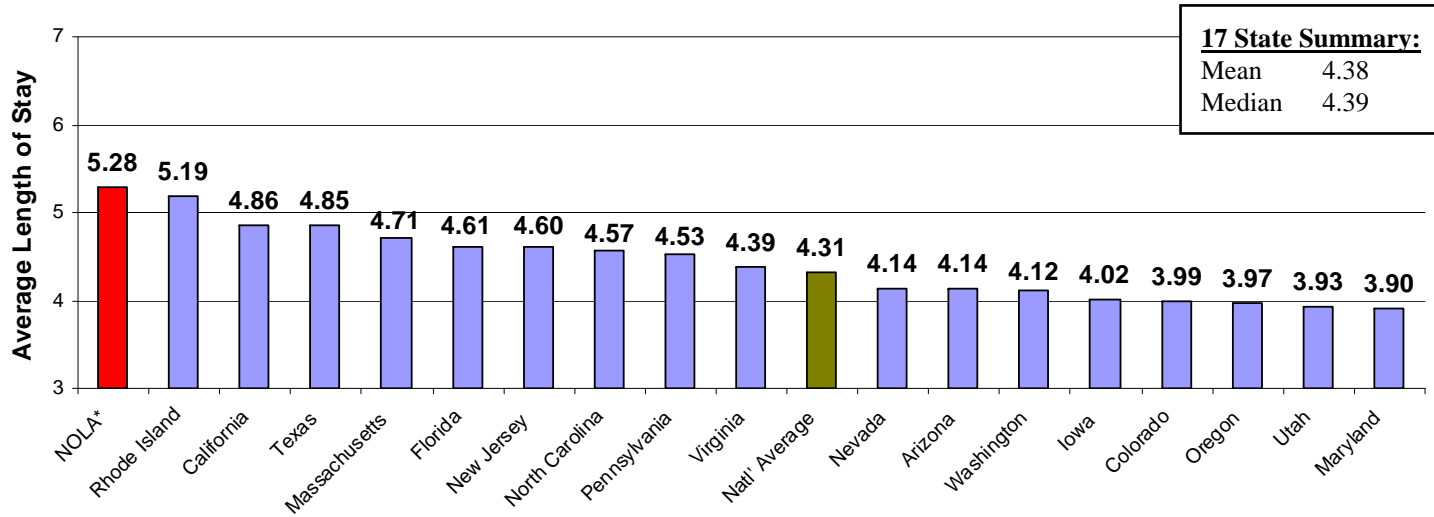
- In 2005, MCLNO provided 63.3 % of care to indigent patients
- In 2005, MCLNO provided 2.6% of care to Medicare/Commercial patients
- Methodist, Chalmette and Lindy Boggs account for 16.8 % market share

Payer	Medical Center of LA/New Orleans	East Jefferson General Hospital	Ochsner Foundation Hospital	West Jefferson Medical Center	Touro Infirmary	Memorial Medical Center	Methodist Hospital	Tulane University Hospital/ Clinic	Meadowcrest Hospital	Chalmette Medical Center	Children's Hospital	Lindy Boggs Medical Center	All Others	Grand Total
Indigent, Self Pay, & Other														
County or State	0	0	0	92	0	0	0	0	4	0	0	0	0	96
Medically Indigent/ Free	2,248	0	0	0	0	0	0	18	0	0	0	0	68	2,334
Other, Unknown	5,798	0	30	16	142	18	6	2	44	6	0	58	186	6,306
Self Insured	0	0	414	200	0	26	0	0	12	0	0	6	20	678
Self Pay	2	748	540	800	0	192	0	420	136	0	32	114	316	3,300
<i>Indigent, Self Pay, & Other Subtotal</i>	8,048	748	984	1,108	142	236	6	440	196	6	32	178	590	12,714
Medicaid	6,888	1,600	874	3,564	3,258	1,538	2,600	2,840	2,146	766	3,886	460	1,630	32,050
Medicare/ Commercial														
Blue Cross/ Blue Shield	108	2,036	1,234	1,036	672	0	4	0	0	4	268	0	472	5,834
Champus	4	0	32	210	16	118	46	36	140	36	0	10	62	710
Commercial Insurance (indemnity)	670	270	108	114	2,208	88	350	86	36	160	184	30	212	4,516
HMO/ Managed Care	14	3,060	7,280	3,848	456	5,734	3,272	1,908	3,050	1,800	878	2,308	3,356	36,964
Medicare	1,406	7,550	3,314	3,964	4,114	2,808	3,976	2,124	1,238	3,696	0	2,218	1,498	37,906
Workers/ State Compensation	30	92	28	80	72	0	46	78	0	34	0	0	26	486
<i>Medicare/ Commercial Subtotal</i>	2,232	13,008	11,996	9,252	7,538	8,748	7,694	4,232	4,464	5,730	1,330	4,566	5,626	86,416
Grand Total	17,168	15,356	13,854	13,924	10,938	10,522	10,300	7,512	6,806	6,502	5,248	5,204	7,846	131,180

