Greer, Leslie

From: Martone, Kim
Sent: Tuesday, September 13, 2016 8:05 AM
To: Greer, Leslie
Subject: FW: PMH/ECHN re CA DPH Survey Letter-OHCA Docket No. 15-32016-486 and Attorney General Docket No. 15-486-01
Attachments: PMH ECHN re CA DPH Survery Letter.pdf; CSMS Survey Letter.pdf

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
Phone: 860-418-7029 Fax: 860-418-7053
Email: Kimberly.Martone@ct.gov *Website:* www.ct.gov/ohca

From: Jennifer O'Donnell [mailto:jlo@bvmlaw.com]
Sent: Monday, September 12, 2016 4:23 PM
To: Martone, Kim; Lazarus, Steven; Hansted, Kevin; McLellan, Rose; Cass, Barbara; Zinn-Rowthorn, Perry A.; Salton, Henry A.; Hawes, Gary W.; Shapiro, Daniel R.; Matthews, Rebecca; Tichy, Joyce A
Cc: Michele Volpe; Jonathan Spees; 'Von.crockett@prospectmedical.com'; Martone, Kim
Subject: PMH/ECHN re CA DPH Survey Letter-OHCA Docket No. 15-32016-486 and Attorney General Docket No. 15-486-01

All: Attached please find correspondence in connection with the above captioned matter. Thank you.

Jennifer L. O'Donnell
Paralegal
Bershtein, Volpe & McKeon P.C.
105 Court Street, 3rd Floor
New Haven, Connecticut 06511-6957
Telephone: (203) 777-5800 (ext. 104)
Direct Line: (203) 777-5804
Facsimile: (203) 777-5806

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BERSHTEIN, VOLPE & McKEON, P.C.
ATTORNEYS AT LAW
105 COURT STREET—THIRD FLOOR
NEW HAVEN, CONNECTICUT 06511
TELEPHONE: (203) 777-5800
FACSIMILE: (203) 777-5806

Michele M. Volpe
203-777-6995

September 12, 2016

VIA EMAIL AND US MAIL

Attorney General George Jepsen
Office of the Attorney General
55 Elm Street, P.O. Box 120
Hartford, Connecticut 06141-0120

Deputy Commissioner Janet M. Brancifort, MPH, RRT
Department of Public Health
410 Capitol Avenue
Hartford, Connecticut 06134

Re: Prospect Medical Holdings, Inc./Eastern Connecticut Health Network, Inc. re California Department of Public Health Survey Letter re Southern California Hospital – OHCA Docket No. 15-32016-486 and Attorney General Docket No. 15-486-01

Dear Mr. Jepsen and Ms. Brancifort:

For your records and as a follow up to Prospect Medical Holdings proposed acquisition of Eastern Connecticut Health System entities, attached please find a letter from the California Department of Public Health dated September 8, 2016 clearing Southern California Hospital, a Prospect Medical Holdings entity, from the CSMS licensure termination track.

If you have any questions or require anything further, please contact me at 203-777-6995. Thank you for your assistance in this matter.

Very truly yours,

Michele M. Volpe,
Bershtein, Volpe & McKeon, P.C.

Cc: Kimberly Martone, Director of Operations, Department of Public Health Division of Office of Health Care Access
Steven Lazarus, Associate Health Care Analyst, Department of Public Health Division of Office of Health Care Access
Kevin Hansted, Staff Attorney, Department of Public Health Division of Office of Health Care Access
Rose McLellan, License and Application Supervisor, Facility Licensing & Investigations Section
Barbara S. Cass, R.N., Section Chief, Facility Licensing and Investigations Section
Perry Zinn Rowthorn, Deputy Attorney General, Office of the Attorney General
Henry Salton, Assistant Attorney General, Office of the Attorney General
Gary Hawes, Assistant Attorney General, Office of the Attorney General
Daniel Shapiro, Assistant Attorney General, Office of the Attorney General
Rebecca Matthews, Wiggin and Dana LLP
Joyce Tichy, Eastern Connecticut Health Network, Inc.
Jonathan Spees, Prospect Medical Holdings, Inc.

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Western Division of Survey and Certification
San Francisco Regional Office
90 7th Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

CENTERS FOR MEDICARE & MEDICAID SERVICES

Refer to: WDSC- mc

09/08/2016

Administrator
Southern California Hospital at Hollywood
6245 De Longpre Ave
Hollywood, CA 90028

CMS Certification Number (CCN): 050135

Dear Administrator:

The California Department of Public Health (CDPH) has determined that Southern California Hospital at Hollywood now meets the Medicare Conditions of Participation for a provider of hospital services and therefore, this office will not proceed with a termination action. The authority for this decision is found at 42 C.F.R. § 498.20 - 498.25.

The 07/28/2016 revisit survey conducted by the CDPH determined that the hospital demonstrated compliance with Medicare Conditions of Participation (CoP) and provides the basis for the determination of CMS.

Therefore, effective the date of this letter, we are removing your facility from the CDPH survey jurisdiction and restoring your facility's deemed status, based on your continued accreditation by the DNV GL–Healthcare (DNV GL). While the survey found compliance with the CoP there are standard level deficiencies cited. The enclosed Statement of Deficiencies (CMS-2567) documents the findings of the 07/28/2016 survey.

Since your hospital has been determined to be in compliance with the CoP you do not have to submit a plan of correction for any of the Medicare survey deficiencies. However, under Federal disclosure rules a copy of the findings of this Medicare survey must be publicly disclosed within 90 days of the completion. You may therefore wish to submit for public disclosure, your comments on the survey findings, and any plans you may have for correcting the cited deficiencies.

Should you choose to submit a plan for correction, the evidence of correction is to be entered on the right side of Form CMS-2567 for both documents, opposite the deficiency, and must be signed and dated by the administrator or other authorized official. Please submit your evidence of correction to the CDPH, Los Angeles District office by close of business, within ten (10) days of receipt of this letter.

The evidence of correction of each item must contain the following:

1. How the correction was accomplished, both temporarily and permanently for each individual affected by the deficient practice, including any system changes that must be made.

2. The title or position of the person responsible for correction, i.e., Administrator, Director of Nursing or other responsible supervisory personnel.

3. A description of the monitoring process to prevent recurrences of the deficiency, the frequency of the monitoring and the individual(s) responsible for the monitoring.

4. The date when the immediate correction of the deficiency will be accomplished, normally this will be no more than thirty (30) calendar days from the date of the exit conferences.

We have forwarded a copy of this letter and the findings from this survey to the DNV GL for its review. Copies of this letter are being sent to the CDPH and the State Medicaid agency.

If you have any questions about this matter, please contact Alex Garza at 415-744-2830, or Maureen Calacal of my staff at 415-744-3727.

Sincerely,

Rufus Arther, Manager
Non-Long Term Care Branch
Division of Survey and Certification

Enclosure

Greer, Leslie

From: Martone, Kim
Sent: Thursday, October 06, 2016 1:18 PM
To: Roberts, Karen; Cotto, Carmen
Cc: Greer, Leslie
Subject: FW: Eastern Connecticut Health Network, Inc. and Prospect Medical Holdings, Inc. – OHCA Docket No. 15-32016-486
Attachments: Ltr to JBrancifort re ECHN (fwding Certs of Incorp) 10.6.16.pdf; Prospect Manchester Hospital, Inc.-CT-Cert Copy of Articles of Inc &.pdf; PROSPECT ROCKVILLE HOSPITAL, INC.-CT-Cert Copy of Articles of Inc &.pdf

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
Phone: 860-418-7029 Fax: 860-418-7053
Email: Kimberly.Martone@ct.gov Website: www.ct.gov/ohca

From: Jennifer O'Donnell [mailto:jlo@bvmlaw.com]
Sent: Thursday, October 06, 2016 12:39 PM
To: Brancifort, Janet
Cc: Martone, Kim; Lazarus, Steven; Hansted, Kevin; 'ellen.shin@prospectmedical.com'; Jonathan Spees; Mcconville, Dennis P; Tichy, Joyce A; Michele Volpe
Subject: Eastern Connecticut Health Network, Inc. and Prospect Medical Holdings, Inc. – OHCA Docket No. 15-32016-486

Please see attached letter and Certificates of Incorporation from Michele Volpe. Thank you.

Jennifer L. O'Donnell
Paralegal
Bershtein, Volpe & McKeon P.C.
105 Court Street, 3rd Floor
New Haven, Connecticut 06511-6957
Telephone: (203) 777-5800 (ext. 104)
Direct Line: (203) 777-5804
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BERSHTEIN, VOLPE & McKEON, P.C.
ATTORNEYS AT LAW
105 COURT STREET—THIRD FLOOR
NEW HAVEN, CONNECTICUT 06511
TELEPHONE: (203) 777-5800
FACSIMILE: (203) 777-5806

Michele M. Volpe
Direct Dial (203) 777-6995

October 6, 2016

VIA EMAIL (janet.brancifort@ct.gov; Kimberly.martone@ct.gov; steven.lazarus@ct.gov; kevin.hansted@ct.gov)

Deputy Commissioner Janet M. Brancifort, MPH, RRT
Department of Public Health
410 Capitol Avenue
Hartford, Connecticut 06134

Re: Eastern Connecticut Health Network, Inc. and Prospect Medical Holdings, Inc. – OHCA Docket No. 15-32016-486

Dear Ms. Brancifort:

Pursuant to Condition Number Two (2.) in the Final Decision for Docket No. 15-32016-486, enclosed please find the following Certificates of Incorporation for the PMH affiliated entities that directly own, operate and hold the hospital licenses of the New MMH and New RGH:

1) Prospect Manchester Hospital, Inc.; and

2) Prospect Rockville Hospital, Inc.

Very truly yours,

Michele M. Volpe,
Bershtein, Volpe & McKeon, P.C.

Cc: Kimberly Martone, Director of Operations, Department of Public Health Division of Office of Health Care Access
Steven Lazarus, Associate Health Care Analyst, Department of Public Health Division of Office of Health Care Access
Kevin Hansted, Staff Attorney, Department of Public Health Division of Office of Health Care Access
Ellen Shin, Prospect Medical Holdings, Inc.
Jonathan Spees, Prospect Medical Holdings, Inc.
Dennis P. McConville, Senior Vice President and Chief Strategy Officer, Eastern Connecticut Health Network, Inc.
Joyce Tichy, Senior Vice President and General Counsel, Eastern Connecticut Health Network, Inc.

FILING #0005537016 PG 01 OF 04 VOL B-02179
FILED 04/12/2016 12:37 PM PAGE 00441
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

CERTIFICATE OF INCORPORATION
OF
PROSPECT ROCKVILLE HOSPITAL, INC.

(a Connecticut business corporation)

FIRST: The name of the corporation shall be PROSPECT ROCKVILLE HOSPITAL, INC. (the "Corporation").

SECOND: The authorized capital stock of the Corporation shall consist of one thousand (1,000) shares of common stock, at par value $0.01 per share.

THIRD: The common stock shall have the following rights and privileges:

(a) Voting Rights. Each holder of record of common stock shall be entitled to one vote for each share of stock held.

(b) Voting Requirements. Stockholder action on any matter whatsoever shall require the affirmative vote of at least a majority of the shares of the common stock issued and outstanding at the time of such vote, and for those matters for which the vote of a greater proportion of such shares may be specified by law, the affirmative vote of the proportion of such shares so specified shall be required.

(c) Preemptive Rights. No holder of the common stock shall be entitled as of right to purchase or subscribe for any unissued shares of the Corporation whether now or hereafter authorized or whether of a class hereafter created, or to purchase or subscribe for any bonds, certificates of indebtedness, debentures, or other obligations convertible into shares of the Corporation.

(d) Dividends. The holders of the common stock shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation.

FOURTH: The name and address of the Corporation's registered agent and office in the State of Connecticut is C T Corporation System, One Corporate Center, Hartford, Connecticut, 06103-3220.

FIFTH: The name and complete address of the incorporator is as follows:

NAME	MAILING ADDRESS
Shilpa Prem, Esq.	Epstein Becker & Green, P.C. 250 Park Ave New York, NY 10177

SIXTH: The management of the business and the conduct of the affairs of the Corporation shall be vested in a board of directors (the "Board of Directors"). The number of directors which shall constitute the whole Board of Directors shall be fixed by, or

Email None

in the manner provided in the bylaws of the Corporation. No election of directors needs to be by written ballot.

SEVENTH: The nature of the business or purposes to be conducted and promoted by the Corporation shall be to operate a licensed hospital and to engage in any lawful act or activity for which corporations may be organized under Connecticut law. The foregoing provisions of this SEVENTH Article shall be construed both as purposes and powers and each as an independent purpose and power, and shall not be held to limit or restrict in any manner the purposes and powers of the Corporation; provided that the Corporation shall not conduct any business, promote any purposes, or exercise any power or privilege within or without the State of Connecticut which, under the laws thereof, the Corporation may not lawfully conduct, promote, or exercise.

EIGHTH: The Corporation is to have perpetual existence.

NINTH: The Board of Directors of the Corporation has the power to adopt, amend, or repeal the bylaws of the Corporation.

TENTH: The personal liability of a director of the Corporation for monetary damages for breach of duty as a director shall be limited to an amount that is equal to the compensation received by the director for serving as a director of the Corporation during the year of the violation if such breach did not (A) involve a knowing and culpable violation of law by the director, (B) enable the director or an associate, as defined in Section 33-840 of the Connecticut Business Corporation Act, to receive an improper personal economic gain, (C) show a lack of good faith and a conscious disregard of the duty of the director to the Corporation under circumstances in which the director was aware that this conduct or omission created an unjustifiable risk of injury to the Corporation, (D) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the director's duty to the Corporation, or (E) create liability under Section 33-757 of the Connecticut Business Corporation Act.

ELEVENTH: (a) The Corporation shall indemnify any individual made a party to a proceeding because such individual is or was a director of the Corporation against liability incurred and expenses advanced in connection with the proceeding in all circumstances except those for which the Connecticut Business Corporation Act prohibits the limitation of such individual's liability.

(b) The Corporation shall indemnify any individual made a party to a proceeding because such individual is or was an officer of the Corporation against liability incurred and expenses advanced in connection with the proceeding to the greatest extent allowed under Connecticut General Statues Section 33-776.

IN WITNESS WHEREOF, the undersigned being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the Connecticut Business Corporation Act, does make this Certificate, hereby declaring and certifying that this is my act and deed, that the facts herein stated are true and accordingly have hereunto set my hand this 6th day of April, 2016.

Philip F. Murphy, Esq.
Incorporator

C T Corporation System

Business Address:

One Corporate Center,
Hartford, CT 06103-3220

Acceptance of Appointment: C T Corporation System
By: _____
James Halpin, Assistant Secretary
(Signature of Agent)

STATE OF CONNECTICUT
OFFICE OF THE SECRETARY OF THE STATE } SS. HARTFORD

I hereby certify that this is a true copy of record in this Office.

In Testimony whereof, I have hereunto set my hand and affixed the Seal of said State, at Hartford, this 14TH day of APRIL A.D. 2016

SECRETARY OF THE STATE

FILING #0005536992 PG 01 OF 04 VOL B-02179
FILED 04/12/2016 12:37 PM PAGE 00386
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

CERTIFICATE OF INCORPORATION
OF
PROSPECT MANCHESTER HOSPITAL, INC.

(a Connecticut business corporation)

FIRST: The name of the corporation shall be PROSPECT MANCHESTER HOSPITAL, INC. (the "Corporation").

SECOND: The authorized capital stock of the Corporation shall consist of one thousand (1,000) shares of common stock, at par value $0.01 per share.

THIRD: The common stock shall have the following rights and privileges:

(a) Voting Rights. Each holder of record of common stock shall be entitled to one vote for each share of stock held.

(b) Voting Requirements. Stockholder action on any matter whatsoever shall require the affirmative vote of at least a majority of the shares of the common stock issued and outstanding at the time of such vote, and for those matters for which the vote of a greater proportion of such shares may be specified by law, the affirmative vote of the proportion of such shares so specified shall be required.

(c) Preemptive Rights. No holder of the common stock shall be entitled as of right to purchase or subscribe for any unissued shares of the Corporation whether now or hereafter authorized or whether of a class hereafter created, or to purchase or subscribe for any bonds, certificates of indebtedness, debentures, or other obligations convertible into shares of the Corporation.

(d) Dividends. The holders of the common stock shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation.

FOURTH: The name and address of the Corporation's registered agent and office in the State of Connecticut is C T Corporation System, One Corporate Center, Hartford, Connecticut, 06103-3220.

FIFTH: The name and complete address of the incorporator is as follows:

NAME	MAILING ADDRESS
Shilpa Prem, Esq.	Epstein Becker & Green, P.C. 250 Park Ave New York, NY 10177

SIXTH: The management of the business and the conduct of the affairs of the Corporation shall be vested in a board of directors (the "Board of Directors"). The number of directors which shall constitute the whole Board of Directors shall be fixed by, or

Email: None

in the manner provided in, the bylaws of the Corporation. No election of directors needs to be by written ballot.

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(b) The Corporation shall indemnify any individual made a party to a proceeding because such individual is or was an officer of the Corporation against liability incurred and expenses advanced in connection with the proceeding to the greatest extent allowed under Connecticut General Statues Section 33-776.

IN WITNESS WHEREOF, the undersigned being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the Connecticut Business Corporation Act, does make this Certificate, hereby declaring and certifying that this is my act and deed, that the facts herein stated are true and accordingly have hereunto set my hand this 6th day of April, 2016.

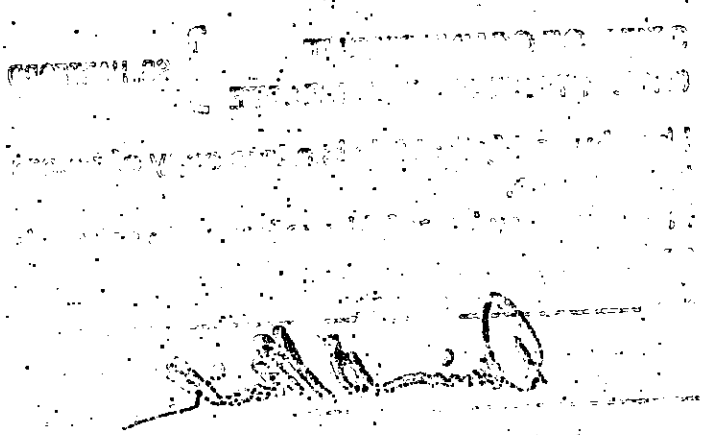
Shilpa Brentesh
Incorporator

C T Corporation System

Business Address:

One Corporate Center,
Hartford, CT 06103-3220

Acceptance of Appointment: C T Corporation System
By: _____
James Halpin, Assistant Secretary
(Signature of Agent)



STATE OF CONNECTICUT
OFFICE OF THE SECRETARY OF THE STATE } SS. HARTFORD

I hereby certify that this is a true copy of record in this Office.

In Testimony whereof, I have hereunto set my hand and affixed the Seal of said State, at Hartford, this 14th day of APRIL A.D. 2016

SECRETARY OF THE STATE

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

RECEIVED
OCT 20 2016
Office of
HEALTHCARE ACCESS

October 20, 2016

VIA HAND DELIVERY

Deputy Commissioner Janet M. Brancifort, MPH, RRT
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134

Re: **Docket Number: 15-32016-486**

Project Title: **Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.**

Dear Ms. Brancifort:

Pursuant to Condition Number One (1) of the Order for the above referenced Certificate of Need Final Decision, please find the attached schedules containing "each of MMH's and RGH's inpatient bed allocation and the location and hours of operation for all outpatient services." You will also find the staffing plans for the hospitals included. This information is published on the ECHN website.

Also, pursuant to Condition Number Three (3) of the Order, please find the attached final execution copies of the Asset Purchase Agreement with schedules and the bylaws for Prospect Manchester Hospital, Inc. and for Prospect Rockville Hospital, Inc.

If you have any questions or need anything further, please feel free to contact me at (860) 533-3429.

Very truly yours,

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network

cc: Kimberly Martone, Director of Operations, Department of Public Health Division of Office of Health Care Access
Ellen J. Shin, General Counsel, Prospect Medical Holdings, Inc.
Joyce A. Tichy, Senior Vice President and General Counsel, ECHN
Michele M. Volpe, Bershtein, Volpe & McKeon, P.C.
Michael Collins, Interim CEO, ECHN
Jonathan Spees, Senior Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Garrison De Lee, Assistant General Counsel, Prospect Medical Holdings, Inc.

Manchester Memorial Hospital and Rockville General Hospital
Inpatient Bed Allocation - Staffed Beds
As of June, 2016

Service	Manchester Memorial Hospital	Rockville General Hospital
Critical Care	15	4
Medical/Surgical Care	54	22
Behavioral Health*	31	18[1]
Maternity	20	0
Newborn	26	0
Total	146	44

Notes:
The above represents planned census for inpatient nursing beds by service based on demand for inpatient beds. Demand is measured by the historical average daily census of inpatients. The number of staffed beds is adjusted up or down in response to the daily census per the hospital staffing plans and bed availability. (See attached Staffing Plans for each hospital.)