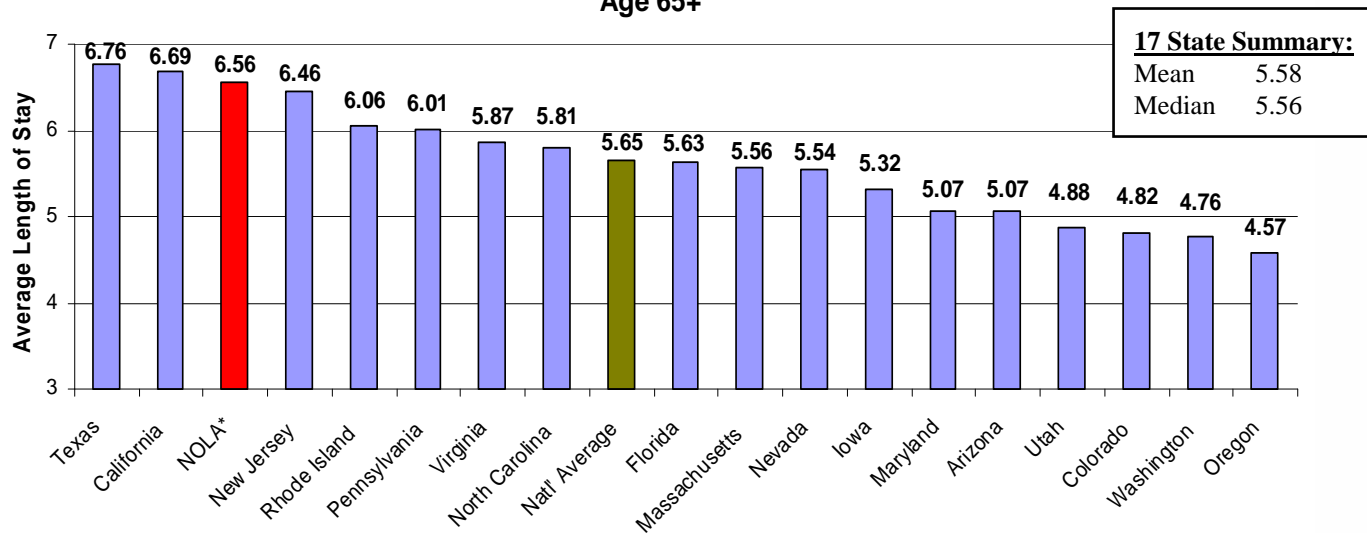
Payer	Medical Center of LA/New Orleans	East Jefferson General Hospital	Ochsner Foundation Hospital	West Jefferson Medical Center	Touro Infirmary	Memorial Medical Center	Methodist Hospital	Tulane University Hospital/ Clinic	Meadowcrest Hospital	Chalmette Medical Center	Children's Hospital	Lindy Boggs Medical Center	All Others	Grand Total
Indigent, Self Pay, & Other														
County or State	0.0%	0.0%	0.0%	95.8%	0.0%	0.0%	0.0%	0.0%	4.2%	0.0%	0.0%	0.0%	0.0%	100.0%
Medically Indigent/ Free	96.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%	100.0%
Other, Unknown	91.9%	0.0%	0.5%	0.3%	2.3%	0.3%	0.1%	0.0%	0.7%	0.1%	0.0%	0.9%	2.9%	100.0%
Self Insured	0.0%	0.0%	61.1%	29.5%	0.0%	3.8%	0.0%	0.0%	1.8%	0.0%	0.0%	0.9%	2.9%	100.0%
Self Pay	0.1%	22.7%	16.4%	24.2%	0.0%	5.8%	0.0%	12.7%	4.1%	0.0%	1.0%	3.5%	9.6%	100.0%
<i>Indigent, Self Pay, & Other Subtotal</i>	63.3%	5.9%	7.7%	8.7%	1.1%	1.9%	0.0%	3.5%	1.5%	0.0%	0.3%	1.4%	4.6%	100.0%
Medicaid	21.5%	5.0%	2.7%	11.1%	10.2%	4.8%	8.1%	8.9%	6.7%	2.4%	12.1%	1.4%	5.1%	100.0%
Medicare/ Commercial														
Blue Cross/ Blue Shield	1.9%	34.9%	21.2%	17.8%	11.5%	0.0%	0.1%	0.0%	0.0%	0.1%	4.6%	0.0%	8.1%	100.0%
Champus	0.6%	0.0%	4.5%	29.6%	2.3%	16.6%	6.5%	5.1%	19.7%	5.1%	0.0%	1.4%	8.7%	100.0%
Commercial Insurance (indemnity)	14.8%	6.0%	2.4%	2.5%	48.9%	1.9%	7.8%	1.9%	0.8%	3.5%	4.1%	0.7%	4.7%	100.0%
HMO/ Managed Care	0.0%	8.3%	19.7%	10.4%	1.2%	15.5%	8.9%	5.2%	8.3%	4.9%	2.4%	6.2%	9.1%	100.0%
Medicare	3.7%	19.9%	8.7%	10.5%	10.9%	7.4%	10.5%	5.6%	3.3%	9.8%	0.0%	5.9%	4.0%	100.0%
Workers/ State Compensation	6.2%	18.9%	5.8%	16.5%	14.8%	0.0%	9.5%	16.0%	0.0%	7.0%	0.0%	0.0%	5.3%	100.0%
<i>Medicare/ Commercial Subtotal</i>	2.6%	15.1%	13.9%	10.7%	8.7%	10.1%	8.9%	4.9%	5.2%	6.6%	1.5%	5.3%	6.5%	100.0%
Grand Total	13.1%	11.7%	10.6%	10.6%	8.3%	8.0%	7.9%	5.7%	5.2%	5.0%	4.0%	4.0%	6.0%	100.0%