[1] The opening of the inpatient Behavioral Health Eating Disorders Unit in August 2016 will result in staffing for 18 beds bringing the budgeted staffed beds to 44 at Rockville General Hospital.

Nurse Staffing Plan
Manchester Memorial Hospital

The nurse staffing plan at *Manchester Memorial Hospital* is developed through a comprehensive process that draws on multiple sources of data and input from registered nurses and other hospital staff members. The staffing plan is continuously evaluated throughout the year and formally reviewed and updated annually. The annual staffing plan reflects budgeted, core staffing levels for patient care units including inpatient services, critical care, and the emergency department. Actual staffing is adjusted on a daily or more frequent basis to meet patient care needs.

Considerations in Staffing Plan Development and Decisions
A broad range of factors are considered in the development of the core staffing plan and ongoing staffing adjustments, many of which are embodied in the American Nurses Association's (ANA) Principles for Nurse Staffing. Staffing plan development and decisions are carried out with consideration given to patient characteristics and acuity, the number of patients for whom care is provided, levels of individual patient as well as unit intensity, the geography/physical layout of the patient care unit, available technology, and level of preparation and experience of those providing care, among others.

In addition to the factors described above, when developing the annual staffing plan, *Manchester Memorial Hospital* considers historical staffing and patient data, staff input, patient care support services, and any plans for new programs.

1. **Professional Skill Mix For Patient Care Units**
   The professional skill mix for each patient care unit is articulated in this hospital nurse staffing plan.

   Patient Care Services utilizes a staffing matrix based on worked hours per patient day (WHPPD) for all nursing units except the emergency department. The Emergency Department staffing is based on a worked hour per patient visit metric. The worked hour metric only includes those hours worked in direct patient care responsibilities. These responsibilities include patient centered nursing activities by unit based staff such as medication administration, nursing treatments, nursing rounds, admission, transfer, discharge activities, patient teaching, patient communication, coordination of patient care, documentation time, and treatment planning. Unit based staff include RNs, LPNs, and nursing assistants.

   The core staffing plan is adjusted as necessary to meet patient care needs using per diem staff, on call staff, staff picking up extra shifts, and floating staff between units.

2. **Use of Temporary and Traveling Staff Nurses**

   Manchester Memorial Hospital does not use temporary or traveling staff nurses.

3. **Administrative Staffing**
   The annual staffing plan is developed to provide adequate direct care staff for forecasted patient care needs exclusive of nursing management and inclusive of appropriate support.

4. **Review of the Nurse Staffing Plan**
   The staffing plan that reflects core staffing levels is formally established and reviewed annually; it is evaluated as necessary throughout the year. Review of the factors articulated in the section *Considerations in Staffing Plan Development and Decisions* above is conducted through a combination of unit staff meetings, Clinical Ladder Committee, and quarterly review with nurse managers. Leadership rounds also serve as a mechanism for staffing review. Formal annual review occurs during the Clinical Ladder Committee September meeting.

5. **Direct Care Staff Input**
   Direct care staff input regarding the staffing plan is solicited via the Clinical Ladder Committee at Manchester Memorial Hospital. In addition, unit huddles, staff meetings and leadership rounds serve as mechanisms in obtaining staff's input regarding staffing plans. Nurse Quality indicators are monitored to ensure nursing quality standards are supported by the staffing model. Indicators include but are not limited to fall with injury rate, central line associated blood stream infection, pressure ulcer rate, and catheter associated urinary tract infection.

6. **Staffing Ratios**

Critical Care Unit:

Registered Nurses: 1:2-3
Licensed Practical Nurses: does not employee LPN's for critical care
Assistive Personnel: 1:11-16

Medical Unit

Registered Nurses 1:5-7 patients
Licensed Practical Nurses 1:5-7 patients
Assistive Personnel 1:7-10 patients

Surgical Unit

Registered Nurses 1:5-8 patients
Licensed Practical Nurses 1:5-8 patients
Assistive Personnel 1:7-8 patients

Behavioral Health Unit

Registered Nurses: 1:6-10 patients
Licensed Practical Nurses: does not employee LPN's for behavioral health
Assistive Personnel: 1:6-15 patients
Social Workers: 1:8 (day shift only)

Neonatal Intensive Care

Registered Nurses: 1:2-3 patients
Licensed Practical Nurses: does not employee LPN's for Neonatal Intensive Care

Obstetrics

Registered Nurses: 1:1-2 for laboring patients
Registered Nurses: 1: 3-4 mother baby pairs

Licensed Practical Nurses: 1: 3-4 mother baby pairs

Emergency Department

Registered Nurses 1:4 patients

Licensed Practical Nurses does not employee LPN's for the emergency department

Assistive Personnel (Emergency department tech) 1:20

Staffing levels are adjusted as needed based on fluctuations in unit census, pending admissions, discharges, and acuity of the patients. Managers and off shift supervisors will evaluate the activity/acuity of the nursing unit and make staffing adjustments. In addition, staff has the autonomy to adjust staffing levels utilizing staffing guidelines (matrixes) for their respective nursing units.

Supporting personnel include health unit secretaries on day and evening shift. Admission nurse (flexible hours) and transport personnel-day shift; sitters all shifts. Sitters are used for patients requiring constant observation and high fall risk patients (case by case basis). Other support services on the nursing units include; unit based pharmacist, physical therapists, physical therapists techs, respiratory therapists, unit based care managers and EKG techs.

Certification

This hospital nurse staffing plan has been developed through consideration of anticipated patient population care needs, unit geography, technology and support, and competency/expertise required of staff providing care. It has been reviewed and discussed by Nursing Leadership, Clinical Ladder Nursing Committee, and the Workforce Efficiency Workgroup. The hospital nurse staffing plan is appropriate for the provision of patient care as forecasted.

Mary Powers MSN, RN, NEA-BC
Chief Nursing Officer

Nurse Staffing Plan
Rockville General Hospital

The nurse staffing plan at *Rockville General Hospital* is developed through a comprehensive process that draws on multiple sources of data and input from registered nurses and other hospital staff members. The staffing plan is continuously evaluated throughout the year and formally reviewed and updated annually. The annual staffing plan reflects budgeted, core staffing levels for patient care units including inpatient services, critical care, and the emergency department. Actual staffing is adjusted on a daily or more frequent basis to meet patient care needs.

Considerations in Staffing Plan Development and Decisions
A broad range of factors are considered in the development of the core staffing plan and ongoing staffing adjustments, many of which are embodied in the American Nurses Association's (ANA) Principles for Nurse Staffing. Staffing plan development and decisions are carried out with consideration given to patient characteristics and acuity, the number of patients for whom care is provided, levels of individual patient as well as unit intensity, the geography/physical layout of the patient care unit, available technology, and level of preparation and experience of those providing care, among others.

In addition to the factors described above, when developing the annual staffing plan, *Rockville General Hospital* considers historical staffing and patient data, staff input, patient care support services, and any plans for new programs.

1. **Professional Skill Mix For Patient Care Units**
   The professional skill mix for each patient care unit is articulated in this hospital nurse staffing plan.

   Patient Care Services utilizes a staffing matrix based on worked hours per patient day (WHPPD) for all nursing units except the emergency department. The Emergency Department staffing is based on a worked hour per patient visit metric. The worked hour metric only includes those hours worked in direct patient care responsibilities. These responsibilities include patient centered nursing activities by unit based staff such as medication administration, nursing treatments, nursing rounds, admission, transfer, discharge activities, patient teaching, patient communication, coordination of patient care, documentation time, and treatment planning. Unit based staff include RNs, LPNs, and nursing assistants.

   The core staffing plan is adjusted as necessary to meet patient care needs using per diem staff, on call staff, staff picking up extra shifts, and floating staff between units.

2. **Use of Temporary and Traveling Staff Nurses**

   Rockville General Hospital does not use temporary or traveling staff nurses.

3. **Administrative Staffing**
   The annual staffing plan is developed to provide adequate direct care staff for forecasted patient care needs exclusive of nursing management and inclusive of appropriate support.

4. **Review of the Nurse Staffing Plan**
   The staffing plan that reflects core staffing levels is formally established and reviewed annually; it is evaluated as necessary throughout the year. Review of the factors articulated in the section *Considerations in Staffing Plan Development and Decisions* above is conducted through a combination of unit staff meetings, Clinical Ladder Committee, and quarterly review with nurse managers. Leadership rounds also serve as a mechanism for staffing review. Formal annual review occurs during the Clinical Ladder Committee September meeting.

5. **Direct Care Staff Input**
   Direct care staff input regarding the staffing plan is solicited via the Clinical Ladder Committee at Rockville General Hospital. In addition unit huddles, staff meetings and leadership rounds serve as mechanisms in obtaining staff's input regarding staffing plans. Nurse Quality indicators are monitored to ensure nursing quality standards are supported by the staffing model. Indicators include but are not limited to fall with injury rate, central line associated blood stream infection, pressure ulcer rate, and catheter associated urinary tract infection.

6. **Staffing Ratios**
   Critical Care Unit:
   Registered Nurses-1:2 (can be 1:3 if non-ICU patients are boarding in ICU)
   Licensed Practical Nurses does not employee LPN's for critical care
   Assistive Personnel-1-9 (the unit is a 9 bed unit with an average daily census of approximately 4-5 one assistive personnel is scheduled)
   Medical-Surgical Unit
   Registered Nurses 1:4-7 patients
   Licensed Practical Nurses 1:4-7 patients
   Assistive Personnel 1:7-8 patients
   Emergency Department
   Registered Nurses 1:4 patients
   Licensed Practical Nurses does not employee LPN's for the emergency department
   Assistive Personnel (Emergency department tech) 1:20

Staffing levels are adjusted as needed based on fluctuations in unit census, pending admissions, discharges, and acuity of the patients. Managers and off shift supervisors will evaluate the activity/acuity of the nursing unit and make staffing adjustments. In addition, staff has the autonomy to adjust staffing levels utilizing staffing guidelines (matrixes) for their respective nursing units.

Supporting personnel include health unit secretaries on day and evening shift. Transport personnel-day shift; sitters all shift. Sitters are used for patients requiring constant observation, high fall risk patients (case by case basis).

Certification

This hospital nurse staffing plan has been developed through consideration of anticipated patient population care needs, unit geography, technology and support, and competency/expertise required of staff providing care. It has been reviewed and discussed by Nursing Leadership, Clinical Ladder Nursing Committee, and the Workforce Efficiency Workgroup. The hospital nurse staffing plan is appropriate for the provision of patient care as forecasted.

Mary Powers MSN, RN, NEA-BC
Chief Nursing Officer

Eastern Connecticut Health Network

Manchester Memorial Hospital and Rockville General Hospital Outpatient Services - Locations and Hours of Operation

	Outpatient Service Locations																		
Service (by Service Line)	Manchester Memorial Hospital 71 Haynes Street Manchester	Rockville General Hospital 31 Union Street Vernon	Meadowbrook Plaza 1760 Boston Turnpike Coventry	ECHN Rehabilitation Services at the Ellington Y 31 Pinney Street Ellington	ECHN Medical Offices 375 West Road Ellington	Glastonbury Wellness Center 422 Hebron Avenue Glastonbury	John A. DeQuattro Cancer Center 100 Haynes Street Manchester	Manchester Medical Offices 150 Hartford Road Manchester	ECHN Medical Office Building 159 North Main Street Rockville	Tolland Turnpike, East Point 840 Tolland Turnpike Manchester	Evergreen Walk 2800 Tamarack Avenue South Windsor	Women's Center for Wellness 2580 Tamarack Avenue South Windsor	CompClinic Occupational Health 2800 Tamarack Avenue South Windsor	ECHN Medical Office Building at Evergreen Walk 2800 Tamarack Avenue South Windsor	Evergreen Imaging Center 2800 Tamarack Avenue South Windsor	Urgent Care at South Windsor 2800 Tamarack Avenue South Windsor	ECHN Necker Offices 6 Fieldstone Commons Tolland	Hartford Turnpike 428 Hartford Turnpike Vernon	The Rehab Center at Big Sky Fitness 343 Hartford Turnpike Vernon
Behavioral Health Services																			
Adult Behavioral Health Outpatient Services									M,Y,Th 8a-8p W 8a-5p F 8a-4p										
Child and Adolescent Outpatient Services	M-F 8a-7p By Appointment	M,T,Th 9a-5p W,F 8a-4p By Appointment																	
Crisis Services	24/7	24/7																	
Cardiac Diagnostic Testing																			
Cardiac Diagnostic Testing - StressTesting	M-F 7:30a-12:30p	M-F 7:30a-12:30p																	
Cardiac Diagnostic Testing - ECHO	M-F 7:30a-2p By Appointment	M-F 7:30a-2p By Appointment																	
Cardiac Rehabilitation	M-F 6:30a-6:30p	M-F 7:30a-3:30p																	
Pulmonary Laboratory	M-F 7:30a-3:30p	M-F 7:30a-3:30p																	
Sleep Laboratory	M-F 7p-7a M-F 7a-6p By Appointment																		
Emergency Services																			
Emergency Department	24/7	24/7																	
Urgent Care																M-F 9a-8:30p Sat, Sun 9a-3p			
Laboratory Services																			
Laboratory Services - Phlebotomy	M-F 6:45a-6p Sat 7a-12p	M-F 7a-5p Sat 8a-12p	M-F 7:30a-12:30p 1p-3:45p		M-F 6a-12:30p 1p-2:15p	M-F 7a-12p	M-F 8a-4p	M-Th 7a-6p F 7a-4p		M-F 6:30a-12:30p 1p- 3p	M-F 6a-12:30p 3p-2:30p			M,T,W,Th 7p-4:45p Sat 8a-12p			M-F 7a-12p 2p-3:30p	M-F 6:30a-6p Sat 7a-12p	
Medical Imaging Services																			
Bone Density						M-F 7a-12p						M,T 8a-8p W 8a-6p Th 8:30a-6p F 8a-4:30p							
CT Scan	M-F 7a-6p	M-F 7a-8p													M-F 8a-4p				
Diagnostic Radiology (x-ray)	M-F 7a-6p	M-F 8a-8p				M-F 7a-12p									M-F 8a-4p				
Interventional Radiology	M-F 8a-4p	M-F 8a-4p																	
Mammography	M-F 8a-4p	M-F 8a-8:30p				M-F 7a-12p						M 8a-8p T 7:30a-8p W 8a-6p Th 7:30a-6p F 8a-4p							
MRI	M-F 8a-6p	M-F 8a-3p													M-F 8a-4p				
Nuclear Medicine	M-F 7a-2p	M-F 7a-1:30p																	
PET Scan	M-F 7a-4p																		

Eastern Connecticut Health Network

Manchester Memorial Hospital and Rockville General Hospital Outpatient Services - Locations and Hours of Operation

	Outpatient Service Locations																		
Service (by Service Line)	Manchester Memorial Hospital 71 Haynes Street Manchester	Rockville General Hospital 31 Union Street Vernon	Meadowbrook Plaza 1700 Boston Turnpike Coventry	ECHN Rehabilitation Services at the Ellington Y 13 Pinney Street Ellington	ECHN Medical Offices 175 West Road Ellington	Glastonbury Wellness Center 822 Hebron Avenue Glastonbury	John A. DeQuattro Cancer Center 100 Haynes Street Manchester	Manchester Medical Offices 130 Hartford Road Manchester	ECHN Medical Office Building 150 North Main Street Manchester	Tolland Turnpike, East Point 549 Tolland Turnpike Manchester	Evergreen Walk 2140 Tamarack Avenue South Windsor	Women's Center for Wellness 2200 Tamarack Avenue South Windsor	Corp Care Occupational Health 2200 Tamarack Avenue South Windsor	ECHN Medical Office Building at Evergreen Walk 2200 Tamarack Avenue South Windsor	Evergreen Imaging Center 2200 Tamarack Avenue South Windsor	Urgent Care at South Windsor 1800 Tamarack Avenue South Windsor	ECHN Medical Offices 6 Fieldstone Commons Tolland	Hartford Turnpike 428 Hartford Turnpike Vernon	The Rehab Center at Big Sky Fitness 29 Hartford Turnpike Tolland
Ultrasound	M-F 7a-6p	M-F 7a-6p										M 8a-6p T,W,Th 7:30a-5p F 7:30a-4:30p			M-F 8a-4p				
Metabolic Services																			
Diabetes Management	M-F By Appointment																		
Nutritional Services	M-F By Appointment											T 4p-8p Th 8:30a-2p							
Oncology Services																			
Chemotherapy	Daily 7a-3p																		
Rehabilitation Services																			
Occupational Therapy	M-F 7:30a-5p and By Appointment	M-F 8a-5p and By Appointment												M-F 7:30a-5p and By Appointment					M,W 7a-7p T,Th 8a-4:30p F Closed
Physical Therapy	M-F 7:30a-5p and By Appointment	M-F 8a-5p and By Appointment		M,W 8a-2p T,Th 8a-5:30p F 9a-2p		M 8a-6:30p T,Th 7:30a-6:30p W 8a-6p F 7:30a-4:30p								M-F 7:30a-5p and By Appointment					M-Th 8a-5p and By Appointment
Speech Therapy	M-F 9a-4p	M-F 9a-1:30p																	
Surgical Services																			
Elective Ambulatory Surgeries	M-F By Appointment	M-F By Appointment																	
Wound Care	M-F 8a-4p																		
Women and Infant Services																			
Maternity Care Center (Prenatal Care)		M,W 9a-3p F 8a-12p																	
Other - Miscellaneous Services																			
Occupational Medicine													M,T,W,Th 8a-6p F 8a-3p						

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

by and among

EASTERN CONNECTICUT HEALTH NETWORK, INC.

SELLER

and

PROSPECT CT MEDICAL FOUNDATION, INC.
PROSPECT CT MANAGEMENT SERVICES, INC.
PROSPECT ECHN, INC.
PROSPECT MANCHESTER HOSPITAL, INC.
PROSPECT ROCKVILLE HOSPITAL, INC.
PROSPECT ECHN ELDERCARE SERVICES, INC.
PROSPECT ECHN HOME HEALTH, INC.
PROSPECT CARING HAND, INC.
PROSPECT HAYNES STREET PROPERTY MANAGEMENT, INC.

BUYER

and

PROSPECT MEDICAL HOLDINGS, INC.

Dated as of August 24, 2016

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "**Agreement**"), dated August 24, 2016, is by and between Eastern Connecticut Health Network, Inc., a Connecticut non-stock corporation ("**Seller**"), on its behalf and on behalf of its Subsidiaries, on the one hand, and Prospect CT Medical Foundation, Inc., a Connecticut nonstock corporation, Prospect CT Management Services, Inc., a Connecticut corporation, Prospect ECHN, Inc., a Connecticut corporation, Prospect Manchester Hospital, Inc., a Connecticut corporation, Prospect Rockville Hospital, Inc., a Connecticut corporation, Prospect ECHN Eldercare Services, Inc., a Connecticut corporation, Prospect ECHN Home Health, Inc., a Connecticut corporation, Prospect Caring Hand, Inc., a Connecticut corporation, and Prospect Haynes Street Property Management, Inc., a Connecticut corporation (each, a "**Buyer Entity**" and, collectively, "**Buyer Entities**"), with Prospect Medical Holdings, Inc. ("**PMH**"), a Delaware corporation and the indirect owner of the Buyer Entities, joining for the limited purposes described herein, on the other hand. For the purposes of this Agreement, the term "**Buyer**" shall refer to the Buyer Entities, collectively, and to one or more of the individual Buyer Entities, as applicable.

RECITALS:

WHEREAS, Seller desires to sell substantially all of its assets, real, personal and mixed, tangible and intangible, and operations to Buyer, including the properties, assets, and businesses of The Manchester Memorial Hospital and The Rockville General Hospital, Incorporated (collectively, the "**Hospitals**"), ECHN Eldercare Services, Inc., Visiting Nurse and Health Services of Connecticut, Inc. including its wholly owned subsidiary A Caring Hand, LLC, Clinically Integrated Network of Eastern Connecticut, LLC, Connecticut Healthcare Insurance Company, ECHN Corporate Services, Inc. including its wholly owned subsidiary Medical Practice Partners, LLC, and ECHN Enterprises, Inc., including its wholly owned subsidiary Haynes Street Property Management, LLC, and Eastern Connecticut Medical Professionals Foundation, Inc. (the entities and businesses operated by the foregoing entities, including the Hospitals, are collectively referred to as the "**Hospital Businesses**"), together with Seller's joint venture interests in Evergreen Endoscopy Center, LLC, WBC Connecticut East, LLC, Aetna Ambulance Service, Inc., Metro Wheelchair Service, Inc., Ambulance Service of Manchester, LLC, Connecticut Occupational Medicine Partners, LLC, and Seller's Affiliates' joint venture interests in Northeast Regional Radiation Oncology Network, LLC (as successor to the business operations of Northeast Regional Radiation Oncology Network, Inc.), TIC, LLC (as successor to the business operations of Tolland Imaging Center, LLC), Haynes Street Medical Associates, LLC, Haynes Street Medical Associates II, LLC, Evergreen Medical Associates, LLC and Evergreen Medical Associates II LLC (the foregoing entities are collectively referred to herein as the "**Joint Ventures**");

WHEREAS, Buyer desires to purchase substantially all of the assets, real, personal and mixed, tangible and intangible, of Seller, including the Hospital Businesses and the equity interests in the Joint Ventures; and

WHEREAS, Seller has concluded that the transactions contemplated by this Agreement are in its best interests and consistent with its charitable mission of the promotion of health care in the communities served by the Hospital Businesses.

NOW, THEREFORE, for and in consideration of the premises, and the agreements, covenants, representations and warranties hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are forever acknowledged, the parties, intending to be legally bound, agree as follows:

AGREEMENT:

1. DEFINITIONS AND REFERENCES

1.01. Definitions. For purposes of this Agreement, the following definitions apply:

(1) **45-Day Period** is defined in Section 2.05(i);

(2) **Accountants' Determination** is defined in Section 2.05(i);

(3) **Accounts Receivable** means all accounts receivable of the Hospital Businesses, accrued and unaccrued, including Government Payment Program receivables and accounts that have been written off, but excluding all Cost Report settlement amounts;

(4) **Accumulated Benefit Obligation** means the accumulated benefit obligation of Seller's defined benefit pension plan, determined by an actuarial firm chosen by Seller using GAAP (i) reflecting the assumptions used for purposes of Note 10 of Seller's Audited Financial Statements as of September 30, 2015 (as updated for the MRP-2007 mortality tables as developed by Mercer, which are derived from the Society of Actuaries mortality study) and (ii) assuming continuation of the Seller's defined benefit pension plan and no change in its provisions after September 30, 2015 (other than the freeze of such plan to new participation);

(5) **Additional Liabilities** is defined in Section 2.05(d);

(6) **Affiliate** means any Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another Person where "control" means the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of securities, election or appointment of directors, by contract or otherwise. For purposes of this Agreement, any reference to Affiliates of Seller shall only mean those persons listed on Schedule 1.01(6) attached hereto;

(7) **Affiliated Group** means any affiliated group within the meaning of section 1504 of the Code or any similar group defined under a similar provision of state, local or foreign law;

(8) **Agreement** is defined in the preamble;

(9) **AOCs** is defined in Section 7.09

(10) **Arbitrating Accountants** is defined in Section 2.05(i);

(11) **Assets** means all assets, real property, personal and mixed property of every kind, character or description, known or unknown, tangible or intangible, owned or leased by Seller wherever located and whether or not reflected in the Financial Statements or referenced or scheduled herein, (i) including those assets owned by a Subsidiary of Seller and held or used in connection with the operation of the Hospital Businesses, but (ii) excluding the Excluded Assets;

(12) **Assumed Contracts** is defined in Section 2.01(f);

(13) **Assumed Liabilities** means (i) the current liabilities included in Net Working Capital, but only to the extent accrued on the Closing Balance Sheets, (ii) all obligations of Seller and its Affiliates arising under the Assumed Contracts with respect to periods (or portions thereof) following the Closing Date, (iii) all participating provider agreements and provider numbers with third party payors, including contracts and provider numbers of Government Payment Programs, to the extent the same are assignable to Buyer, (iv) the Extended Illness Bank Obligations, (v) Permitted Encumbrances, (vi) the Unfunded Pension Liabilities, (vii) the Post-Retiree Health Plan Liability and other retirement obligations described on Schedule 2.03, (viii) the Captive Insurer Liability, (ix) the ED Loan, and (x) the other liabilities and obligations agreed to be assumed by Buyer, if any, described on Schedule 2.03;

(14) **Attorney General** means the Office of the Attorney General of the State of Connecticut;

(15) **Audited Financial Statements** means the audited consolidated balance sheets of Seller and its Subsidiaries for the three most recently ended fiscal years, and the related consolidated statements of operations, of changes in net assets, and of cash flows for the fiscal years then ended, and the notes thereto and the report thereon of Saslow Lufkin & Buggy, LLP, independent certified public accountants;

(16) **Available Cash** means all cash available to Seller as of the Closing, including cash resulting from the payment of the Purchase Price by Buyer at the Closing or pursuant to any adjustments to the Purchase Price pursuant to Section 2.05, other than cash which is determined by the Attorney General to be restricted as to use and not available to satisfy Seller's liabilities;

(17) **Bond Liabilities** means those certain long-term bond liabilities and tax-exempt leases of Seller to be defeased at Closing;

(18) **Buyer** is defined in the preamble;

(19) **Buyer Deductible** is defined in Section 9.04;

(20) **Buyer Entity(ies)** is defined in the preamble;

(21) **Buyer's Indemnified Persons** means Buyer and its respective stockholders, members, partners, Affiliates, directors, trustees, officers, employees, agents, representatives, successors and assigns;

(22) **Buyer's Plan** means a retirement plan qualified under section 401(a) of the Code that is sponsored by Buyer or one of its controlled group or affiliated service group members, as defined in section 414 of the Code;

(23) **Captive Insurer Liability** means all liabilities relating to Seller's captive insurer, the Connecticut Healthcare Insurance Company ("**CHIC**"), regardless of when incurred and including all tail liability and measured by an actuarial firm chosen by Seller reflecting the assumptions used in determining the book value of the Captive Insurer Liability used for purposes of Seller's Audited Financial Statements as of September 30, 2015, subject to the provisions of Section 2.05(h)(iii);

(24) **CHIC** is defined in Section 1.01(23);

(25) **Claim Notice** means written notification of a Third Party Claim by an Indemnitee to an Indemnifying Party under Article 9, including a Third Party Claim set forth in a "Revenue Agent's Report," "Statutory Notice of Deficiency," "Notice of Proposed Assessment," or any other official written notice from a taxing authority that Taxes are due or that a Tax audit will be conducted;

(26) **Closing** is defined in Section 8.01(a);

(27) **Closing Balance Sheets** means the unaudited individual and/or combined balance sheets of Seller and its Subsidiaries as of the close of business on the Closing Date, as finally determined in accordance with Section 2.05 following the resolution of all disputes with respect thereto;

(28) **Closing Date** means the date upon which the Closing occurs;

(29) **Closing Document** means each instrument, agreement, certificate or other document executed or delivered, or required to be executed or delivered, by a party at Closing;

(30) **Closing Estimates** is defined in Section 2.05(f)(i);

(31) **CMS** is defined in Section 2.04(k);

(32) **COBRA** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended;

(33) **Code** means the Internal Revenue Code of 1986, as amended;

(34) **Commitment Amount** is defined in Section 5.18(a);

(35) **CON** is defined in Section 8.04(b);

(36) **CON Preparation Period** is defined in Section 8.04(b);

(37) **Contracts** means all commitments, contracts, leases, licenses, agreements and understandings, written or oral, relating to the Assets or the operation of the Hospital Businesses to which Seller or any Subsidiary of Seller is a party or by which it or any of the Assets are bound, including agreements with payers, physicians and other providers, agreements with health maintenance organizations, independent practice associations, preferred provider organizations and other managed care plans and alternative delivery systems, joint venture and partnership agreements, management, employment, retirement, retention and severance agreements, vendor agreements, real and personal property leases and schedules, maintenance agreements and schedules, agreements with municipalities and labor organizations, and bonds, mortgages and other loan agreements;

(38) **Controlled Group** means with respect to a party, a group consisting of each trade or business (whether or not incorporated) that, together with such party, would be deemed a "*single employer*" within the meaning of section 4001(a) of ERISA;

(39) **Cost Reports** means all cost and other reports filed pursuant to the requirements of the Government Payment Programs for payment or reimbursement of amounts due from them;

(40) **CTDEEP** is defined in Section 5.08;

(41) **Current Seller Plan** is defined in Section 3.22(a);

(42) **Disability Obligations** mean liabilities for long-term or short-term disability benefits to employees of the Hospital Businesses (the Disability Obligations include liabilities of the Hospital Businesses for long-term or short-term disability benefits that may have commenced being paid prior to Closing and that remain ongoing after the Closing);

(43) **EBITDA** means earnings before interest, income Taxes, depreciation and amortization, the components of which shall be determined in accordance with GAAP consistently applied;

(44) **ED Cash Collateral** is defined in Section 2.01(r);

(45) **ED Loan** means that certain loan from Berkshire Bank to Seller in the original principal amount of $5,000,000, pursuant to the terms of that certain Loan Agreement, dated as of February 19, 2016, and evidenced by that certain Promissory Note, dated of even date therewith;

(46) **Employee Benefit Plan** means, with respect to any Person, (i) each plan, fund, program, agreement, arrangement or scheme, in each case, that is at any time sponsored or maintained, or required to be sponsored or maintained, by such Person or to which such Person makes or has made, or has or has had an obligation to make, contributions providing for employee benefits or for the remuneration, direct or indirect, of the employees, former employees, directors, officers, managers, consultants, independent contractors, contingent workers or leased employees of such Person or the dependents of any of them (whether written or oral), including each deferred

compensation, bonus, incentive compensation, pension, retirement, stock purchase, stock option and other equity compensation plan, or "*welfare*" plan (within the meaning of section 3(1) of ERISA, determined without regard to whether such plan is subject to ERISA), (ii) each "*pension*" plan (within the meaning of section 3(2) of ERISA, determined without regard to whether such plan is subject to ERISA), including each Multiemployer Plan, (iii) each severance, retention or change in control plan or agreement, each plan or agreement providing health, vacation or paid time off, summer hours, supplemental unemployment benefit, hospitalization insurance, medical, dental, or legal benefit and (iv) each other employee benefit plan, fund, program, agreement or arrangement, including any of the foregoing that provides cash or non-cash benefits or perquisites to current or former employees of such Person;

(47) **Employee Pension Benefit Plan** is defined in section 3(2) of ERISA;

(48) **Employee Welfare Benefit Plan** is defined in section 3(1) of ERISA;

(49) **Encumbrances** means liabilities, levies, claims, charges, assessments, mortgages, security interests, liens, pledges, conditional sales agreements, title retention contracts, easements, restrictions, rights of first refusal, options to purchase and other encumbrances (including limitations on pledging or mortgaging any of the Assets) and Contracts to create in the future any such Encumbrance or suffer any of the foregoing;

(50) **Environmental Claim** means any written notice (or oral notice reduced to writing by Seller) by a Person alleging potential liability (including potential liability for investigatory costs, cleanup costs, Governmental Authority response costs, natural resource damages, property damages, personal injuries, or penalties) of Seller or any Subsidiary of Seller arising out of, based on or resulting from (i) the presence, or release into the environment, of any Materials of Environmental Concern at any location, whether or not owned by Seller, or (ii) circumstances forming the basis of any violation, or alleged violation, of any Environmental Laws;

(51) **Environmental Laws** means any and all Legal Requirements relating to pollution or protection of human health or the environment (including ground water, land surface or subsurface strata), including Legal Requirements relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, recycling, reporting or handling of Materials of Environmental Concern, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, *et seq.*, the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901, *et seq.*, the Clean Air Act, 42 U.S.C. §7401, *et seq.*, the Federal Water Pollution Control Act, 33 U.S.C. §1251 *et seq.*, the Occupational Safety and Health Act, 29 U.S.C. §600, *et seq.*, and any similar state or local Legal Requirements;

(52) **ERISA** means the Employee Retirement Income Security Act of 1974, as amended;

(53) **ERISA Fiduciary** is defined in section 3(21) of ERISA;

(54) **Establishment Real Properties** is defined in Section 5.08;

(55) **Excluded Assets** is defined in Section 2.02;

(56) **Excluded Liabilities** means any and all liabilities of Seller other than the Assumed Liabilities, whether known or unknown, fixed or contingent, recorded or unrecorded, and whether arising before or after Closing, including any line of credit to which Seller is a party, the Bond Liabilities, tax-exempt leases, and any other indebtedness of Seller, any interest accrued on indebtedness of Seller, any settlements due as of Closing to third party payors;

(57) **Extended Illness Bank Obligations** means the Hired Employees' accrued or allocated paid time off that is in the form of an "*extended illness bank*" (i.e., paid time off that may be used by a Hired Employee during the term of employment, but the value of the unused portion of which is not paid in cash to the Hired Employee upon termination of employment);

(58) **Final Closing Statement** is defined in Section 2.05(h);

(59) **Final Determination Date** means the earliest to occur of (i) the forty-sixth (46th) day following the receipt by Seller of the Final Closing Statement and Closing Balance Sheets if Seller shall have failed to deliver the Objection Notice to Buyer within the 45-Day Period, (ii) the date on which Seller gives Buyer written notice to the effect that Seller has no objection to Buyer's determination of the amount of the Subject Items as set forth on the Final Closing Statement, (iii) the date on which Buyer and Seller execute and deliver a Settlement Agreement, (iv) the date as of which Buyer and Seller shall have received the Accountants' Determination, and (v) Buyer's failure to deliver the information set forth in Section 2.05(h) within the ninety (90) day period described therein;

(60) **Financial Statements** means the Audited Financial Statements and the Unaudited Financial Statements;

(61) **GAAP** means United States generally accepted accounting principles;

(62) **Governmental Authority** means any executive, legislative or judicial agency, authority, board, body, commission, court, department, instrumentality or office of any federal, state, city, county, district, municipality, foreign or other government or quasi-government unit or political subdivision;

(63) **Government Payment Programs** means federal and state Medicare, Medicaid and TRICARE programs, and similar or successor programs with or for the benefit of Governmental Authorities;

(64) **Hill-Burton Act** means the Public Health Service Act, 42 U.S.C. §291, *et seq.*;

(65) **Hired Employees** means those employees of Seller or its Affiliates who accept Buyer's offer of employment as of the Closing Date, including those employees who are employed pursuant to an Assumed Contract;

(66) **Hospital Businesses** is defined in the recitals;

(67) **Hospitals** is defined in the recitals;

(68) **HQI Program** is defined in Section 3.17;

(69) **HSR Act** means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

(70) **Immaterial Contract** means any Contract to which Seller or any of its Subsidiaries is a party that requires either the payment by Seller or its Subsidiaries of $50,000 or less or the provision of goods or the performance of services by Seller or any of its Subsidiaries having an annual value of $50,000 or less, in either case during the period from the date of this Agreement until (i) if the Contract is terminable at any time by Seller or the respective Subsidiary without cause upon notice of 90 days or less, the date on which the Contract would terminate if Seller or the respective Subsidiary was to give notice of termination on the date of this Agreement, or (ii) if the Contract is not terminable at any time by Seller or the respective Subsidiary without cause upon notice of 90 days or less, the expiration of the term of the Contract, *provided* that an Immaterial Contract does not include any Contract described in Sections 3.18(a) through 3.18(m);

(71) **Immediate Family Member** means any individual described in the definition of "*Immediate Family Member*" found at 42 C.F.R. §411.351;

(72) **Indemnifying Party** means any Person obligated to indemnify another Person under Article 9;

(73) **Indemnitee** means any Person entitled to indemnification under Article 9;

(74) **Indemnity Notice** means written notification of a claim for indemnity under Article 9, other than a Third Party Claim, made by an Indemnitee to an Indemnifying Party pursuant to Section 9.05(b);

(75) **Indenture** is defined in Section 6.04;

(76) **Information Systems** means the software (including object and source codes as applicable), hardware, application programs and similar systems owned, licensed or leased by Seller and used in the ownership or operation of the Hospital Businesses, whether or not on a system-wide basis;

(77) **Intellectual Properties** means (i) all inventions (whether or not patentable or reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (ii) all trademarks, service marks, trade

dress, logos, trade names, corporate names, and domain names, including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (iii) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, and (iv) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals) that are owned, licensed or leased by Seller and used in the ownership or operation of the Hospital Businesses, together with all rights to sue or make any claims for any past, present, or future infringement, misappropriation or unauthorized use of any of the foregoing rights, and the right to all income, royalties, damages and other payments that are now or may hereafter become due or payable with respect to any of the foregoing rights, including damages for past, present or future infringement, misappropriation or unauthorized use thereof;

(78) **Interim Closing Balance Sheets** means the unaudited individual and/or combined balance sheets of Seller and its Subsidiaries as of the most recent month end available before the Closing;

(79) **Investments** means shares of capital stock of any corporation, equity interests in partnerships or limited liability companies, or other equity or debt instruments in any other Person, and proceeds from the sale thereof;

(80) **Joint Venture Promissory Note** is defined in Section 2.07;

(81) **Joint Ventures** is defined in the recitals;

(82) **Leased Real Property** means the real property described on Schedule 2.01(b), together with all buildings, improvements and fixtures thereon, leased by Seller or any Subsidiary of Seller;

(83) **Legal Requirements** means, with respect to any Person, all statutes, laws, ordinances, codes, rules, regulations, restrictions, orders, judgments, rulings, writs, injunctions, decrees, determinations or awards of any Governmental Authority having jurisdiction over such Person or any of such Person's assets or businesses;

(84) **Local Board** means the advisory board of each Hospital composed of community representatives, physicians on the respective Hospital's medical staff, and the Chief Executive Officer of each respective Hospital (for avoidance of doubt, each Hospital shall have its own Local Board). The initial members of the Local Board shall include at least five members of the Seller's Board of Trustees immediately prior to Closing and five other individuals identified by the Seller prior to Closing, two of whom shall be members of the community appointed in consultation with the mayor of the town in which the respective Hospital is located;

(85) **Losses** means any and all damages, costs, losses (including any diminution in value), liabilities, expenses or obligations (including Taxes, interest,

penalties, court costs, costs of preparation and investigation, and attorneys', accountants' and other professional advisors' fees and expenses);

(86) **Material Adverse Change** means a material adverse change, individually or in the aggregate, of the business, assets, liabilities, financial condition or results of operations of Seller and the Hospital Businesses, which taken as a whole (i) has or could reasonably be expected to have a material adverse effect upon the validity or enforceability of this Agreement or (ii) is or could reasonably be expected to be material and adverse to the Hospital Businesses or the Assets, but excluding the effect of (x) matters described in the Schedules, (y) changes in the economy of the United States in general, and (z) changes in Legal Requirements generally applicable to owners and operators of general acute care hospitals in the United States or in Connecticut if such change does not disproportionately affect Seller or the Hospital Businesses; provided, however, that a change resulting from the downward adjustment to the Medicare wage index or the failure of the Seller to meet its debt service coverage ratio, if waived by applicable lender(s), shall not constitute a Material Adverse Change;

(87) **Materials of Environmental Concern** means chemicals, pollutants, contaminants, wastes (including Medical Waste), toxic substances, petroleum and petroleum products listed or regulated under Environmental Laws, including hazardous wastes under the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901, *et seq.*, hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, *et seq.*, asbestos, polychlorinated biphenyls and urea formaldehyde, and low-level nuclear materials, special nuclear materials or nuclear-byproduct materials, all within the meaning of the Atomic Energy Act of 1954, as amended, and any rules, regulations or policies promulgated thereunder;

(88) **Medical Waste** means any substance, pollutant, material or contaminant listed or regulated under any Medical Waste Law that is generated in the diagnosis, treatment or immunization of human beings, in research pertaining thereto, or in the production or testing of biologicals, including (i) pathological waste, (ii) blood, (iii) sharps, (iv) wastes from surgery or autopsy, (v) dialysis waste, including contaminated disposable equipment and supplies, (vi) cultures and stocks of infectious agents and associated biological agents, (vii) isolation wastes, (viii) contaminated equipment, (ix) laboratory waste, and (x) various other biological waste and discarded materials contaminated with or exposed to blood, excretion, or secretions from human beings;

(89) **Medical Waste Law** means the Medical Waste Tracking Act of 1988, 42 U.S.C. §6992, *et seq.*, the U.S. Public Vessel Medical Waste Anti-Dumping Act of 1988, 33 U.S.C. §2501, *et seq.*, the Marine Protection, Research, and Sanctuaries Act of 1972, 33 U.S.C. §1401, *et seq.*, The Occupational Safety and Health Act, 29 U.S.C. §651, *et seq.*, the United States Department of Health and Human Services, National Institute for Occupational Self-Safety and Health Infectious Waste Disposal Guidelines, Publication No. 88-119, and any other federal, state, regional, county, municipal or other Legal Requirements insofar as they purport to regulate Medical Waste, or impose requirements relating to Medical Waste;

(90) **Multiemployer Plan** is defined in section 3(37) of ERISA or section 4001(a)(3) of ERISA;

(91) **Multiple Employer Plan** means an Employee Pension Benefit Plan that is not a Multiemployer Plan and for which a Person who is not a member of a Controlled Group that includes Seller or any Subsidiary is or has been a contributing sponsor;

(92) **Net Working Capital** means the amount by which (i) the value of all non-cash current assets of the Hospital Businesses acquired by Buyer, including inventory and supplies, Accounts Receivable, other receivables, prepaid expenses, and deposits (including security deposits made by Seller pursuant to Assumed Contracts), that Seller and Buyer agree will be usable after Closing, exceeds (ii) the value of all current liabilities assumed by Buyer, including trade accounts payable, accrued expenses (including payroll), advance payments on patient accounts and employee benefit accruals (as such terms are used in the Financial Statements) (for the purpose of clarity, employee benefit accruals include paid time off accruals for vacation and sick time but exclude Extended Illness Bank Obligations), and Net Working Capital shall be calculated in accordance with the methodology set forth on Annex A;

(93) **Notice Period** is defined in Section 9.05(a)(i);