Comparative Inpatient Average Lengths of Stay Service Area (2005) & 17 Other States

Age 0 - 64



Age 65+



Estimated Impact of Redesign Collaborative

- If indigent use rates increase, but redistribution of patients doesn't occur, then MCLNO would need additional capacity.
- If indigent use rates increase and patients are more evenly distributed among area hospitals, then MCLNO would have excess capacity
- Midpoint has been incorporated into baseline bed need projections

Impact of the Healthcare Redesign Collaborative on Volume			
I. Use rate Increase			
	Baseline	Use Rate Incr. No Redistribution	Use Rate Incr. With Redistribution
2016 Pop	798,000	798,000	798,000
Indigent Percentage	40%	40%	40%
2016 Indigent Pop	319,200	319,200	319,200
Indigent Use Rate per 1000*	30.7	55.98	55.98
Indigent Cases	9,811	17,869	17,869
II. Redistribution			
Total Indigent Cases	9,811	17,869	17,869
MCLNO Mkt Share*	65.0%	65.0%	25.0%
MCLNO Indigent Cases	6,377	11,615	4,467
MCLNO Indigent ADC (@ 5.86)	102	186	72
MCLNO Indigent Beds	128	233	90
Difference from baseline		105	(38)
Additional Beds Required - Midpoint			33
Atlanta MSA (55.93/1000), Harris County (49.23/1000), All US (62.8/1000) Ben Taub & LBJ have 52% indigent market share in Harris County Grady has approximately 13% indigent market share in Atlanta MSA			
Sources: CDC National Hospital Discharge Survey 2004 Annual Summary - October 2006 October 2006 release and Census.gov, Hermes 2006, Solucient 2005. LHIN			

* "Indigent" includes: Medically Indigent, Self Insured, Self-Pay and Other Unknown (Medicaid Pending)

Service Area Inpatient Average Daily Census

- If inpatient use rates were to remain constant, average daily census (discharges multiplied by average length of stay divided by 365) for the service area will be approximately 1,790 in 2016
- If inpatient use rates decline toward national averages, then market ADC could decrease by 90 to 135 patients per day
- If Healthcare Redesign proposals are adopted, and increased utilization results, then market ADC could increase by as much as 129 patients per day

Service Area Discharges & ADC

Payer Category	2005	2008	2011	2016	2005 - 2016 % Growth
Discharges by Payer					
Medicare	37,906	35,288	37,819	41,912	10.6%
Commercial ¹	48,510	35,590	36,371	37,080	-23.6%
Medicaid	32,050	23,618	24,015	24,295	-24.2%
Indigent, Self Pay, & Other ²	12,714	9,451	9,644	9,811	-22.8%
Total	131,180	103,946	107,849	113,098	-13.8%
<i>Percent of Pre-Katrina</i>	100.0%	79.2%	82.2%	86.2%	
ALOS	5.72	5.73	5.75	5.78	1.0%
ADC by Payer					
Medicare	594	554	595	663	11.6%
Commercial	760	558	572	587	-22.8%
Medicaid	502	371	378	384	-23.5%
Indigent, Self Pay, & Other	199	148	152	155	-22.1%
Total	2,056	1,631	1,698	1,790	-12.9%
<i>Percent of Pre-Katrina</i>	100.0%	79.3%	82.6%	87.1%	

¹Includes: HMO/ Managed Care; Champus; Commercial Insurance (indemnity carrier); Blue Cross/ Blue Shield; Workers'/ State Compensation

²Includes: Other, Unknown; Medically Indigent/ Free and Self Insured; Self Pay

Service Area Hospital Bed Status

- Based on a thorough review of news and discussions with hospital officials, Phase 2 estimated that there are approximately 2,377 available beds in the service area

Hospital Name	Staffed Beds	City	Zip	Owner
Acute Care Hospitals:				
Touro Infirmary ¹	250	New Orleans	70115	Touro
Tulane University Hospital and Clinic ¹	85	New Orleans	70112	HCA
Interim University Hospital ¹	135	New Orleans	70112	LSU
NO Surgical & Heart Institute	10	New Orleans	70115	Oschner
Children's Hospital	175	New Orleans	70118	Children's
West Jefferson Medical Center	317	Marrero	70072	Parish-owned
Oschner Westbank (Meadowcrest Hospital)	203	Gretna	70056	Oschner
Oschner Foundation Hospital	476	New Orleans	70121	Oschner
East Jefferson General Hospital	448	Metairie	70011	Parish-owned
Lakeside Hospital	75	Metairie	70001	HCA
Oschner Kenner (Kenner Regional Medical Center)	203	Kenner	70065	Oschner
Current Availability	2,377			