(94) **Objection Notice** is defined in Section 2.05(i);

(95) **ORYX** is defined in Section 3.17;

(96) **Owned Real Property** means real property owned (legally or beneficially) by Seller or any Subsidiary of Seller, including the real property described on Schedule 2.01(a), together with all buildings, improvements and fixtures thereon owned by Seller or any Subsidiary of Seller and all appurtenances and rights thereto;

(97) **PBGC** means the Pension Benefit Guaranty Corporation;

(98) **Permit** means each license, permit, right, franchise, concession, certificate, authorization, consent, certificate of need or other approval of a Governmental Authority owned or held by Seller or relating to the ownership or operations of the Hospital Businesses and the Assets, including applications for, and pending, Permits;

(99) **Permitted Encumbrances** means the Permitted Personal Property Encumbrances and the Permitted Real Property Encumbrances;

(100) **Permitted Personal Property Encumbrances** means those Encumbrances described on Schedule 3.11 as being Permitted Personal Property Encumbrances;

(101) **Permitted Real Property Encumbrances** means those Encumbrances identified on Schedule 3.12(a) as being Permitted Real Property Encumbrances;

(102) **Person** means any individual, corporation (whether for-profit or not-for-profit), limited liability company, association, partnership, firm, joint venture, trust, trustee or other entity or organization, including a Governmental Authority;

(103) **Phase I Assessment(s)** is defined in Section 7.09;

(104) **Phase II Assessment(s)** is defined in Section 7.09;

(105) **PMH** is defined in the preamble;

(106) **PMH Medical Foundation** is defined in Section 7.11;

(107) **Post-Retiree Health Plan Liability** means the book value of the liability relating to Seller's post-retiree health benefit plan, determined by an actuarial firm chosen by Seller using GAAP (i) reflecting the assumptions used for purposes of Note 10 of Seller's Audited Financial Statements as of September 30, 2015 (as updated for the MRP-2007 mortality tables prepared by the Society of Actuaries) and (ii) assuming continuation of the Seller's post-retiree health benefit plan and no change in its provisions after September 30, 2015 (other than the freeze of such plan to new participation);

(108) **Prior Seller Plan** is defined in Section 3.22(b);

(109) **Proceeding** means any action, arbitration, audit, hearing, investigation, litigation, suit or other proceeding (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted, heard or held by, before, under the authority or at the direction of any Governmental Authority;

(110) **Prohibited Transaction** is defined in Section 5.09;

(111) **Purchase Price** is defined in Section 2.05;

(112) **Purchase Price Adjustment** is defined in Section 2.05(j);

(113) **QNet** is defined in Section 3.17;

(114) **Reportable Event** is defined in section 4043 of ERISA;

(115) **Restricted Area** is defined in Section 5.10;

(116) **Schedules** means the schedules referred to in this Agreement and attached hereto at the time that this Agreement is executed by each original party hereto;

(117) **Second 45-Day Period** is defined in Section 2.05(i);

(118) **Seller** is defined in the preamble;

(119) **Seller Deductible** is defined in Section 9.02;

(120) **Seller's Indemnified Persons** means Seller and Seller's members, stockholders, Affiliates, and, for all of them, their respective members, directors, trustees, officers, employees, agents, representatives, successors and assigns;

(121) **Settlement Agreement** is defined in Section 2.05(i);

(122) **Space Leases** is defined in Section 3.12(g)(i);

(123) **Strategic Business Plan** means the strategic plan developed prior to Closing by Buyer, in consultation with Seller, and, with respect to clinical service lines, in consultation with Seller-affiliated physicians, as the same may be amended from time to time, *provided, however*, that the Strategic Business Plan does not include the strategic capital plan referenced in Section 5.18 herein;

(124) **Subject Items** means each of the Net Working Capital, Captive Insurer Liability, Unfunded Pension Liabilities, Workers' Compensation Liability, and Post-Retiree Health Plan Liability.

(125) **Subsidiary** means, with respect to any Person, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person and/or one or more Subsidiaries of such Person, (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Subsidiaries of such Person has more than a 50% equity interest at the time and the management of which is controlled, directly or indirectly, by such Person or through one or more Subsidiaries of such Person and (iii) any entity that is organized as a not-for-profit business organization and (A) whose accounts are required in accordance with GAAP to be consolidated with the accounts of such Person or (B) whose sole member is such Person;

(126) **Target Net Working Capital** means $24,000,000;

(127) **Tax** means any income, unrelated business income, gross receipts, license, payroll, employment, excise, severance, occupation, privilege, premium, net worth, windfall profits, environmental (including taxes under section 59A of the Code), customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, recording, stamp, sales, use, services, service use, transfer, registration, escheat, unclaimed property, value added, alternative or add-on minimum, estimated or other tax, assessment, charge, levy or fee of any kind whatsoever, including payments or services in lieu of Taxes, interest or penalties on and additions to all of the foregoing, that are due or alleged to be due to any Governmental Authority, whether disputed or not;

(128) **Tax Claims** is defined in Section 5.30;

(129) **Tax Return** means any return, declaration, report, claim for refund, information return, filing obligation of any Code section 501(c)(3) organization, or statement, including schedules and attachments thereto and amendments, relating to Taxes;

(130) **Tenant Leases** is defined in Section 3.12(i);

(131) **Third Party Claim** is defined in Section 9.05(a)(i);

(132) **Threshold Liability** is defined in Section 2.05(c);

(133) **Third Party Debt** means indebtedness of Seller for borrowed money other than the ED Loan and any assumed capital leases. For the avoidance of doubt Third Party Debt shall not include any Assumed Liabilities;

(134) **Transfer Act** means the Connecticut Transfer Act, 22 Conn. Gen. Stat. § 134 *et seq.*;

(135) **Transfer Act Activities** is defined in Section 5.08;

(136) **Transitional Services Agreement** means the agreement between Buyer and Seller whereby Buyer will lease Hired Employees to Seller at cost for the orderly wind down of the benefits and administration of Seller's other post-Closing obligations (*e.g.*, finalizing Cost Reports), in substantially the form of Exhibit A attached hereto;

(137) **Unaudited Financial Statements** means the unaudited consolidated balance sheets of Seller and its Subsidiaries as of May 31, 2016, and the unaudited consolidated statements of operations and changes in net assets and the unaudited consolidated statements of cash flows for the eight (8)-month period then ended, and the financial statements described in clauses (i) and (ii) of Section 5.04(b);

(138) **Unfunded ED Loan Amount** means (i) the unpaid principal amount outstanding on the ED Loan, plus all accrued and unpaid interest, fees and other charges thereon, less (ii) the amount of Available Cash delivered by Seller to Buyer pursuant to Section 2.05(g)(v) or Section 2.05(k)(i)(y).

(139) **Unfunded Pension Liabilities** means the unfunded pension liabilities of Seller's defined benefit pension plan, calculated as the Accumulated Benefit Obligation reduced by the fair market value of the assets of Seller's defined benefit pension plan, all as measured by an actuary chosen by Seller;

(140) **WARN Act** means the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §2101, *et seq*;

(141) **Wind-Down Reserve** is defined in Section 2.05(g)(ii); and

(142) **Workers' Compensation Liability** means all workers' compensation liabilities of Seller and its Affiliates, regardless of when incurred. The book value of the

Workers' Compensation Liability shall be measured by an actuarial firm chosen by Seller reflecting assumptions used in preparing Seller's Audited Financial Statements as of September 30, 2015. For the avoidance of doubt, the Workers' Compensation Liability includes both claims known as of the Closing Date and claims that arise post-closing but that pertain to events occurring pre-closing.

1.02. Certain References. As used in this Agreement:

(a) references to "*this Agreement*" mean this Agreement, as amended from time to time, and all Exhibits and Schedules attached to or referenced in this Agreement;

(b) references to "*Articles*" or "*Sections*" are references to Articles and Sections of this Agreement, unless the context states or implies otherwise;

(c) references to "*include*" or "*including*" mean including without limitation and are intended to be illustrative and not restrictive of the word or phrase to which they refer;

(d) references to "*partners*" include general and limited partners of partnerships and members of limited liability companies;

(e) references to "*partnerships*" include general and limited partnerships;

(f) references to any document are references to that document as amended, consolidated, supplemented, novated or replaced by the parties thereto;

(g) references to any law are references to that law as amended, consolidated, supplemented or replaced, and all rules and regulations promulgated thereunder;

(h) references to time are references to Eastern Time;

(i) references to "*Seller's knowledge*" mean the actual knowledge of each of the Persons whose names or titles are set forth on Schedule 1.02(i), after due inquiry by Seller of such Persons;

(j) the gender of all words includes the masculine, feminine and neuter, and the number of all words includes the singular and plural; and

(k) the Table of Contents, the division of this Agreement into Articles and Sections, and the use of captions and headings in connection therewith are solely for convenience and have no legal effect in construing this Agreement.

2. SALE OF ASSETS AND RELATED MATTERS

2.01. Sale of Assets. Subject to the terms and conditions of this Agreement, at Closing, Seller shall sell, and Buyer shall purchase, all right, title and interest of Seller in and to the Assets, free and clear of all Encumbrances other than the Permitted Encumbrances, including the following Assets:

(a) the Owned Real Property described on Schedule 2.01(a);

(b) the Leased Real Property described on Schedule 2.01(b);

(c) all equipment (including medical and computer equipment located at the Hospital Businesses), vehicles, furniture and furnishings and other tangible personal properties owned or leased by Seller or used in the conduct of the Hospital Businesses; *provided* that any such leased personal property shall be described on Schedule 2.01(c);

(d) all current assets included in Net Working Capital;

(e) all financial, patient, medical staff, personnel and other records of the Hospital Businesses (including equipment records, medical/administrative libraries, medical records, documents, catalogs, books, records, files and operating manuals);

(f) all rights with respect to the Contracts listed or described on Schedule 2.01(f), the leases relating to the Leased Real Property listed or described on Schedule 2.01(b), the leases relating to the leased personal property listed or described on Schedule 2.01(c), and all Immaterial Contracts not listed or described on Schedule 2.02(j) (all such Contracts, collectively, the "**Assumed Contracts**");

(g) all Permits of Seller, to the extent legally assignable, relating to the ownership of the Assets and the conduct of the Hospital Businesses, including those described on Schedule 2.01(g);

(h) the Intellectual Properties, including those Intellectual Properties described on Schedule 2.01(h), and the Information Systems;

(i) all property of Seller, real, personal or mixed, tangible or intangible, arising or acquired between the date of this Agreement and the Closing Date;

(j) the Investment interests in the Joint Ventures, including all transferable rights relating thereto, but only to the extent that the governing instruments of the Joint Ventures permit such transfer;

(k) subject to Section 5.13, all insurance proceeds with respect to the Assets or the Assumed Liabilities (including insurance proceeds received by Seller or payable to Seller and all deductibles, copayments and self-insurance requirements payable by Seller) arising in connection with damage to the Assets occurring on or prior to the Closing Date, to the extent not expended for the repair or restoration of the Assets;

(l) claims of Seller against third parties relating to the Assets or the Assumed Liabilities, choate or inchoate, known or unknown, contingent or otherwise, except for those claims described on Schedule 2.02(p) and any claims relating to Excluded Assets or the Excluded Liabilities;

(m) general intangibles of the Hospital Businesses, including goodwill;

(n) the Investment interests in CHIC, including all transferable rights relating thereto, or in the alternative at Buyer's election, all cash and investments held in CHIC, and all cash and investments held in the workers' compensation trust;

(o) Seller's provider agreements with Government Payment Programs;

(p) all proceeds of the foregoing and, except for the Excluded Assets, all other property of every kind, character or description, tangible and intangible, known or unknown, owned or leased by Seller, wherever located and whether or not reflected in the Financial Statements or similar to the properties described above;

(q) all bank accounts that receive deposits from Government Payment Programs and other third-party payors; provided, however, that all funds in such accounts as of the Closing Date shall be retained by Seller; and

(r) all cash of Seller specifically designated as cash collateral for the ED Loan (the "**ED Cash Collateral**"), provided, that in no event shall the amount of ED Cash Collateral delivered at Closing hereunder exceed $5,000,000.

2.02. Excluded Assets. Notwithstanding the generality of the definition of Assets and of the examples of Assets listed in Section 2.01, the following assets (the "**Excluded Assets**") are not a part of the sale and purchase contemplated by this Agreement and are excluded from the Assets, and Seller shall retain all of its right, title and interest therein and thereto from and after the Closing:

(a) any financial, patient, medical staff, personnel and other records of the Hospital Businesses that Seller cannot transfer to Buyer due to applicable Legal Requirements by which Seller is bound;

(b) all cash (other than ED Cash Collateral, any cash held by CHIC, any cash held by ECHN in an account designated for the payment of workers' compensation claims), bank accounts (except for those that receive deposits from Government Payment Programs and other third party payors), certificates of deposit, treasury bills, treasury notes, marketable securities and other cash equivalents (including the Purchase Price payable to Seller) of Seller or the Hospital Businesses, except for those listed in Section 2.01(n);

(c) all short-term and long-term Investments, but excluding the Investment interests in the Joint Ventures, and, if applicable, pursuant to Section 2.01(n), the Investment interests in CHIC;

(d) board-designated, restricted, and trustee-held or escrowed funds (such as funded depreciation, debt service reserves, self-insurance trusts, working capital trust assets, and assets and Investments restricted as to use), beneficial interests in charitable trusts, and accrued earnings on all of the foregoing;

(e) inventory and supplies disposed of or exhausted after the date of this Agreement and on or before the Closing Date in the ordinary course of the Hospital Businesses, and Assets transferred or disposed of in accordance with Section 5.02(e);

(f) Cost Report settlement receivables for periods ended on or prior to the Closing Date and all appeals and appeal rights relating thereto;

(g) all funds held by trustees pursuant to bond indentures of Seller (including the Indenture) related to the Bond Liabilities;

(h) all deductions, benefits, claims, refunds, receivables and other rights of Seller or any Affiliate of Seller relating to Taxes in respect of periods ending on or before the Closing Date (or portions thereof) or resulting from the consummation of the transactions contemplated by this Agreement;

(i) all other current financial assets not included in Net Working Capital and all deferred expenses;

(j) all Contracts that are listed or described on Schedule 2.02(j) and all other Contracts that are not Assumed Contracts (including this Agreement and the Closing Documents);

(k) all Permits to the extent not legally assignable to Buyer or not relating to the ownership of the Assets and the conduct of the Hospital Businesses;

(l) the corporate or trade names set forth on Schedule 2.02(l) and all Intellectual Property rights relating thereto;

(m) all physician loans and receivables other than repayment obligations under Assumed Contracts;

(n) all right, title and interest of ECHN Community Healthcare Foundation in and to its assets and properties (whether owned, leased or otherwise) described on Schedule 2.02(n);

(o) all insurance proceeds received by Seller or payable to Seller (i) with respect to other Excluded Assets or the Excluded Liabilities or (ii) arising in connection with the operation of the Assets for periods prior to Closing to the extent that all material damage to any such Asset has been repaired and to the extent consistent with Section 5.13 herein;

(p) the claims of Seller against third parties described on Schedule 2.02(p), appeals and other risk settlements of the Hospital Businesses which arose during or relate to a pre-Closing period, and all rights, remedies, claims and defenses against third parties thereunder or otherwise relating solely to the Excluded Assets or to the Excluded Liabilities, whether choate or inchoate, known or unknown, contingent or otherwise;

(q) any other assets identified on Schedule 2.02(q) or excluded after the execution of this Agreement by mutual written agreement of the parties;

(r) any Investment interest in a Joint Venture that did not transfer at Closing because the governing instruments of such Joint Venture did not permit such transfer at Closing and all required consents to such transfer were not obtained from the owners or other participants in the Joint Venture; and

(s) all proceeds of the foregoing.

2.03. Assumed Liabilities. As of the Closing Date, Buyer shall assume from Seller and its Affiliates the Assumed Liabilities, including the Assumed Liabilities described on Schedule 2.03, and agrees to pay and satisfy all such Assumed Liabilities.

2.04. Excluded Liabilities. Notwithstanding anything to the contrary set forth in this Agreement, under no circumstance will Buyer assume or be obligated to pay, and from and after the Closing, none of the Assets will be or become liable for or subject to, any of the Excluded Liabilities, which Excluded Liabilities are and will remain liabilities of Seller, including the following:

(a) all liabilities accrued on the Closing Balance Sheets, other than those included in Net Working Capital constituting Assumed Contracts;

(b) liabilities or obligations for Taxes of the Hospital Businesses in respect of periods ending on or before the Closing Date or resulting from the consummation of the transactions contemplated by this Agreement;

(c) liabilities or obligations for federal or state income Taxes of Seller or any Affiliate of Seller, including any amounts accrued or incurred by the Hospital Businesses as a result of being a member of a consolidated, affiliated, combined, unitary or similar group that includes such other Persons;

(d) liabilities or obligations relating to the Excluded Assets;

(e) liabilities or obligations associated with indebtedness for borrowed money (other than capital lease obligations under any Assumed Contract and the ED Loan);

(f) (i) obligations required to be performed by Seller on or before the Closing Date under the Assumed Contracts, (ii) liabilities or obligations resulting from a breach or default on or before the Closing Date of any Assumed Contracts and (iii) liabilities arising under any Contracts that are not Assumed Contracts;

(g) Proceedings and claims (whether instituted before or after Closing) relating to acts or omissions that occurred on or before the Closing Date, including those relating to peer review activities, except for those Proceedings and Claims listed on Schedule 3.23 that are identified as being included in Assumed Liabilities;

(h) liabilities or obligations under the Hill-Burton Act or other restricted grant or loan programs;

(i) liabilities and obligations to Seller's employees, Seller's Employee Benefit Plans, the Internal Revenue Service, PBGC or any other Governmental Authority arising from or relating to periods on or before the Closing Date (whether or not triggered by the transactions contemplated by this Agreement), including liabilities or obligations arising on or before the Closing Date under any Seller Employee Benefit Plan, United States Equal Employment Opportunity Commission claim, unfair labor practice, and wage and hour practice, and liabilities or obligations arising under the WARN Act, provided that this subsection (i) shall not apply to (i) liabilities or obligations under the Employee Benefit Plans assumed by Buyer under Sections 5.03(d) and 5.03(e), including but not limited to the Unfunded Pension Liabilities and the Post-Retiree Health Plan Liability, (ii) Extended Illness Bank Obligations, (iii) obligations under Assumed Contracts or (iv) the Workers' Compensation Liability;

(j) Cost Report settlement payables relating to all Cost Report periods ending on or before the Closing Date;

(k) liabilities or obligations of Seller, including arising out of the operation of the Hospital Businesses or ownership of the Assets, with respect to periods ending on or before the Closing Date, or resulting from the consummation of the transactions contemplated by this Agreement, including pursuant to third-party payor programs and Government Payment Programs, including recoupment rights of the Centers for Medicare & Medicaid Services ("**CMS**") or the Connecticut Department of Social Services and recapture of previously reimbursed charges or expenses;

(l) penalties, fines, settlements, interest, costs and expenses arising out of or incurred as a result of any actual or alleged violation by Seller of any Legal Requirement prior to the Closing Date; and

(m) liabilities or obligations arising out of or in connection with the Eastern Connecticut Health Network, Inc. Long Term Retention Plan, as amended through August 1, 2016.

2.05. Purchase Price; Purchase Price Adjustment.

(a) Subject to the terms and conditions of this Agreement, in reliance upon the representations and covenants of Seller in this Agreement, and as consideration for the sale of the Assets, Buyer shall assume the Assumed Liabilities from Seller and tender the "**Purchase Price**", determined as follows, subject to the limitations and adjustments, including post-Closing adjustments, described in Sections 2.05(b)-(m):

(i) $105,000,000 (One Hundred Five Million Dollars), *plus*

(ii) the amount, if any, by which Net Working Capital on the Closing Balance Sheets exceeds the Target Net Working Capital, or *minus*

(iii) the amount, if any, by which Net Working Capital on the Closing Balance Sheets is less than the Target Net Working Capital, and *minus*

(iv) the book value (including the current portion) as of the Closing of any indebtedness (including capitalized leases but not including the ED Loan) assumed by Buyer, and *minus*

(v) the Unfunded Pension Liabilities as of the Closing Date, and *minus*

(vi) the Post-Retiree Health Plan Liability as of the Closing Date, and *plus* (in the case of Section 2.05(a)(vii)(w)) or *minus* (in the case of Section 2.05(a)(vii)(x)), as applicable,

(vii) (w) the amount, if any, by which the Workers' Compensation Liability as of the Closing Date is less than the cash and investments held by the workers' compensation trust with respect to such liabilities as of the Closing Date, or (x) the amount, if any, by which the Workers' Compensation Liability as of the Closing Date exceeds the cash and investments held by the workers' compensation trust with respect to such liabilities as of the Closing Date, and *plus* (in the case of Section 2.05(a)(viii)(y) below) or *minus* (in the case of Section 2.05(a)(viii)(z) below), as applicable,

(viii) (y) the amount, if any, by which the Captive Insurer Liability as of the Closing Date is less than the cash and investments held by the CHIC with respect to such liabilities as of the Closing Date, or (z) the amount, if any, by which the Captive Insurer Liability as of the Closing Date exceeds the cash and investments held by CHIC with respect to such liabilities as of the Closing Date, and *minus*

(ix) asbestos abatement liability as determined within five business days of Closing by an independent third party mutually agreed upon by Seller and Buyer; provided, however, that the total asbestos abatement liability shall not exceed $1,000,000 (One Million Dollars), and *minus*

(x) in the event Seller is unable to assign and transfer to Buyer or Buyer's designee all of Seller's Investment in one or more Joint Ventures due to the inability to satisfy the requirements of the governing instruments of such Joint Ventures with respect to such transfer at Closing, an amount equal to the value listed next to the name of such Joint Venture on Schedule 2.05(a), provided, however, that the provisions of this Agreement shall not be construed as an offer to separately purchase Seller's Investment in one or more Joint Ventures, and *minus*

(xi) Any amounts paid to Seller by Buyer to reimburse Seller's out-of-pocket legal, valuation, or consulting expenses pursuant to Section 8.04(b).

(b) Seller and Buyer shall equally share the cost of obtaining updated actuarial valuations, which shall be conducted by an actuarial firm chosen by Seller and calculated

in accordance with Section 2.05(h)(ii)-(v), as applicable, of the Unfunded Pension Liabilities, the Captive Insurer Liabilities, the Workers' Compensation Liability, and the Post-Retiree Health Plan Liability as of the Closing.

(c) The sum of the amounts subtracted from the Purchase Price pursuant to Sections 2.05(a)(iii)-(a)(xi) above shall not exceed $77,000,000 (Seventy Seven Million Dollars) (the "**Threshold Liability**").

(d) If Seller, as of the Closing Date, has liabilities, excluding Third Party Debt and excluding the ED Loan, that exceed the Threshold Liability ("**Additional Liabilities**"), Buyer shall assume such excess Additional Liabilities up to Ten Million Dollars ($10,000,000) at Closing based on the amount estimated pursuant to Section 2.05(f)(i)(f) (and as such amount is finally determined pursuant to the provisions of Sections 2.05(h)-(j), as applicable), subject to Seller's obligation to reimburse Buyer for such assumption of Additional Liabilities pursuant to Section 2.05(g)(iii). Buyer may, at Closing, and based on the Closing Estimates, in its sole discretion, waive the provisions of Section 7.12 and assume liabilities in excess of Ten Million Dollars ($10,000,000) of Additional Liabilities. As an illustration only, examples of how the provisions of this Section 2.05 will be implemented are included in Schedule 2.05.

(e) Notwithstanding the foregoing Section 2.05, no liabilities of Seller or its Affiliates shall be subtracted from the Purchase Price to the extent any such liabilities are already included in Net Working Capital.

(f) The Purchase Price, including estimates at Closing of the Net Working Capital, Captive Insurer Liability, Unfunded Pension Liabilities, Workers' Compensation Liability and the Post-Retiree Health Plan Liability calculated as of Closing, will be calculated as follows:

(i) For purposes of determining the Purchase Price, not more than five (5) but in no event less than two (2) business days prior to the Closing, Seller shall deliver to Buyer a statement setting forth its good faith estimate and calculation as of the Closing, and where actuarially determined, based on the Audited Financial Statements as of September 30, 2015, of the following (collectively, the "**Closing Estimates**"):

(a) Net Working Capital,

(b) Unfunded Pension Liabilities,

(c) Captive Insurer Liability,

(d) Workers' Compensation Liability,

(e) Post-Retiree Health Plan Liability, and

(f) Additional Liabilities.

including, as to each Subject Item, supporting documentation of reasonable specificity and other information reasonably requested by the Buyer to verify such amounts. For the avoidance of doubt, each of the Subject Items shall be subject to a final determination after the Closing pursuant to the provisions of Sections 2.05(h)-(i), and the Purchase Price shall be adjusted accordingly pursuant to the provisions of Section 2.05(j).

(ii) The estimate of Net Working Capital at Closing will be calculated by Buyer and Seller from the physical count of inventory and supplies conducted pursuant to this Section 2.05(f)(ii), if available, the relevant entries in the Interim Closing Balance Sheets (other than inventory and supplies if the physical inventory is available) and the parties' mutual good faith estimate as of the Closing Date of the amount of the prorations to be made pursuant to Section 2.06. The portion of Net Working Capital constituting the value of inventory and supplies will be determined based on a physical count conducted by Seller on a date not more than five (5) business days before the Closing Date. Seller shall give Buyer at least five (5) business days prior notice of the date of the count and permit Buyer to monitor the count. Seller shall count the usable items of inventory and supplies that are not damaged or obsolete, and that are of a type, quality and quantity that may be used in the ordinary course of the Hospital Businesses (having due regard for the services offered by the Hospital Businesses). Seller will conduct the count in the same manner that Seller conducted the count of, and will count the same classes and categories of items that Seller counted to determine the value of, inventory and supplies in the most recent Audited Financial Statements. Upon completion of the count, Seller shall determine the value of the inventory and supplies (determined by the lower of cost or market on a first in, first out basis). If the results of the count and the resulting value of inventory and supplies are available by Closing, then the portion of Net Working Capital attributable to inventory and supplies will be the value determined pursuant to the count (updated for actual usage and purchases between the date of the count and the Closing Date). If the results of the count or the resulting value of inventory and supplies are not available by Closing, then for purposes of the Closing, the value of the inventory and supplies will be the amount set forth in the Interim Closing Balance Sheets and the value of the inventory and supplies determined pursuant to the count (updated for actual usage and purchases between the date of the count and the Closing Date) will be set forth in the Closing Balance Sheets. The portion of Net Working Capital constituting the value of prepaid expenses and deposits will be determined based on mutual agreement of Seller and Buyer.

(g) At Closing, Buyer shall pay such Purchase Price (based on the Closing Estimates provided in a statement delivered by Seller pursuant to Section 2.05(f)) by wire transfer of immediately available funds to an account designated by the Seller to Buyer prior to the Closing Date, and Seller shall immediately use all of its Available Cash in the following manner and priority (recognizing that there may not be sufficient Available Cash to satisfy all of the following obligations):

(i) First, to pay off all Third Party Debt, including to defease the Indenture and all Encumbrances created by or in connection with the Indenture, including the Bond Liabilities and other tax-exempt debt;

(ii) Second, to fund Seller's wind-down operations up to One Million Dollars ($1,000,000) (the "**Wind-Down Reserve**"); *provided, however*, that in the event that Seller fails to fund the Wind-Down Reserve in full, (x) Buyer shall pay such shortfall in the administrative wind-down costs incurred by Seller in accordance with Section 2.05(*l*)(i);

(iii) Third, to reimburse Buyer for Additional Liabilities;

(iv) Fourth, to fund the indemnity reserve in accordance with Section 9.08;

(v) Fifth, to reimburse Buyer up to the total amount of the ED Loan; and

(vi) Sixth, any excess Available Cash shall be retained by Seller.

As an illustration only, an example of how the provisions of this Section 2.05(g) will be implemented is included in Schedule 2.05.

(h) Not more than ninety (90) days after the Closing, Buyer shall prepare and deliver, or cause to be prepared and delivered, to Seller, the Closing Balance Sheet and the final closing statement (the "**Final Closing Statement**") setting forth the following:

(i) its good faith determination of the actual Net Working Capital as of the Closing Date, and a calculation showing the difference between the Net Working Capital estimated by Seller at Closing and the actual Net Working Capital as of the Closing Date,

(ii) the actual Unfunded Pension Liabilities as of the Closing Date, as determined using the updated actuarial report obtained pursuant to Section 2.05(d), provided that such updated report shall be prepared using the same assumptions, principles and methodologies used in the calculation of the Unfunded Pension Liabilities pursuant to Section 2.05(f)(i), and a calculation showing the difference between the Unfunded Pension Liabilities estimated by Seller at Closing and the actual Unfunded Pension Liabilities as of the Closing Date, and

(iii) the actual Captive Insurer Liability as of the Closing Date, as determined using the updated actuarial report obtained pursuant to Section 2.05(d), provided that such updated report shall be prepared using the same assumptions, principles and methodologies used in the calculation of the Captive Insurer Liability pursuant to Section 2.05(f)(i), except that the selected ratio for the calculation of the $1,000,000 basic limit loss cost used in such updated actuarial report shall be 0.90 (versus 0.64 as of September 30, 2015), and a

calculation showing the difference between the Captive Insurer Liability estimated by Seller at Closing and the actual Captive Insurer Liability as of the Closing Date,

(iv) the actual Workers' Compensation Liability as of the Closing Date, as determined using the updated actuarial report obtained pursuant to Section 2.05(d), provided that such updated report shall be prepared using the same assumptions, principles and methodologies used in the calculation of the Workers' Compensation Liability pursuant to Section 2.05(f)(i), and a calculation showing the difference between the Workers' Compensation Liability estimated by Seller at Closing and the actual Workers' Compensation Liability as of the Closing Date,

(v) the actual Post-Retiree Health Plan Liability as of the Closing Date, as determined using the updated actuarial report obtained pursuant to Section 2.05(d), provided that such updated report shall be prepared using the same assumptions, principles and methodologies used in the calculation of the Post-Retiree Health Plan Liability pursuant to Section 2.05(f)(i), and a calculation showing the difference between the Post-Retiree Health Plan Liability estimated by Seller at Closing and the actual Post-Retiree Health Plan Liability as determined by Buyer as of the Closing Date, and

(vi) the actual Additional Liabilities as of the Closing Date, and a calculation showing the difference between the Additional Liabilities estimated by Seller at Closing and the actual Additional Liabilities as determined by Buyer as of the Closing Date,

Simultaneously, with its delivery to Seller of the Closing Balance Sheet and the Final Closing Statement, Buyer shall deliver to Seller supporting documentation of reasonable specificity supporting the calculation of the value of each Subject Item listed in Section 2.05(h)(i)-(v). Except as otherwise expressly provided herein, the Final Closing Statement and the Closing Balance Sheets shall be prepared using the same principles and methodologies, including the determination of Accounts Receivable, doubtful account and the Subject Items, as used in preparing the Interim Closing Balance Sheets. At all reasonable times following delivery by Buyer to Seller of the Final Closing Statement and the Closing Balance Sheets, Buyer shall make available to Seller and its agents all books and records of Buyer included in, or related to, the determination of the value of each Subject Item listed in Section 2.05(h)(i)-(v), including all of Buyer's and its agent's accounting work papers and journal entries underlying such determination or the preparation thereof and shall permit Seller to discuss all such matters with Buyer's agents.

(i) Following receipt of the information set forth in Section 2.05(h), Seller will be afforded a period of forty-five (45) days (the "**45-Day Period**") to review the Final Closing Statement and the Closing Balance Sheets. At or before the end of the 45-Day Period, Seller will either (i) accept the amount of the actual Subject Items calculated

by Buyer and set forth on the Final Closing Statement in their entirety or (ii) deliver to Buyer a written notice (the "**Objection Notice**") containing a reasonably detailed written explanation of those items on the Final Closing Statement or the Closing Balance Sheets that Seller disputes, in which case the items specifically identified by Seller shall be deemed to be in dispute. The failure by Seller to deliver the Objection Notice within the 45-Day Period shall constitute Seller's acceptance of the amount of the actual Subject Items calculated by Buyer. If Seller delivers the Objection Notice in a timely manner, then, within a further period of forty-five (45) days from the end of the 45-Day Period (the "**Second 45-Day Period**"), the parties will attempt to resolve in good faith any disputed items and reach a written agreement (the "**Settlement Agreement**") with respect thereto. Failing such resolution, as promptly as practicable (and no event later than ten (10) days from the end of the Second 45-Day Period), the unresolved disputed items will be referred for final binding resolution to PricewaterhouseCoopers LLP (the "**Arbitrating Accountants**"). In resolving any disputed item, the Arbitrating Accountants may not assign a value to any item greater than the greatest value for such item claimed by either party or less than the smallest value for such item claimed by either party. The fees and expenses of the Arbitrating Accountants shall be allocated between Buyer and Seller in proportion to the amounts by which their proposals of the actual Subject Items differed from the Arbitrating Accountants' final determination. Such determination (the "**Accountants' Determination**") shall be (i) in writing, (ii) furnished to the Buyer and Seller as soon as practicable (and in no event later than thirty (30) days) after the items in dispute have been referred to the Arbitrating Accountants, (iii) made in accordance with GAAP, consistently applied, and (iv) non-appealable and incontestable by Buyer or Seller and each of their respective Affiliates and successors and assigns and not subject to collateral attack for any reason other than manifest error or fraud.

(j) The Purchase Price will be recalculated (based on clauses (i)-(viii) below) (the "**Purchase Price Adjustment**") to reflect:

(i) any such revisions in the amount of the prorations to be made pursuant to Section 2.06,

(ii) the difference between the Net Working Capital (excluding differences in prepaid expenses and deposits calculated in accordance with Section 2.05(f)(ii) and, if a physical inventory was used to calculate the Purchase Price, in inventory and supplies) estimated at Closing and the actual Net Working Capital as of the Closing Date (as finally determined pursuant to the provisions of Sections 2.05(h) and, if applicable, Section 2.05(i)),

(iii) the difference between the Unfunded Pension Liabilities estimated at Closing and the actual Unfunded Pension Liabilities (as finally determined pursuant to the provisions of Sections 2.05(h) and, if applicable, Section 2.05(i)),

(iv) the difference between the Captive Insurer Liability estimated at Closing and the actual Captive Insurer Liability (as finally determined pursuant to the provisions of Sections 2.05(h) and, if applicable, Section 2.05(i))

(v) the difference between the Workers' Compensation Liability estimated at Closing and the actual Workers' Compensation Liability (as finally determined pursuant to the provisions of Sections 2.05(h) and, if applicable, Section 2.05(i)),

(vi) the difference between the Post-Retiree Health Plan Liability estimated at Closing and the actual Post-Retiree Health Plan Liability (as finally determined pursuant to the provisions of Sections 2.05(h) and, if applicable, Section 2.05(i)), and

(vii) the difference between the Additional Liabilities estimated at Closing and the actual Additional Liabilities (as finally determined for and as of the Closing Date and pursuant to the provisions of Sections 2.05(h) and, if applicable, Section 2.05(i)).

As an illustration only, an example of how the provisions of this Section 2.05(j) will be implemented is included in Schedule 2.05.

(k)

(i) Within five (5) business days following the Final Determination Date, if the Purchase Price is adjusted upward by the Purchase Price Adjustment, the Purchase Price Adjustment shall be applied or paid, as applicable, in the following manner and priority (recognizing that the amount of the Purchase Price Adjustment may not be sufficient to satisfy each of the following obligations):

(u) First, if and to the extent Buyer has paid any of Seller's administrative wind-down costs pursuant to Section 2.05(*l*)(i), Buyer shall be entitled to retain any amounts remaining from the Purchase Price Adjustment as reimbursement of such administrative wind-down costs;

(v) Second, if and to the extent Seller is unable to fund fully the Wind-Down Reserve, any amounts remaining from the Purchase Price Adjustment shall be used to fund Seller's Wind-Down Reserve, less the amount retained by Buyer pursuant to Section 2.05(k)(i)(u);

(w) Third, in the event that Seller is unable to fund fully the indemnity reserve establish under Section 9.08 to the maximum amount of $4,500,000 at the Closing, any amounts remaining from the Purchase Price Adjustment shall be used by Seller to fund the indemnity reserve (in an amount not to exceed $4,500,000);

(x) Fourth, Buyer shall be entitled to retain any amounts remaining from the Purchase Price Adjustment up to the aggregate amount of the Additional Liabilities; and

(y) Fifth, to reimburse Buyer up to the total amount of the ED Loan;

(z) Sixth, Buyer shall pay to Seller, by wire transfer of immediately available funds to one or more accounts designated by Seller, any amounts remaining from the Purchase Price Adjustment (after application of clauses (u) through (y) above).

(ii) If the Purchase Price is adjusted downward by the Purchase Price Adjustment, within five (5) business days following the Final Determination Date, Seller shall pay to Buyer the amount by which the Purchase Price is decreased, by wire transfer of immediately available funds to one or more accounts designated by Buyer as a cash payment from Seller to Buyer in an amount up to the remaining Available Cash in excess of the remaining Wind-Down Reserve.

As an illustration only, an example of how the provisions of this Section 2.05(k) will be implemented is included in Schedule 2.05.

(l)

(i) If following completion of the process outlined in Sections 2.05(a)-2.05(k), Available Cash is less than $1,000,000 (One Million Dollars), Buyer shall pay Seller's administrative wind-down costs (*e.g.*, preparation of tax returns, annual audit, legal fees relating to dissolution proceedings) incurred through the third anniversary of the Closing Date to the extent such wind-down costs exceed Available Cash; *provided, however*, that the total amount paid by Buyer for Seller's wind-down costs under this Section 2.05(*l*)(i) shall not exceed an amount equal to One Million Dollars ($1,000,000) less Available Cash determined after the process outlined above.

(ii) To the extent that any funds remain in the Wind-Down Reserve following the wind-down of Seller's operations, and there has been a reduction in the Commitment Amount pursuant to Section 5.18, the remaining Wind-Down Reserve funds shall be paid to Buyer and the Commitment Amount shall be increased, on a dollar-for-dollar basis, up to a maximum of Seventy-Five Million Dollars ($75,000,000), in accordance with Section 5.18(c)(v).

As an illustration only, an example of how the provisions of this Section 2.05(*l*) will be implemented is included in Schedule 2.05.

(m)

(i) If Seller receives any cash payments pursuant to cost report settlements following the Closing, Seller shall use such cash in the following manner and priority, to the extent available and applicable (recognizing that the amount of the cash payments pursuant to cost report settlements may not be sufficient to satisfy each of the following obligations):

(u) First, to reimburse Buyer for any amounts Buyer has expended to pay Seller's wind-down costs pursuant to Section 2.05(*l*)(i);

(v) Second, if and to the extent Seller is unable to fund fully the Wind-Down Reserve, to fund the shortfall in the Wind-Down Reserve less any amount paid to Buyer pursuant to Section 2.05(m)(i)(u);

(w) Third, to fund the indemnity reserve in accordance with Section 9.08;

(x) Fourth, to reimburse Buyer for the Additional Liabilities; and

(y) Fifth, to reimburse Buyer up to the total amount of the ED Loan;

(z) Sixth, to be retained by Seller.

(ii) If Seller is required to make any cash payments pursuant to cost report settlements following the Closing, Seller shall make such payments, first, from Seller's Available Cash (including the indemnity reserve established pursuant to Section 9.08); *provided, however*, that Seller shall indemnify Buyer, in accordance with Section 9.01(d), for any unpaid cash payments required to be paid by Seller pursuant to cost report settlements that are not satisfied in full pursuant to the immediately preceding clause.

As an illustration only, an example of how the provisions of this Section 2.05(m) will be implemented is included in Schedule 2.05.

2.06. Prorations. At Closing, and to the extent not included in Net Working Capital, Buyer and Seller shall prorate real estate and personal property lease payments, real estate and personal property Taxes (except that no such proration of property Taxes will be necessary in respect of the transfer of property by any Person that is a non-profit corporation that does not pay any property Taxes with respect to such property) and other assessments, and all other items of income and expense that are normally prorated upon a sale of assets of a going concern, if any. If any payment of Taxes made by Seller before Closing is credited against real estate Taxes for which Buyer will be liable, the amount of such credit will be applied as a credit against any prorations owing by Seller, to the extent available for offset, and any amounts not so applied will be paid to Seller by Buyer upon Buyer's receipt of such credit.

2.07. Promissory Note. To the extent Seller is unable to transfer to Buyer on the Closing Date Seller's Investment in one or more Joint Ventures as a result of the failure to obtain a consent or to otherwise comply with the governing instruments of such Joint Venture, Buyer shall lend to Seller an amount equal to the value of such Joint Venture(s) as such value is listed on Schedule 2.05(a). The loan described in the previous sentence shall be made pursuant to a promissory note bearing interest at 3% per annum payable solely from, and secured by, future distributions from the Joint Ventures, and further secured by the Joint Venture investments themselves, to the extent the granting of such a security interest is permissible under the laws of the State of Connecticut and the Joint Venture agreements (the "**Joint Venture Promissory Note**"). If, after the Closing Date, one or more of Seller's Joint Venture investments whose value is included in the Joint Venture Promissory Note is transferred to Buyer, the principal

amount of the Joint Venture Promissory Note shall be reduced by an amount equal to the value set forth next to the name of such Joint Venture on Schedule 2.05(a).

3. REPRESENTATIONS OF SELLER

Subject to the exceptions described in the Schedules, Seller makes the following representations to Buyer on and as of the date of this Agreement and will be deemed to make them again at and as of the Closing Date:

3.01. Organization and Qualification. Seller is a non-stock corporation duly organized and validly existing in good standing under the laws of the State of Connecticut. Seller is not licensed, qualified or admitted to do business in any jurisdiction other than in the State of Connecticut and there is no other jurisdiction in which the ownership, use or leasing of Seller's assets or properties, or the conduct or nature of its business, makes such licensing, qualification or admission necessary.