Service Area Bed Need Assessment

- Prior to Katrina, the market appeared to be significantly over-bedded, but post-Katrina market shows a significant need for new beds
- GAO, PWC and others use similar data to conclude that service area is still overbedded, but those estimates are based on lower utilization and higher occupancy than historical
- If Healthcare Redesign proposals are adopted, and increased utilization results, then market ADC could increase by as much as 129 patients per day

Payer Category	2005 Actual ADC	2016	2016
		Projected ADC w/o Redesign	Projected ADC w/ Redesign
Payer			
Medicare	594	663	663
Commercial	760	587	587
Medicaid	502	384	384
Indigent, Self Pay, & Other	<u>199</u>	<u>155</u>	<u>284</u>
Subtotal	2,056	1,790	1,919
In-migration ¹	<u>463</u>	<u>403</u>	<u>403</u>
Total Service Area ADC	2,518	2,192	2,321
Typical Market Occupancy Percentage	70.0%	70.0%	70.0%
Bed Need at Typical Market Occupancy	3,598	3,132	3,316
Bed Supply ²	4,637	2,242	2,242
New Beds Required	-1,039	890	1,074

¹ Assumes 22.5% In-migration
² 2006 Includes MCLNO - preK capacity 2016 Excludes temporary University facility

Volume Projection Assumptions ~ Baseline (310 Med Surg Beds, 52 Psych Beds)

MCLNO's projected volume is a function of total market volume times estimated MCLNO market share.

Baseline Assumes

- Pre-Katrina market share
- Pre-Katrina payor mix
- Projected population and demographics changes
- Includes impact of the adoption of the Healthcare Redesign Collaborative's Proposals

MCLNO Financial Projection Assumptions - Baseline (310 Med Surg Beds, 52 Psych Beds)

- Volume increases assumed until facility reaches capacity in the second year of operations
- Assumes pre-Katrina payor mix applied to new market demographics
- Assumes that either current financing system is in place, or that Medicare rates are paid for indigent patients – these are close to equivalent for MCLNO
- DSH payment is based on historical relationship of DSH payments to total operating expenses (less depreciation)
- Operating expense are based on FY 2005, assume a 60/40 mix of variable to fixed expenses, and a 2% inflation factor
- Non-operating expenses assume state appropriation that is consistent with 2006 levels, also assume elimination of x-fer from MCLNO to other LSU facilities
- VA efficiency benefit of 3-4% of operating expense based on shared services matrix
- Baseline capital cost of \$1.0 billion, of which \$600 million is financed at 4.85%

Cost Summary ~ Baseline (310 Med Surg Beds, 52 Psych Beds)

Total project cost of approximately \$1.0 Bil

○ Hospital Building	\$295 million
○ Ambulatory Building	\$100 million
○ Central Energy Plant	\$24 million
○ Parking	\$38 million
○ Sitework	\$64 million
○ Medical Equipment and Furniture	\$104 million
○ Information Technology	\$110 million
○ Other: Fees, Contingencies, etc	\$130 million
○ Land	\$54 million
○ Interim Construction Financing	<u>\$100 million</u>
Total	\$1.0 billion

Total project cost driven by several drivers:

- Academic Medical Center
 - Size premium
 - Technology premium
 - Equipment premium
- Hurricane hardening/sustainability
- Uncertainty in post-storm New Orleans ~ Labor index

Volume Projection Assumptions – Likely Scenario (416 Med Surg Beds, 68 Psych Beds)

MCLNO's projected volume is a function of total market volume times estimated MCLNO market share.