3.02. Corporate Powers; Absence of Conflicts, Etc. Seller has the requisite power and authority to conduct the Hospital Businesses as now being conducted, to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance by Seller of this Agreement and the Closing Documents to which Seller is or becomes a party and the consummation by Seller of the transactions contemplated by this Agreement:

(a) are within Seller's powers, are not in contravention of its articles of incorporation, bylaws and other governing documents, and have been duly authorized by all appropriate corporate action;

(b) do not conflict with, result in any breach or contravention of, or permit the acceleration of the maturity of any liabilities of Seller (other than Excluded Liabilities to be satisfied as of the Closing Date), and do not create or permit the creation of any Encumbrance on or affecting any of the Assets;

(c) do not violate any Legal Requirement to which Seller, the Assets, or the Hospital Businesses may be subject other than with respect to the Excluded Liabilities to be satisfied as of the Closing Date; and

(d) assuming the receipt of all consents set forth in Schedule 3.02, do not conflict with or result in a breach or violation of any material Contract to which Seller is a party or by which it is bound and will not be terminated as of the Closing Date.

3.03. Binding Agreement. This Agreement and each of the Closing Documents to which Seller is or becomes a party are (or upon execution will be) valid and legally binding obligations of Seller, enforceable against it in accordance with the respective terms hereof or thereof.

3.04. Subsidiaries and Third Party Rights. Seller holds no Investment interest in any Person involved in the ownership or operation of the Hospital Businesses or the Assets, other than those Persons identified on Schedule 3.04. Schedule 3.04 indicates for each Person identified thereon whether it is currently active or inactive and whether it, together with its

consolidated Subsidiaries, has total assets of $10,000 or more. Schedule 3.04 also indicates, for each Joint Venture, the percentage of equity interests owned by Seller or its Affiliate in such Joint Venture and the name of, and percentage of equity interests owned by, third parties in such Joint Venture. Other than Seller and those Persons set forth on Schedule 3.04, there are no other Persons that own any interest in any of the Hospital Businesses. There are no Contracts with, or rights of, any Person to acquire, directly or indirectly, any material assets, or any interest therein, of Seller, including any of the Assets, other than Contracts entered into in the ordinary course of the Hospital Businesses or Contracts entered into with Buyer with respect to the transactions contemplated by this Agreement.

3.05. Legal and Regulatory Compliance. Except as otherwise provided in this Agreement and other than as set forth on Schedule 3.05, Seller and all of its officers, directors, agents, or employees comply in all material respects with, and have complied in all material respects with, all Legal Requirements, and Seller has timely filed all material reports, data and other information required to be filed with Governmental Authorities. Seller has not received notice of any currently pending or threatened Proceeding against it alleging or based upon an alleged violation of any Legal Requirements. Neither Seller nor any Affiliate of Seller is party to or otherwise bound by (i) a corporate integrity agreement with the Office of Inspector General of the United States Department of Health and Human Services or written agreement with such Governmental Authority to establish or maintain a corporate integrity program applicable to any of the Hospital Businesses or (ii) a settlement or other agreement with any other Governmental Authority, other than participation agreements with Medicare and Medicaid, that imposes continuing obligations on any of the Hospital Businesses or contains obligations that have not been fully discharged.

3.06. Financial Statements. Attached as Schedule 3.06 are copies of the Audited Financial Statements and the Unaudited Financial Statements. The Financial Statements fairly present the financial condition and results of operations of Seller and the Hospital Businesses as of the respective dates thereof and for the periods therein referred to, all in accordance with GAAP, subject, in the case of the Unaudited Financial Statements, to normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, have a Material Adverse Change) and the absence of notes (which, if presented, would not differ materially from those included in the Audited Financial Statements), and the Financial Statements reflect the consistent application of such accounting principles throughout the periods involved.

3.07. Undisclosed Liabilities. Except and to the extent accrued or disclosed in the Financial Statements, Seller does not have any liabilities or obligations of any nature whatsoever with respect to the Hospital Businesses or the Assets, due or to become due, accrued, absolute, contingent or otherwise, that are required by GAAP to be accrued or disclosed in audited financial statements, except for liabilities and obligations incurred in the ordinary course of business and consistent with past practice since the date of the Unaudited Financial Statements, which are not, individually or in the aggregate, expected to result in a Material Adverse Change.

3.08. Recent Activities. Since September 30, 2014 and except as set forth on Schedule 3.08:

(a) no material damage, destruction or loss (whether or not covered by insurance) has occurred affecting the Assets;

(b) except in the ordinary course of the Hospital Businesses or as set forth on Schedule 3.08(b), consistent with past practice and existing personnel policies of Seller, Seller has not (i) increased or agreed to increase the compensation payable to any employees who work in the Hospital Businesses, (ii) agreed to make any bonus or severance payment to any of the employees who work in the Hospital Businesses or (iii) employed any additional management personnel in respect of the Hospital Businesses;

(c) no labor dispute, enactment or promulgation of a state or local Legal Requirement, or other event or condition, has occurred that has materially adversely affected any of the Hospital Businesses or reasonably could be expected to have such an effect on the Hospital Businesses;

(d) other than as set forth on Schedule 3.08(d), Seller has not sold or factored, or agreed to sell or factor, any Accounts Receivable, and Seller has not sold, distributed or otherwise disposed of any other Assets except in the ordinary course of the Hospital Businesses and, for equipment having an original cost in excess of $25,000, with a comparable replacement thereof;

(e) to Seller's knowledge, no Encumbrance has been imposed on any of the Assets;

(f) Seller has not canceled or waived any material rights in respect of the Assets, except in the ordinary course of the Hospital Businesses;

(g) other than in connection with the freeze of Seller's defined benefit pension plan and post-retiree health plan, there has been no change in any accounting method, policy or practice of Seller with respect to the Hospital Businesses;

(h) other than compensation paid in the ordinary course of employment or ordinary course professional services agreements disclosed to Buyer, Seller has not paid any amount to, sold any Assets to, or entered into any Contract with any officer, director, or trustee of Seller or its Affiliates, or with any Affiliate of any such Person;

(i) Seller has not paid or agreed to pay to any Person any damages, fines, penalties or other amounts in respect of an actual or alleged violation of any Legal Requirement excluding routine workers' compensation claims in amounts no greater than $100,000;

(j) Other than ordinary course plan benefit design changes, Seller has not instituted any new, or terminated or amended any existing, Employee Benefit Plan, except for amendments required to comply with applicable Legal Requirements and the freeze of Seller's defined benefit pension plan and post-retiree health plan;

(k) Seller has not entered into or agreed to enter into any transaction outside the ordinary course of the Hospital Businesses (other than the transactions contemplated by this Agreement); and

(l) no Material Adverse Change has occurred and no event or circumstance has occurred that could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change.

3.09. Accounts Receivable; Inventory.

(a) The Accounts Receivable, to the extent uncollected, are valid and existing and represent monies due for goods sold and delivered and services performed in bona fide commercial transactions, have been billed or are billable, and are not subject to any Encumbrances. Except as reflected or reserved for in the Financial Statements, no refunds, discounts or setoffs are payable or assessable with respect to the Accounts Receivable.

(b) All Assets consisting of inventory and supplies are carried at the lower of cost or market on a first-in, first-out basis and are properly stated in the Audited Financial Statements as of the dates thereof. All items of inventory and supplies are of a quality usable or saleable in the ordinary course of business, except for those items that are obsolete, below standard quality or in the process of repair and for which adequate reserves have been provided in the Financial Statements. The quantities of inventory and supplies, taken as a whole, are reasonable and justified under the normal operations of the Hospital Businesses.

3.10. Equipment. Schedule 3.10 includes a depreciation schedule as of a recent date that lists all items of equipment associated with, or constituting any part of, the Assets. To Seller's knowledge, and excluding information technology equipment and systems, all major items of Seller's equipment (e.g., heating systems, magnetic resonance imaging units, ultrasound units, robotic surgery and similar equipment) are usable for their intended purposes in the ordinary course of the Hospital Business and are in working condition, subject to reasonable wear and tear.

3.11. Title. Except as provided in Schedule 3.11 and subject to Section 10.03(a), Seller owns and holds good and valid title to all of the Assets, free and clear of any Encumbrances other than the Encumbrances described on Schedule 3.11. At Closing, Seller will convey to Buyer good and valid title to all Assets, free and clear of any Encumbrances other than the Permitted Encumbrances.

3.12. Real Property.

(a) Seller owns fee simple title to the Owned Real Property, free and clear of any Encumbrances other than the Encumbrances described on Schedule 3.12(a). The Owned Real Property described on Schedule 2.01(a) comprises all of the real property owned by Seller or any Subsidiary of Seller that is associated with or utilized in the operation of the Hospital Businesses. At Closing, Seller will convey to Buyer good and

marketable fee simple title to all Owned Real Property, free and clear of any Encumbrances other than the Permitted Real Property Encumbrances.

(b) Seller has not received notice of condemnation or similar Proceedings relating to the Owned Real Property or any part thereof.

(c) Except as set forth on Schedule 3.12(c), to Seller's knowledge, the buildings standing on the Owned Real Property are structurally sound and in need of no material maintenance or repairs, except for ordinary, routine maintenance. All essential utilities (including water, sewer, gas, electricity and telephone service) are available to the Owned Real Property, and, to Seller's knowledge, no conditions exist that are reasonably likely to result in the termination or reduction of the current access from the Owned Real Property to existing roadways. To Seller's knowledge, no part of the Owned Real Property contains, is located within or abuts any flood plain, navigable water or other body of water, tideland, wetland, marshland or other area that is subject to special state, federal or municipal regulation, control or protection (other than Legal Requirements pertaining to zoning or other land use restrictions customarily applicable to all real estate within the applicable jurisdiction).

(d) Except for tenants in possession of the Owned Real Property under Contracts described on Schedule 3.18, no Person other than Seller possesses, or claims possession of, adverse or not, any Owned Real Property, whether as lessee, tenant at sufferance, trespasser or otherwise.

(e) No tenant is entitled to any rebate, concession, or free rent, other than as reflected in the Contract with such tenant; no commitments have been made to any tenant for repairs or improvements other than for normal repairs and maintenance in the future or improvements required by the tenant Contract; and no rents due under any of the Contracts with tenants have been assigned or hypothecated to, or encumbered by, any Person other than in connection with financing. All material obligations of Seller as landlord required to be performed under each of the tenant Contracts have been performed.

(f) All Owned Real Property and, to Seller's knowledge, Leased Real Property currently in use for the operation of the Hospital Businesses is in compliance in all material respects with all applicable Legal Requirements, and all material Permits and requisite certificates of the local board of fire underwriters (or other material body exercising a similar function) have been issued for the Owned Real Property and Leased Real Property.

(g) (i) Seller has provided to Buyer accurate and complete copies of those leases of which Seller or one of its Subsidiaries is landlord (collectively, the "**Space Leases**"), and (ii) attached as Schedule 3.12(g) is a "rent roll" that sets forth the following information, if any, for each of the Space Leases: (A) the names of the current tenants; (B) the rental payments for the then current month under each of the Space Leases; (C) a list of all then delinquent rental payments; (D) a list of all outstanding concessions granted to tenants; (E) a list of all tenant deposits and a description of any

application thereof; (F) the dates that each of the Space Leases commenced and will expire; (G) the square footage of any such space leased pursuant to the Space Leases; (H) any renewal options available to tenants under the Space Leases; and (I) a list of all uncured material defaults under the Space Leases known to Seller.

(h) There are no tenants or other Persons occupying any space in the Owned Real Property, other than pursuant to the Space Leases.

(i) Seller has (A) a valid leasehold estate in all of the Leased Real Property, free and clear of any Encumbrances other than the Encumbrances described on Schedule 3.12(i) pursuant to the leases described on Schedule 2.01(b) (the "**Tenant Leases**"), and (B) provided accurate and complete copies of each of the Tenant Leases to Buyer. The Leased Real Property comprises all of the real property leased by Seller or any Subsidiary of Seller that is associated with or utilized in the operation of the Hospital Businesses.

3.13. Environmental Matters and Medical Waste.

(a) Seller has all material Permits required under applicable Environmental Laws for the operation of the Hospital Businesses, and all such Permits are listed on Schedule 2.01(g). Other than as listed on Schedule 3.13(a), no Environmental Claim is pending, or to Seller's knowledge, threatened by any Person against Seller or, to Seller's knowledge, any other Person the liability for which Seller has retained or assumed, either contractually or by operation of law. To Seller's knowledge, no activities, circumstances, conditions, events or incidents, including the release, emission, discharge or disposal of any Materials of Environmental Concern, have occurred that could reasonably be expected to form the basis of any Environmental Claim by any Person against Seller or any other Person the liability for which Seller has retained or assumed, either contractually or by operation of law.

(b) Without in any way limiting the generality of the foregoing, (i) all on-site and off-site locations where Seller stores, disposes or arranges for the disposal of material quantities or volumes of Materials of Environmental Concern for the Hospital Businesses are identified on Schedule 3.13(b), (ii) all Contracts dealing with the removal, storage, disposal and handling of Materials of Environmental Concern of the Hospital Businesses are with vendors who are, to Seller's knowledge, properly licensed, (iii) all underground storage tanks, and the capacity and contents of such tanks, located on Owned Real Property are identified on Schedule 3.13(b) and (iv) to Seller's knowledge, no polychlorinated biphenyls are used or stored at any Owned Real Property.

(c) Seller and the Hospital Businesses have complied in all material respects with all Medical Waste Laws.

3.14. Intellectual Properties and Information Systems. Seller owns or is licensed to use, free and clear of royalty and other payment obligations, claims of infringement or other Encumbrances, each of the Intellectual Properties and the Information Systems. Seller is not, in any material respect, in conflict with or in violation or infringement of, and has not received any notice alleging any conflict with or violation or infringement of, any rights of any other Person

with respect to any such Intellectual Properties or Information Systems. To Seller's knowledge, no other Person is in conflict with or in violation or infringement of Seller's rights in such Intellectual Properties or Information Systems. Schedule 3.14 identifies those Intellectual Properties and Information Systems used in the conduct of the Hospital Businesses that are owned by or licensed directly to Seller (other than the Intellectual Properties and Information Systems owned by Seller, for which no copyright registration or application has been made and none of which is, individually or in the aggregate, material to the Hospital Businesses) and those Intellectual Properties and Information Systems that are owned by or licensed to third parties who provide information technology services to Seller pursuant to Contracts described in Section 3.18(c).

3.15. Insurance. Schedule 3.15 describes all insurance arrangements, including self-insurance, in place for the benefit of the Assets and the conduct of the Hospital Businesses (other than Current Seller Plans described in Schedule 3.22). Seller has provided to Buyer a true and complete copy of all such policies and endorsements thereto. With respect to third party insurance, Schedule 3.15 sets forth the name of each insurer, whether such insurer is an Affiliate of Seller, and the number, coverage, limits, term and premium for each policy of insurance purchased or held by Seller covering the ownership and operation of the Assets and the Hospital Businesses. Except as set forth on Schedule 3.15, all of such policies are now, and until Closing will remain, valid, outstanding, in full force and effect, and enforceable with no premium arrearages. Since September 30, 2011, Seller has not been denied, or reduced, or requested a reduction in the scope or amount of, any insurance or indemnity bond coverage. No insurance carrier has canceled or reduced, or given written notice of its intention to cancel or reduce, any insurance coverage and, to Seller's knowledge, there exist no reasonable grounds to cancel or void any such policies or the coverage provided thereby. Except as set forth on Schedule 3.15, since September 30, 2011, Seller has not made any claims against any excess insurance coverage set forth on Schedule 3.15 or any predecessor excess insurance policies applicable during such time period.

3.16. Permits. Schedule 2.01(g) describes all material Permits relating to the ownership of the Assets and the conduct of the Hospital Businesses, all of which are in good standing and not subject to meritorious challenge. Seller has not received any written notice from any Governmental Authority relating to the threatened, pending or possible revocation, termination, suspension or limitation of any of such material Permits. Each Hospital is duly licensed as an acute care hospital by the appropriate Governmental Authorities, and all departments or other business units, including the other Hospital Businesses, that are required to be separately licensed are duly licensed by the appropriate Governmental Authorities. The Hospitals and all departments or business units, including the Hospital Businesses, comply in all material respects with the applicable licensing requirements. Each Hospital has complied in all material respects with the requirements and conditions of all certificates of need (including applications therefor, non-review letters and implemented and unimplemented certificates of need if not lapsed and unexpired).

3.17. Government Payment Programs; Accreditation. Each Hospital has a current and valid provider Contract with the Government Payment Programs and/or their fiscal intermediaries, administrative contractors or paying agents and complies in all material respects with the conditions of participation therein. Each Hospital is entitled to receive and is receiving

payment under the Government Payment Programs for services rendered to qualified beneficiaries and, to Seller's knowledge, except as reflected in the Audited Financial Statements, is not subject to any withholds or offsets in respect thereof. Seller has timely filed all Cost Reports due for Cost Report periods through September 30, 2014, and Cost Reports have been audited and notices of program reimbursement have been issued for all Cost Report periods through September 30, 2010. All amounts shown as due from Seller in the Cost Reports were remitted with such reports and all amounts shown in the notices of program reimbursement as due have been paid. Except to the extent liabilities and contractual adjustments of each Hospital under the Government Payment Programs have been properly reflected and adequately reserved in the Financial Statements in the ordinary course of business, neither Hospital has to its knowledge received nor submitted any claim for payment in excess of the amount provided by Legal Requirements or applicable Contract, and Seller has not received notice of any dispute or claim by any Governmental Authority, fiscal intermediary or other Person regarding the Government Payment Programs or each Hospital's participation therein that remains outstanding or unresolved. All Medicare and Medicaid incentive payments for meaningful use of certified electronic health record technology received by Seller under The American Recovery and Reinvestment Act of 2009 were awarded based on truthful attestations made by Seller or its Affiliates, and no such incentive payments were remitted due to any knowingly fraudulent, negligent or unlawful act or omission of Seller or its Affiliates. Seller has registered with the QNet Exchange ("**QNet**") as required by CMS under its Hospital Quality Initiative Program (the "**HQI Program**"). Seller has submitted all quality data required under the HQI Program to CMS or its agent, and all quality data required under the ORYX Core Measure Performance Measurement System ("**ORYX**") to The Joint Commission, for all calendar quarters concluded prior to the date of this Agreement, except for any quarter for which the respective reporting deadlines have not yet expired. All such submissions of quality data have been made materially in the form and manner required by CMS and The Joint Commission, respectively. Seller has not received notice of any reduction in reimbursement under the Medicare program resulting from its failure to report quality data to CMS or its agent as required under the HQI Program. Seller has provided Buyer with the HQI Program "validation results" for all calendar quarters concluded prior to the date of this Agreement, except for any quarter for which the respective reporting deadlines have not yet expired. Each Hospital is duly accredited, with no contingencies except as disclosed on Schedule 3.17, by the Joint Commission and Seller's certification for participation in the Medicare program is based on such Joint Commission accreditation. A copy of the most recent accreditation letter from the Joint Commission pertaining to each Hospital has been made available to Buyer. Seller has delivered to Buyer copies of all accreditation survey reports, deficiency lists, statements of deficiency, and plans of correction since September 30, 2011. Seller has taken or is taking all reasonable steps to correct all material deficiencies noted therein. Schedule 3.17 includes a list and description of all unexpected occurrences involving death or serious physical or psychological injury since September 30, 2011.

3.18. Agreements and Commitments. Schedule 3.18 identifies the Contracts related to the Hospital Businesses in the categories below:

(a) Contracts that relate to the ownership or use of, title to or interest in Owned Real Property or Leased Real Property;

(b) Contracts with (i) a physician or physician group, (ii) an Immediate Family Member of a physician on the medical staff of the Hospitals or (iii) any Person that provides marketing services for Seller or its Subsidiaries;

(c) Contracts relating to Intellectual Properties and Information Systems;

(d) collective bargaining agreements or other Contracts with labor unions or other employee representatives or groups;

(e) Contracts with directors, trustees, officers, employees, or other agents of Seller or its Subsidiaries;

(f) requirements or exclusive Contracts and Contracts that prohibit or limit competition or the conduct by Seller or any Subsidiary of any lawful business;

(g) Contracts with any health plan, health provider, independent practice association or similar Person providing for capitation or risk-sharing arrangements;

(h) Contracts relating to the administration, operation or funding of any Employee Benefit Plan;

(i) Contracts between Seller and any of the Joint Ventures;

(j) Contracts with Governmental Authorities;

(k) Contracts providing for payments based in any manner on the revenue or profits of Seller or any Subsidiary thereof, the Hospital Businesses or the Assets;

(l) loan agreements, indentures, bonds, mortgages, liens, or other security agreements (excluding those that will be terminated at Closing);

(m) equipment leases and other leases that are capital leases; and

(n) all other Contracts which require payment by Seller of amounts in excess of $50,000 annually after the date of this Agreement, unless Seller may terminate the Contract, without cause, within ninety (90) days and all payments due by Seller under the Contract through such termination equal, in the aggregate, less than $50,000 (including any penalty or termination fee).

3.19. The Assumed Contracts. With respect to the Assumed Contracts listed on Schedule 2.01(f):

(a) the Assumed Contracts constitute lawful, valid and legally binding obligations of Seller and, to Seller's knowledge, each other party thereto and are enforceable against Seller and, to Seller's knowledge, against each other party thereto, in accordance with their terms;

(b) each Assumed Contract (together with all amendments and supplements thereto listed on Schedule 2.01(f)) is in full force and effect and constitutes the entire agreement between the parties thereto;

(c) all material obligations required to be performed under the Assumed Contracts by Seller, and, to Seller's knowledge, each other party thereto, have been performed, and no event has occurred or failed to occur that constitutes, or with the giving of notice, the lapse of time or both would constitute, a material default by Seller under the Assumed Contracts that has or would reasonably be expected to have a material impact on the Hospital Businesses;

(d) except as set forth on Schedule 3.19(d), no Assumed Contract contains a prohibition on competition by Seller or any Affiliate or otherwise restricts the ability of Seller or any Affiliate to engage in any lawful business after Closing; and

(e) except as set forth on Schedule 3.19(e), the assignment of any Assumed Contract to, and assumption of such Assumed Contract by, Buyer will not give a third party the right to terminate such Assumed Contract, or result in the payment of any penalty or premium to, or change in the rights, remedies, benefits or obligations of, any party thereunder.

3.20. Transactions with Affiliates. Except as disclosed in the Financial Statements of the Seller, since September 30, 2013, Seller has not purchased, acquired or leased any property or services from, or sold, transferred or leased any property or services to, or lent or advanced any money to, or borrowed any money from, or acquired any capital stock, obligations or securities of, or made any management consulting or similar fee agreement with, any officer, director or trustee of Seller or of any Affiliate of Seller except upon terms that would have been paid or received by Seller in similar transactions with independent parties negotiated at arm's length.

3.21. Employees and Employee Relations.

(a) Seller has delivered to Buyer (i) a list (as of the most recent practicable date) of names, positions, current annual salaries or wage rates, target or actual bonuses, other compensation arrangements, and paid time off or extended illness bank credits of all full-time and part-time non-physician employees of Seller and its Affiliates (indicating in the list whether each employee is classified as exempt or nonexempt by Seller), and (ii) a separate list (as of the most recent practicable date) of names, positions, current annual salaries or wage rates, target or actual bonuses, other compensation arrangements, and paid time off or extended illness bank credits of all full-time and part-time physician employees of Seller and its Affiliates (indicating in both lists whether each employee is part-time or full-time, whether such employee is employed under written Contract, the immigration status of any such employee who is eligible for employment based solely on a temporary work permit and, if such employee is not actively at work, the reason therefor).

(b) To Seller's knowledge, all employees, former employees and independent contractors of Seller and its Subsidiaries are properly classified as such for all purposes under the Code and ERISA and have been properly classified as exempt or nonexempt under the Fair Labor Standards Act and any applicable state Legal Requirement.

(c) Except as set forth in Schedule 3.21(c), Seller is in compliance in all material respects with all Legal Requirements relating to employment, employment practices, terms and conditions of employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, payment of employment, social security, and similar taxes, occupational safety and health, and plant closing; Seller is not liable for the payment of any material compensation, damages, taxes, fines, penalties, interest, or other amounts, however designated, for failure to comply with any of the foregoing Legal Requirements; there are no pending or, to the knowledge of Seller, threatened claims before the Equal Employment Opportunity Commission (or any comparable state civil or human rights commission or other Governmental Authority), complaints before the Occupational Safety and Health Administration (or any comparable state safety or health administration or other Governmental Authority), wage and hour claims, unemployment compensation claims, workers' compensation claims, or the like.

(d) Schedule 3.21(d) states the number of employees terminated by Seller and its Affiliates within 90 days prior to the Closing Date, laid off by Seller within the six months prior to the Closing Date, or whose hours of work have been reduced by more than 50% by Seller in the six months prior to the Closing Date, and contains a complete and accurate list of the following information for such employees: (i) the date of termination, layoff, or reduction in work hours and (ii) the location to which the employee was assigned. In relation to the foregoing, except as set forth in Schedule 3.21(d), Seller has not violated the WARN Act or any similar state or local Legal Requirements.

(e) To the knowledge of Seller, no officer, director, agent, employee, consultant, or independent contractor of Seller is bound by any contract that purports to limit the ability of such officer, director, agent, employee, consultant, or independent contractor (i) to engage in or continue or perform any conduct, activity, duties, or practice relating to the business of Seller in respect of the Hospital Businesses or the Assets; or (ii) to assign to Seller any rights to any invention, improvement, or discovery. Except as set forth on Schedule 3.21(e), to the knowledge of Seller, no former or current employee of Seller is a party to, or is otherwise bound by, any contract that in any way adversely affected, affects, or will affect the ability of Buyer following Closing to conduct the Hospital Businesses as Seller did prior to Closing.

(f) Except as set forth on Schedule 3.21(f), (i) no employee strike, work stoppage or slowdown, labor dispute, grievance or unfair labor practice at the Hospital Businesses is pending or, to Seller's knowledge, threatened, (ii) no employees of Seller are represented by, or have made demand for recognition of, a labor union or employee organization, and, to Seller's knowledge, no other union organizing or collective bargaining activities by or with respect to any employees of Seller are taking place and (iii) no complaint, charge or claim is pending, or, to Seller's knowledge, threatened to be

brought or filed, with any Governmental Authority or arbitrator relating to the employment or termination of employment of any individual by Seller or the Hospital Businesses.

(g) All necessary visa or work authorization petitions have been timely and properly filed on behalf of any employees of Seller requiring a visa stamp, I-94 status document, employment authorization document or other immigration document to legally work in the United States, and all paperwork retention requirements with respect to such applications and petitions have been met. To the knowledge of Seller, no employee of Seller who is a foreign national has ever worked for Seller without employment authorization from the Department of Homeland Security or any other Government Authority that must authorize such employment, and Seller has complied in all material respects with all applicable immigration laws and other Legal Requirements with respect to the employment of foreign nationals. To the knowledge of Seller, Seller has timely and properly completed I-9 forms for all employees hired since the effective date of the Immigration Reform and Control Act of 1986 and has lawfully retained and re-verified all such I-9 forms. There are no Proceedings pending or, to Seller's knowledge, threatened against Seller relating to Seller's compliance with Legal Requirements relating to immigration, except as set forth on Schedule 3.21(g). Seller has not received any letters or other correspondence from the Social Security Administration regarding the failure of an employee's social security number to match his or her name in the Social Security Administration database, and Seller has not received any letters or other correspondence from the Department of Homeland Security or other Governmental Authorities regarding the employment authorization of any employees of Seller. Seller does not participate in the Department of Homeland Security's e-Verify electronic employment verification system.

3.22. Employee Benefit Plans.

(a) Schedule 3.22 lists each Employee Benefit Plan that Seller or any member of the Controlled Group that includes Seller maintains or to which it contributes (including employee elective deferrals) (each, a "**Current Seller Plan**").

(b) Each Current Seller Plan (and related trust, insurance contract or fund) complies in form and in operation in all material respects with applicable Legal Requirements, and has been administered and operated in all material respects in accordance with the terms of the Current Seller Plan and applicable Legal Requirements. All required reports and descriptions (including form 5500 annual reports, summary annual reports and summary plan descriptions) have been filed or distributed appropriately with respect to each Current Seller Plan. Seller has delivered to Buyer copies of the plan documents and summary plan descriptions, most recent determination letters received from the Internal Revenue Service, most recent form 5500 annual report, and all related trust, insurance and funding Contracts that implement each Current Seller Plan. No Governmental Authority has audited any Current Seller Plan or any other Employee Benefit Plan that Seller or any member of the Controlled Group that includes Seller has maintained, or to which it has contributed or been required to contribute (each,

a "**Prior Seller Plan**"), during the five (5) years preceding the date of this Agreement, and Seller has not received any notice that such an audit will or may be conducted.

(c) Each Current Seller Plan that is an Employee Pension Benefit Plan intended to be qualified under section 401(a) of the Code has a current favorable determination letter or opinion or approval letter from the Internal Revenue Service that the plan is so qualified and its trust is exempt from federal income taxation under section 501(a) of the Code, or the remedial amendment period for such Employee Pension Benefit Plan to be submitted to the Internal Revenue Service for such a determination letter or opinion or approval letter has not yet expired. All contributions (including employer contributions and employee salary reduction contributions) to each such Employee Pension Benefit Plan that are due to be paid have been paid, and all Seller contributions to any Employee Pension Benefit Plan that is a defined contribution plan in respect of periods ending on the Closing Date will be accrued on the Closing Balance Sheets. To Seller's knowledge, nothing has occurred that could reasonably be expected to cause the revocation of such determination letter from the Internal Revenue Service or the unavailability of reliance on such opinion or approval letter from the Internal Revenue Service, as applicable. To Seller's knowledge, nothing has occurred with respect to any Current Seller Plan that has subjected or could reasonably be expected to subject Seller, or, with respect to any period on or after the Closing Date, Buyer or any of its Affiliates, to a penalty under Section 502 of ERISA or to an excise tax under the Code. To Seller's knowledge, with respect to any Current Seller Plan, no event has occurred or is reasonably expected to occur that has resulted in or would subject the Seller or, with respect to any period on or after the Closing Date, Buyer or any of its Affiliates, to a tax under Section 4971 of the Code or the assets of any of the foregoing persons to a lien under Section 430(k) of the Code.

(d) The requirements of part 6 of subtitle B of Title I of ERISA and of section 4980B of the Code have been met in all material respects with respect to each Current Seller Plan that is an Employee Welfare Benefit Plan, and all premiums or other payments that are due have been paid with respect to each such Employee Welfare Benefit Plan.

(e) There have been no "*prohibited transactions*," as defined in section 406 of ERISA and section 4975 of the Code, with respect to any Current Seller Plan that would subject Seller or any member of the Controlled Group that includes Seller to any material liability. No ERISA Fiduciary has any material liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any Current Seller Plan. No Proceeding with respect to the administration or the investment of the assets of any Current Seller Plan (other than routine claims for benefits) is pending or, to Seller's knowledge, threatened and, to Seller's knowledge, there exists no basis for any such Proceeding. To Seller's knowledge, no "*party in interest*" (as defined in section 3(14) of ERISA) and no "*disqualified person*" (as defined in the Code) has any interest in any assets of any Current Seller Plan that is an Employee Pension Benefit Plan other than as a beneficiary by virtue of such Person's participation in the plan.

(f) Except as provided on Schedule 3.22(f), no Current Seller Plan that is an Employee Pension Benefit Plan has been completely or partially terminated or the subject of a Reportable Event, and no Proceeding by the PBGC to terminate any such Employee Pension Benefit Plan has been instituted or, to Seller's knowledge, threatened. Seller has not incurred, and, to Seller's knowledge, Seller will not incur, any material liability to the PBGC (other than PBGC premium payments) or otherwise under Title IV of ERISA (including any withdrawal liability) or under the Code with respect to any Current Seller Plan or Prior Seller Plan that is or was an Employee Pension Benefit Plan.

(g) Neither Seller nor any member of a Controlled Group that includes Seller contributes to, has contributed to, or has been required to contribute to any Multiple Employer Plan or any Multiemployer Plan or has any liability (including withdrawal liability) under any Multiple Employer Plan or any Multiemployer Plan. Except as provided on Schedule 3.22(g), neither Seller nor any member of a Controlled Group that includes Seller maintains or contributes, has maintained or contributed, or has been required to maintain or contribute to any Employee Welfare Benefit Plan providing medical, health or life insurance or other welfare-type benefits for current or future retired or terminated employees, their spouses or their dependents (other than in accordance with section 4980B of the Code).

3.23. Proceedings and Legal Claims. Schedule 3.23 contains a list and summary description of each Proceeding and legal claim (including *qui tam* Proceedings and legal claims) pending or, to Seller's knowledge, threatened against or otherwise affecting the Assets, the Hospital Businesses, Seller or any Affiliate of Seller (together with the reserve amount, if any, included in the Financial Statements for each uninsured Proceeding or legal claim). All such Proceedings and legal claims are or will be fully insured (except for applicable deductibles or self-insurance retentions) and no carrier has issued a "*reservation of rights*" letter or otherwise denied its obligation to insure and defend Seller against covered Losses arising therefrom. None of the Proceedings or legal claims described on Schedule 3.23, if determined adverse to Seller, could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change.

3.24. Taxes.

(a) Seller has filed all Tax Returns required to be filed by or on behalf of Seller on or prior to the date of this Agreement (taking into account applicable extensions), all such Tax Returns are accurate in all material respects and Seller has duly paid or made provision in the Financial Statements for the payment of all Taxes shown as due and payable on such Tax Returns.

(b) Seller has withheld proper amounts from its employees' compensation in compliance with all applicable withholding and similar provisions of the Code and any and all other applicable Legal Requirements, and has withheld and paid, or caused to be withheld and paid, all Taxes on monies paid by it to independent contractors, creditors and other Persons for which withholding or payment is required by Legal Requirements.

(c) No deficiencies for any Taxes relating to the Assets or the Hospital Businesses have been asserted or, to the knowledge of Seller, threatened, and no audit on any Tax Returns is currently under way or, to the knowledge of Seller, threatened. There are no outstanding agreements by Seller for the extension of time for the assessment of any Taxes (other than ordinary course extensions of time within which to file Tax Returns).

(d) To Seller's knowledge, no Governmental Authority intends to assess any additional Taxes on Seller for any period for which Tax Returns have been filed. No Governmental Authority has disputed in writing any Tax liability of Seller. No claim has ever been made in writing by a Governmental Authority in a jurisdiction where Seller does not file Tax Returns that Seller is or may be subject to Tax in that jurisdiction, and no Encumbrances exist against Seller or the Assets in connection with any failure (or alleged failure) of Seller to pay any Tax that is due and payable.

(e) No waiver of a statute of limitations in respect of Taxes or agreement to extend the time with respect to a Tax assessment or deficiency is currently in effect, in each case with respect to Seller (other than ordinary course extensions of time within which to file Tax Returns).

(f) Seller is not a party to any Tax allocation or sharing Contract. Seller is not and has not been a member of an Affiliated Group filing a consolidated federal income Tax Return.

(g) Each of Seller and its Subsidiaries that is a corporation exempt from federal and state income Tax has received a favorable letter of determination from the Internal Revenue Service and the State of Connecticut regarding such Tax status and, to Seller's knowledge, nothing has occurred, whether by action or failure to act, that could reasonably be expected to cause the loss of such exemption (except with respect to the transactions contemplated by this Agreement).

(h) To Seller's knowledge, Seller has no liability for the Taxes of any other Person (other than a Subsidiary under Internal Revenue Service regulation 1.1502-6), as a transferee or successor, by Contract or otherwise.

3.25. Medical Staff; Physician Relations.

(a) Seller has delivered to Buyer a copy of the bylaws, policies, rules and regulations of the medical staff and medical executive committees of each Hospital. As set forth on Schedule 3.25(a), Seller has also delivered to Buyer a list, current as of the date of this Agreement, that sets forth (i) the name and age of each member of the medical staff of each Hospital (active, associate, consulting, courtesy or other), (ii) the degree (M.D., D.O., etc.), title, specialty and board certification, if any, of each such medical staff member, (iii) the names of the medical staff members (current and former) of each Hospital in respect of whom Seller has made a report to the National Practitioners Data Bank during the last three years, and (iv) the number of current medical staff members of each Hospital in respect of whom any committee of the medical staff of such

Hospital has recommended adverse action with respect to any member of the medical staff of such Hospital that is not yet final.

(b) Except as set forth on Schedule 3.25(b), no material disputes between Seller and any medical staff member of either Hospital are pending or, to Seller's knowledge, threatened and all appeal periods in respect of any medical staff member against whom an adverse action has been taken by Seller have expired. To the knowledge of Seller, no current member of the medical staff of either Hospital has been excluded from participation in any Government Payment Program.

3.26. Restricted Assets. Except as set forth on Schedule 3.26, none of the Assets is subject to any restriction or limitation concerning the purchase, improvement or use of such Assets or the conduct of the Hospital Businesses, including restricted or conditioned grants or donations and monies received under the Hill-Burton Act.

3.27. Brokers and Finders. Neither Seller nor any Affiliate, officer, trustee, director, employee or agent acting on behalf thereof has engaged any finder or broker in connection with the transactions contemplated hereunder.

3.28. Payments. None of the Hospital Businesses has, to Seller's knowledge, made any request for payment from a Government Payment Program in respect of health care services furnished by or directed or prescribed by any physician or other Person who at such time was excluded from participation in such Government Payment Program. Seller has not, directly or indirectly, paid or delivered, or agreed to pay or deliver, any money or item of property, however characterized, to any Person in violation of any Legal Requirement. Neither Seller nor, to Seller's knowledge, any officer, director or trustee of Seller has received, or will receive as a result of the consummation of the transaction contemplated by this Agreement, any rebate, kickback or other improper or illegal payment from any Person with whom Seller conducts or has conducted any of the Hospital Businesses.

3.29. Solvency. As of immediately after Closing, Seller will not, as a result of the transactions contemplated by this Agreement, be rendered insolvent or otherwise unable to pay its debts as they become due. Seller has no intention of filing a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or any portion of Seller's property and, to Seller's knowledge, no other Person has filed or threatened to file such a petition against Seller.

3.30. Hospital Businesses and Joint Ventures.

(a) Each of Seller's Subsidiaries is a corporation duly organized under the laws of the State of Connecticut with full corporate power to carry on its business as it is now being conducted with the exception of CHIC, which is organized with full corporate power to carry on its business as it is now being conducted under the laws of the Cayman Islands. Each of Seller's Subsidiaries is duly licensed, qualified or admitted to do business and is in good standing in the State of Connecticut, which is the only jurisdiction in which the ownership, use or leasing of their respective assets or properties, or the conduct or nature of their respective businesses, makes such licensing, qualification or

admission necessary. All of the issued and outstanding shares of capital stock of Seller's Subsidiaries that are stock corporations are owned as specified on Schedule 3.30(a). All of the issued and outstanding shares of capital stock of Seller's Subsidiaries that are stock corporations have been duly and validly authorized, were validly issued and are fully paid and non-assessable. There are no outstanding rights (including preemptive rights), options, warrants or agreements for the transfer by Seller of any shares of capital stock of Seller's Subsidiaries that are stock corporations and no authorization for any such rights, options, warrants or agreements has been given. Seller has delivered to Buyer a copy of the articles of incorporation and bylaws and other agreements, instruments and documents relating to the creation, ownership and governance of Seller's Subsidiaries and has provided to Buyer a copy of, or access to, the minute books of Seller's Subsidiaries.

(b) To Seller's knowledge, for each Joint Venture that is a for-profit or nonprofit corporation, it (i) is a corporation duly organized under the laws of the state of its incorporation, (ii) has full corporate power to carry on its business as it is now being conducted, and (iii) is duly licensed, qualified or admitted to do business and is in good standing in the state of its incorporation, which is the only jurisdiction in which the ownership, use or leasing of their respective assets or properties, or the conduct or nature of their respective businesses, makes such licensing, qualification or admission necessary. To Seller's knowledge, all of the issued and outstanding shares of capital stock of the corporate Joint Ventures that are stock corporations are owned as specified on Schedule 3.30(b). To Seller's knowledge, all of the issued and outstanding shares of capital stock of the corporate Joint Ventures that are stock corporations have been duly and validly authorized, were validly issued and are fully paid and non-assessable. To Seller's knowledge, there are no outstanding rights (including preemptive rights), options, warrants or agreements for the transfer by Seller of any shares of capital stock of the corporate Joint Ventures and no authorization for any such rights, options, warrants or agreements has been given. Seller has delivered to Buyer a copy of the articles of incorporation and bylaws and other agreements, instruments and documents relating to the creation, ownership and governance of the corporate Joint Ventures in Seller's possession.

(c) To Seller's knowledge, for each Joint Venture that is a limited liability company, it (i) is organized under the laws of the state of its incorporation, (ii) has full limited liability company power to carry on its respective business as it is now being conducted, and (iii) is duly licensed, qualified or admitted to do business and is in good standing in the state of its incorporation, which is the only jurisdiction in which the ownership, use or leasing of its respective assets or properties, or the conduct or nature of its respective businesses, makes such licensing, qualification or admission necessary. To Seller's knowledge, all of the issued and outstanding membership interests of the limited liability company Joint Ventures are owned as specified on Schedule 3.30(c), have been duly and validly authorized, were validly issued and are fully paid and non-assessable. To Seller's knowledge, except as set forth in the operating agreements of the limited liability company Joint Ventures, the transfers to Buyer of the membership interests in the limited liability company Joint Ventures are not subject to any preemptive rights or third party approvals. Seller has delivered to Buyer a copy of the articles of organization

and operating agreements and other agreements, instruments and documents relating to the creation, ownership and governance of the limited liability company Joint Ventures in Seller's possession.