Likely Scenario

- Market share from closed facilities will be proportionately distributed among those facilities that are open
- MCLNO's market share will be impacted by the implementation of a variety of service line strategies
- Payor mix will be impacted by changing demographics, closed facilities and strategic plan implementation
- Assumes no significant changes in state funding mechanisms (ie. Equivalent to Medicare funding levels)

MCLNO completed a strategic planning exercise that forms the basis for both functional space planning and business planning

- Continue to evolve from a “Charity Hospital” to a “University Medical Center”
 - Continued commitment to indigent patient care
 - Leadership in training of new physicians
 - Develop and expand research capability

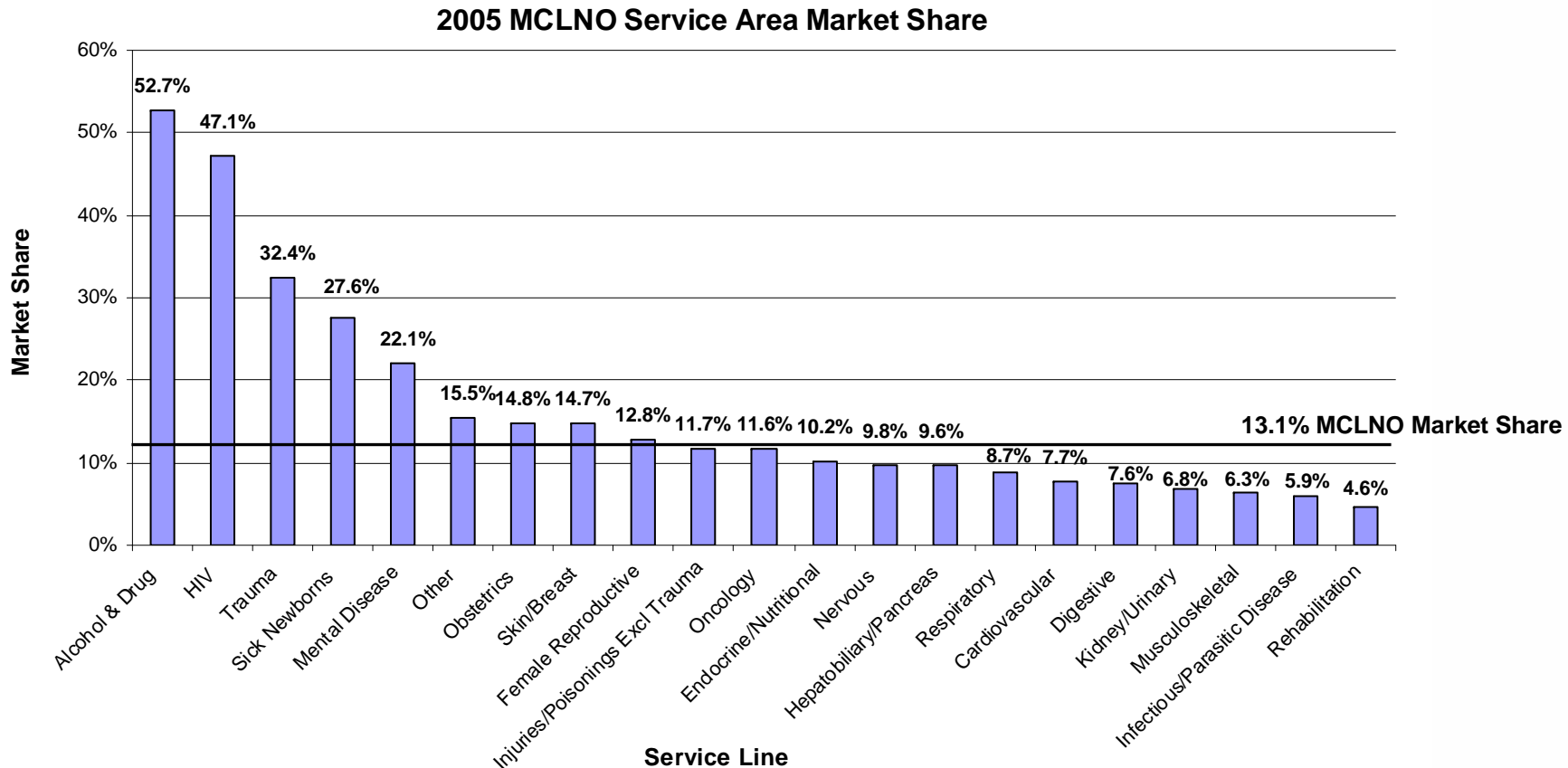
- Create centers of excellence
 - Build on Level I trauma program to develop centers of excellence in ortho and neuro
 - Pursue myriad programmatic opportunities in general medicine
 - Maintain commitment to OB, Psych

- Enhance payor mix
 - Increase Medicare and commercial patient percentage by improving loyalty of faculty physicians
 - Decrease reliance on state funding mechanisms

- Maintain leading cost and quality to meet future healthcare needs as healthcare reform continues to evolve

MCLNO 2005 Service Area Market Share

- 2005 market share shows particular strength in substance abuse, behavioral health, trauma, OB/sick newborns and HIV
- Comparative weaknesses in neuro, ortho, general medicine, cardiac and rehab



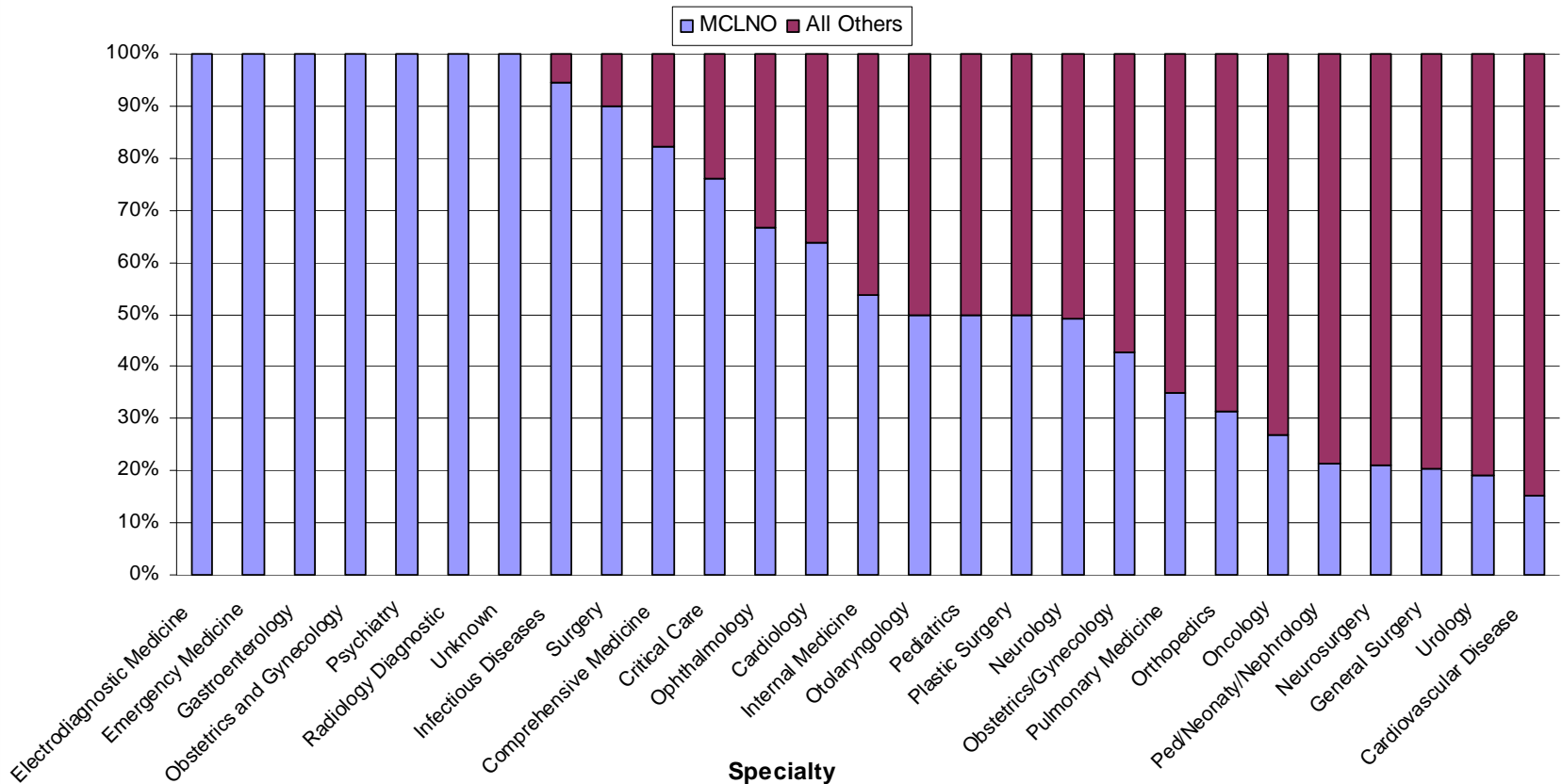
Source: LHIN Database 2005

Notes: 2005 Discharges are January 1 – June 30 annualized; Other includes: Blood & Immunological, Burns, Ear/Nose/Mouth/Throat, Eye, Factors Influencing Health Status, Male Reproductive, Myeloprolif & Poorly Diff Neo

Medicare Discharges by Active Academic Physicians Admitting to MCLNO

- Overall 1274 (49%) of Medicare discharges served by active faculty physicians were admitted to MCLNO
- The balance of 1334 we admitted to other facilities

MCLNO 2005 Percent of Medicare Discharges Received From Active Academic Physicians



Source: LHIN Database 2005; LSU Physician Roster; www.sharecor.com

Notes: 2005 Discharges are January 1 – June 30 annualized; MCLNO discharges include all discharges

MCLNO Financial Projection Assumptions – Likely Scenario (416 Med Surg Beds, 68 Psych Beds)

- Volume increases assume to be linear growth of 9.3%/yr from 2007 to 2011, and then 12.6%/yr from 2011 to 2016
- Payor mix is assumed to be at 2005 levels until new facility opens, linear increase in Medicare and commercial assumed from 2011 to 2016
- Net patient revenue incorporates increase case mix, and change in payor mix, and includes 1% inflation factor
- DSH payment is based on historical relationship of DSH payments to total operating expenses (less depreciation)
- Operating expense are based on FY 2005, assume a 60/40 mix of variable to fixed expenses, and a 2% inflation factor
- Non-operating expenses assume state appropriation that is consistent with 2006 levels, also assume elimination of x-fer from MCLNO to other LSU facilities
- VA efficiency benefit of 3-4% of operating expense based on shared services matrix
- Baseline capital cost of \$1.2 billion, of which \$800 million is financed at 4.85%

Cost Summary – Likely Scenario (416 Med Surg Beds, 68 Psych Beds)

Total project cost ranges from \$1.2B to \$1.4B, depending on additional labor premium

○ Hospital Building	\$369 million
○ Ambulatory Building	\$117 million
○ Central Energy Plant	\$28 million
○ Parking	\$47 million
○ Sitework	\$72 million
○ Medical Equipment and Furniture	\$108 million
○ Information Technology	\$110 million
○ Other: Fees, Contingencies, etc	\$155 million
○ Land	\$54 million
○ Interim Construction Financing	<u>\$150 million</u>
Total	\$1.2 billion

Total project cost driven by several drivers:

- Academic Medical Center
 - Size Premium
 - Technology Premium
 - Equipment Premium
- Hurricane hardening/sustainability
- Uncertainty in post-storm New Orleans ~ Labor index



PROJECT NEXT STEPS

- State selects architect/engineer
- Pre-land acquisition activities continued – additional acreage considered for partnership
- COPG finalizes and presents for consideration a shared services matrix – require LSU and VA approval / agreement
- Continue FEMA negotiations on MCLNO damage
- Seek approval for balance of funding required