3.31. Operation of the Hospital Businesses. The Assets, together with the Excluded Assets, constitute all assets, properties, goodwill and businesses necessary to operate the Hospital Businesses in the manner in which they have been operated since September 30, 2014, except for property, plant and equipment sold or disposed of since such date in the ordinary course of business. Schedule 3.31 sets forth a list of the ten largest non-governmental payors of the Hospital Businesses, determined on the basis of net patient revenues from services provided during the year ended September 30, 2014. Since September 30, 2013, no payor listed on Schedule 3.31 has terminated its contract with or materially reduced reimbursement rates to, or has notified Seller in writing of its determination to terminate its contract with or to materially reduce reimbursement rates to, the Hospital Businesses.

4. REPRESENTATIONS OF BUYER

Buyer makes the following representations to Seller on and as of the date of this Agreement and will be deemed to make them again at and as of the Closing Date:

4.01. Organization. Buyer is a corporation duly organized and validly existing and in good standing under the laws of Connecticut. Buyer is, or by Closing will be, qualified to do business in the State of Connecticut. Buyer has full power and authority to own, lease and operate its properties and to conduct its business as presently conducted and as proposed to be conducted immediately following the Closing. Buyer has neither conducted any business prior to the date of this Agreement nor will conduct any business, other than in contemplation of the consummation of the transactions contemplated by this Agreement, prior to the Closing. Buyer has made available to Seller a true and complete copy of its organizational documents.

4.02. Power and Authority; Due Authorization. Buyer has full power and authority to (a) execute and deliver this Agreement and the Closing Documents to which it is or becomes a party, (b) perform its obligations under this Agreement and such Closing Documents and (c) consummate the transactions contemplated by this Agreement. The execution and delivery by Buyer of this Agreement and the Closing Documents to which it is or becomes a party, the performance by Buyer of its obligations under this Agreement and such Closing Documents, and the consummation by Buyer of the transactions contemplated by this Agreement have been duly authorized on behalf of Buyer by all necessary corporate action.

4.03. Consents; Absence of Conflicts, Etc. The execution, delivery and performance by Buyer of this Agreement and the Closing Documents to which it is or becomes a party at the Closing, and the consummation of the transactions contemplated by this Agreement:

(a) are within its corporate powers, are not in contravention of its certificate of formation and operating agreement and have been approved by all required limited liability company and member action;

(b) do not violate any Legal Requirement to which it is subject; and

(c) do not conflict with, result in a breach or violation of or require any consent to be obtained or notice to be given under any material agreement to which it is a party or by which it is bound.

4.04. Due Execution; Binding Agreement. This Agreement has been duly and validly executed and delivered by Buyer. Each Closing Document to which Buyer will be a party will be duly and validly executed and delivered by Buyer at the Closing. This Agreement constitutes, and each of the Closing Documents to which Buyer will be a party will constitute (upon execution and delivery thereof by Buyer at the Closing), the valid and legally binding obligations of Buyer, enforceable against it in accordance with the terms hereof and thereof.

4.05. Proceedings. There are no claims, actions, suits, proceedings, or investigations pending or, to Buyer's knowledge, threatened that: (a) adversely affect or seek to prohibit, restrain, or enjoin the execution and delivery of this Agreement, (b) adversely affect or question the validity or enforceability of this Agreement, (c) question the power or authority of Buyer to carry out the transactions contemplated by, or to perform its obligations under, this Agreement, or (d) would result in any change that would adversely affect in any material respect the ability of Buyer to perform any of its obligations hereunder.

4.06. Availability of Funds. Buyer has the ability to obtain funds in cash in amounts equal to the Purchase Price and necessary to perform its obligations hereunder that are to be performed as of Closing by means of credit facilities or otherwise and will at Closing have immediately available funds in cash which will be sufficient to pay the Purchase Price and to perform its obligations hereunder that are required to be performed as of Closing under this Agreement.

4.07. Solvency. Buyer has no intention of filing a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or any portion of Buyer's property and, to the knowledge of Buyer, no other Person has filed or threatened to file such a petition against Buyer.

4.08. Brokers and Finders. Neither Buyer nor any Affiliate of Buyer, nor any officer, director, employee or agent thereof, has engaged or is liable for the payment of any fee to any finder or broker in connection with the transactions contemplated hereunder.

4.09. Full Disclosure. The representations of Buyer in this Agreement do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

5. COVENANTS OF THE PARTIES

5.01. Operations. Until the Closing Date and except as otherwise expressly provided in this Agreement or agreed to in writing by Buyer, Seller will, and will require its Affiliates to:

(a) conduct the Hospital Businesses in substantially the same manner as it has heretofore and not make any material change in personnel, operations, finances,

accounting policies, or real or personal property of the Hospital Businesses except as set forth on Schedule 5.01;

(b) except as set forth on Schedule 5.01(b), maintain the Assets in working condition in the ordinary course of business, ordinary wear and tear excepted, and make all normal, planned and budgeted capital expenditures related to the Assets and/or the Hospital Businesses, *provided* that Seller may (i) make, in its discretion, necessary expenditures in the ordinary course from its designated capital needs fund and provide advance notice to Buyer of any individual expenditure greater than $250,000 and (ii) consult with and solicit Buyer's input on individual capital expenditures (or a series of related capital expenditures) not paid from its designated capital needs fund that exceed $250,000;

(c) comply in all material respects with all Legal Requirements and perform, when due, in all material respects all obligations under Contracts;

(d) deliver to Buyer title to the Assets free and clear of all Encumbrances (except for the Permitted Encumbrances) and to obtain appropriate releases, consents, estoppels, certificates, opinions and other instruments as Buyer may reasonably request;

(e) keep in full force and effect present insurance policies or other comparable insurance benefiting the Assets and the conduct of the Hospital Businesses and maintain sufficient liquid reserves reasonably estimated to be sufficient to meet all deductible, self-insurance and copayment requirements of such policies; and

(f) maintain and preserve its business organizations and operations intact, retain the present employees at the Hospital Businesses (subject to the right of Seller to discharge any employee in the ordinary course of the Hospital Businesses), and maintain in the ordinary course its relationships with physicians, suppliers, patients and other Persons doing business with Seller at the Hospital Businesses.

5.02. Negative Covenants. Until the Closing Date and except as otherwise expressly provided in this Agreement or agreed to by Buyer in writing, Seller will not, and will not permit any Affiliate to:

(a) excluding capital expenditures, amend or terminate any Assumed Contract, or enter into any Contract, except in the ordinary course of the Hospital Businesses consistent with past practices, *provided* that Seller shall obtain Buyer's consent on any new Contract (or a series of related Contracts) that has required payments by Seller that exceed $1,000,000 annually, unless such Contract may be terminated without cause upon no more than 90 days written notice and such termination will not result in any penalty or fee (and excluding any waivers or amendments relating to Bond Liabilities that will be defeased or repaid at Closing);

(b) enter into any tertiary or quaternary affiliation with a third-party healthcare provider other than an agreement for hospitalist services;

(c) other than as set forth on Schedule 5.02(c), increase compensation payable or to become payable to, make a bonus, incentive or severance payment to, or otherwise enter into one or more bonus, severance, profit-sharing, deferred compensation, stock option, purchase, retainer, consulting, retirement, welfare or incentive plan Contracts (including any plan or agreement under which "fringe benefits" are afforded) with any employee, contractor or agent of any of the Hospital Businesses except in the ordinary course of the Hospital Businesses consistent with past practices in accordance with existing personnel policies or pursuant to Contract requirements in force on the date of this Agreement; provided, however, that nothing in this Section 5.02(c) shall prohibit Seller from making payments pursuant to the Eastern Connecticut Health Network, Inc. Long Term Retention Plan, as amended through August 1, 2016, without first receiving Buyer's written agreement;

(d) create, assume or voluntarily consent to any new Encumbrance upon any of the Assets;

(e) sell or otherwise transfer or dispose of any item of property, plant, equipment or other Asset including any interest in a Joint Venture, except in the ordinary course of the Hospital Businesses consistent with past practices with comparable replacement thereof, and with respect to a an interest in a Joint Venture, except as may be required under the governing instruments of the Joint Venture and necessary to satisfy a closing condition in Section 7 that has not been waived by Buyer;

(f) take any action other than execution of this Agreement, which would trigger any right of first refusal, or any similar right to purchase, with respect to any Investment interest in a Joint Venture except as necessary to satisfy a closing condition in Section 7 that has not been waived by Buyer;

(g) distribute any assets, other than Excluded Assets, to any Affiliate of Seller other than its Subsidiaries that are transferring Assets pursuant to this Agreement;

(h) make necessary expenditures in the ordinary course from its designated capital needs fund of more than $100,000 per expenditure without providing advanced notice to Buyer of such expenditure and will not make individual capital expenditures (or a series of related capital expenditures) that are outside the ordinary course in excess of $100,000 individually or $500,000 in the aggregate if such capital expenditures are not included in Seller's annual operating or capital budgets that have been provided to Buyer;

(i) add, modify, or discontinue the provision of any material clinical service by the Hospital Businesses other than entering into an agreement with a third party for the provision of hospitalist services, open a new location for the provision of any material clinical service, or close the location at which any such material clinical service is currently provided without consent of Buyer, which will not be unreasonably withheld or delayed;

(j) create, incur, assume, guarantee or otherwise become liable for any liability or obligation except in the ordinary course of the Hospital Businesses consistent

with past practices in excess of $250,000, other than Seller's customary annual line of credit renewal with TD Bank in the currently issued amount, or agree to do any of the foregoing;

(k) make any loans to physicians without the prior written consent of Buyer;

(l) cancel, forgive, release, discharge or waive any Person's obligation to pay or to perform obligations in respect of Accounts Receivable or other Assets, or agree to do any of the foregoing, except in the ordinary course of the Hospital Businesses consistent with past practices;

(m) amend, change or modify the title or duties of the chief executive officer of Seller;

(n) sell or factor any Accounts Receivable;

(o) change any accounting method, policy or practice or reduce any reserves in the Financial Statements except (i) reductions in reserves pertaining to Government Payment Programs or third party payors made in the ordinary course of business consistent with past practices, and (ii) changes required by GAAP or applicable Legal Requirements;

(p) except with respect to the previously planned freeze of Seller's defined benefit pension plan and post-retiree health plan, terminate, amend or otherwise modify in any material respect any Employee Benefit Plan, except for normal course annual changes and amendments required to comply with this Agreement or applicable Legal Requirements; or

(q) amend or agree to amend the articles of incorporation or the bylaws or articles of formation or operating agreement (or comparable organizational documents) of Seller or any Subsidiary thereof or otherwise take any action relating to any liquidation or dissolution of Seller or any Subsidiary thereof, except as expressly contemplated by this Agreement, provided that Seller may merge any one or more of the Subsidiaries into each other or into the Seller in connection with the proposed transaction;

(r) amend or agree to amend the governing documents of any Joint Venture, except immaterial amendments or amendments required to comply with applicable Legal Requirements or reasonably necessary to assign and transfer to Buyer or Buyer's designee Seller's Investment in, or for Buyer to become a partner, member or shareholder of, such Joint Venture or to restructure such joint Venture to permit Buyer to participate in such Joint Venture; or

(s) take any action outside the ordinary course of the Hospital Businesses other than modifying its bond documents as needed.

5.03. Employee Matters.

(a) Subject to the exclusions set forth in this Section and in reliance upon the representations of Seller in Sections 3.21 and 3.22, Buyer will offer, or cause its Affiliates to offer, to employ as of the Closing Date substantially all employees of Seller and its Affiliates who work at the Hospital Businesses, including but not limited to employees on approved leaves of absence as of the Closing Date for any reason including without limitation by reason of a military leave, family or medical leave, illness, injury, disability or similar situation (provided employment shall not commence until such employees return from such approved leave), on the same terms and conditions with respect to job duties, titles and responsibilities that are applicable to such employees on the date of such offer. Buyer will offer the Hired Employees salaries equal to their salaries as of the Closing Date and Employee Benefit Plans that are consistent with Employee Benefit Plans offered to similarly-situated employees at other hospitals operated by Buyer in similar markets. Notwithstanding the foregoing, Buyer will, and will cause its Affiliates to, in all events provide each Hired Employee terms and conditions of employment, including compensation and employee benefits, sufficient to avoid Seller or its Affiliates from incurring any liability under the WARN Act or any comparable Legal Requirement due to actions or omissions of Buyer and its Affiliates related to the Hired Employees at any time on or after the Closing Date.

(b) Seller acknowledges that all employment offers are for "at will" employment only and are subject to the satisfactory completion of Buyer's usual and customary hiring practices, including employee background checks and pre-employment screenings. Nothing in this Section or elsewhere in this Agreement may be deemed to limit or otherwise affect in any manner the right of Buyer or any Affiliate of Buyer to terminate at will the employment of any Hired Employee or, subject to Buyer's covenants in Section 5.03(a) and (c), to change individual features or plans in the employment compensation and benefits package of the Hired Employees, provided that Buyer will assume and honor all written severance agreements between Seller and Seller's employees existing as of Closing that are provided to Buyer prior to the date hereof, as set forth on Schedule 5.03(b).

(c) Following the Closing Date, each Employee Benefit Plan sponsored by Buyer or any Affiliate of Buyer in which the Hired Employees are eligible to participate shall credit the Hired Employees with their periods of employment with Seller or any Affiliate of Seller for all purposes (other than benefit accrual under any defined benefit pension plan), including, but not limited to, application of any preexisting condition limitation or eligibility period otherwise applicable to the Hired Employees and their eligible dependents. In addition, if prior to the Closing Date a Hired Employee or his or her covered dependents paid any amounts towards a deductible or out-of-pocket maximum in Seller's medical and health plan's current fiscal year, such amounts shall be applied toward satisfaction of the deductible or out-of-pocket maximum in the current fiscal year of Buyer's medical and health plan that covers Hired Employees on and after the Closing Date. Buyer will give all Hired Employees credit for their vacation, holiday, personal time and sick pay (whether in such form or in the forms of so-called "paid time off" or an "extended illness bank"). With respect to the Hired Employees, Buyer will

assume the Workers' Compensation Liability that exists as of Closing and any such claims filed on or after Closing with respect to periods prior to Closing. Except as provided in subsection (b) above, this subsection (c), subsections (d) and (e) below, or Schedule 2.03, or as otherwise required by Legal Requirements, Buyer will not assume or otherwise become liable for, and Seller will remain solely responsible for, (i) Seller's Employee Welfare Benefit Plans and (ii) any other obligations to former or currently retired employees or their dependents. Buyer will make available group health plan continuation coverage required under COBRA to employees and former employees of Seller who are eligible for COBRA, provided that, with respect to COBRA beneficiaries whose qualifying events occurred on or prior to the Closing Date, Seller will reimburse Buyer for all claims of such COBRA beneficiaries paid by Buyer and its Affiliates in excess of the sum of (A) COBRA premiums collected from the COBRA beneficiaries; and (B) amounts reimbursed from stop loss insurance, determined in the aggregate with respect to all such individuals on the first anniversary of the Closing Date and again at the end of the COBRA period for all such COBRA beneficiaries. Buyer agrees to accept rollovers of eligible rollover distributions (within the meaning of Code section 402(c)(4)), including to the extent applicable rollovers of any outstanding loans made as part of a direct rollover, made by Hired Employees from Seller's Employee Pension Benefit Plans to Buyer's Plans.

(d) Seller has frozen its defined benefit pension plan known as the "Eastern Connecticut Health Network, Inc. Pension Plan" to new participation and future accruals and has frozen the post-retiree health plan to new participation. With respect to the post-retiree health plan, Buyer agrees to maintain post-retiree health coverage for the group of employees and former employees eligible for such coverage as of the Closing and shall not amend or terminate the post-retiree health plan unless the members of such group are provided another retiree medical benefit or cash payment of equivalent value (as calculated using reasonable assumptions determined in consultation with an actuary at the time of the determination).

(e) As of the Closing, Buyer agrees to assume, administer, and become the sponsor of Seller's defined benefit pension plan known as the "Eastern Connecticut Health Network, Inc. Pension Plan" (most recently amended as of December 23, 2015 and as it may be amended to reflect Buyer's assumption of sponsorship) and Seller's post-retiree health plan and assume all collective bargaining agreements of Seller that pertain to the Hospital Businesses.

(f) Between the date of this Agreement and Closing, Buyer may run newspaper advertisements, in the name of any of the Hospital Businesses or in the name of Buyer, to recruit employees for the Hospital Businesses to commence on or after the Closing Date.

(g) At Closing, Seller shall deliver to Buyer a list setting forth the names of all employees of the Hospital Businesses whose employment was terminated between the date of this Agreement and the Closing Date.

(h) This Section 5.03 shall not apply to employees employed by Seller under Assumed Contracts, including but not limited to the collective bargaining agreements described in subsection (e) above. Buyer shall offer employment to all such employees, subject to the satisfactory completion of Buyer's usual and customary hiring practices, including employee background checks and pre-employment screenings, and employment of such employees will be governed by the terms and conditions of the Assumed Contracts, if any, relating to the employment of such employees.

(i) On or prior to the Closing Date, Seller will be responsible for compliance with the WARN Act and all similar state and local Legal Requirements with respect to the employees of the Hospital Businesses, and for all obligations or liabilities arising thereunder as a result of any action (or failure to act) of Seller on or prior to the Closing Date, and after the Closing Date, Buyer will be responsible for compliance with the WARN Act and all similar state and local Legal Requirements with respect to the Hired Employees, and for all obligations or liabilities arising thereunder as a result of any action (or failure to act) of Buyer after the Closing Date.

5.04. Access to and Provision of Additional Information.

(a) Except to the extent prohibited by applicable Legal Requirements (including antitrust laws), until the Closing Date, Seller shall (i) give Buyer reasonable access to and the right to inspect, during normal business hours and upon reasonable prior notice, Seller's Assets and books and records relating to the Hospital Businesses, (ii) give Buyer reasonable access to Seller's employees and medical staff members providing services at or for the Hospital Businesses and (iii) give Buyer such additional financial, operating and other data and information (including auditors' workpapers) regarding the Hospital Businesses as Buyer may reasonably request and that is reasonably available to Seller. Buyer shall exercise its rights under this Section 5.04(a) in such a manner as to cause the least possible interference with the normal operations of the Hospital Businesses.

(b) Seller will deliver to Buyer:

(i) within 25 days after the end of each calendar month before the Closing Date, copies of the unaudited balance sheet and the related unaudited statements of income and cash flows of the Hospital Businesses for each such month then ended and for the fiscal year-to-date then ended, in consolidating and consolidated format;

(ii) within 35 days after the end of each fiscal quarter ending on or before the Closing Date, copies of the unaudited balance sheet and the related unaudited statements of income and cash flows of the Hospital Businesses for the fiscal quarter then ended and for the fiscal year-to-date then ended; and

(iii) promptly after prepared, copies of any other financial or operating statements, reports or analyses prepared by or for management relating to the Hospital Businesses.

(c) Until the Closing Date, Seller shall confer regularly with Buyer, as reasonably requested by Buyer, and answer Buyer's reasonable questions regarding matters relating to the conduct of the Hospital Businesses and the status of transactions contemplated by this Agreement. Seller shall notify Buyer of any material changes in the operations, financial condition or prospects of the Hospital Businesses and of any material complaints, investigations, hearings or adjudicatory proceedings (or communications indicating that the same may be contemplated) concerning the Hospital Businesses and shall keep Buyer reasonably informed of the status of such matters.

(d) With respect to any individually identifiable health information disclosed by Seller to Buyer pursuant to this Section, Buyer and Seller shall comply with the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. Section 1320d, *et seq.*, as amended by the Health Information Technology for Economic and Clinical Health Act, and any current and future Legal Requirements promulgated thereunder, and with any other federal or state Legal Requirements that govern or pertain to the confidentiality, privacy, security of, and electronic transactions involving, health care information.

(e) For the avoidance of doubt, Buyer shall not, and nothing contained in this Section shall give Buyer, directly or indirectly, the right to, control or direct the Hospital Businesses (or any portion thereof) prior to the Closing.

5.05. Post-Closing Maintenance of and Access to Information.

(a) After Closing, each party may need access to books, records, documents or other information in the control or possession of the other party for purposes of concluding the transactions contemplated by this Agreement, preparing Tax Returns or conducting Tax audits, obtaining insurance, complying with Government Payment Programs and other Legal Requirements, and prosecuting or defending third party claims. Accordingly, each party shall keep and maintain in the ordinary course of business all books, records (including patient medical records), documents and other information in the possession or control of such party for a period of at least five years after the Closing and otherwise in accordance with all applicable Legal Requirements and record retention policies maintained by such party. In addition, to facilitate the foregoing purposes, each party shall also make such books, records, documents and other information available for inspection and copying upon the reasonable request and at the expense (for out-of-pocket costs) of the other party.

(b) Upon Buyer's receipt of appropriate consents and authorizations, Seller may remove and copy from the Hospital Businesses, at Seller's sole risk and expense, any patient or other records that relate to events or periods before Closing for purposes of pending Proceedings involving matters to which such records refer, as certified in writing before removal by counsel retained by Seller in connection with such Proceedings. Seller shall promptly return any records so removed to Buyer following their use.

(c) Each party shall cooperate with, and shall permit and use commercially reasonable efforts to cause its former and present directors, officers and employees to

cooperate with, the other party after Closing in furnishing information, evidence, testimony and other assistance in connection with any Proceeding or claim with respect to (i) the ownership of the Assets or the conduct of the Hospital Businesses or (ii) the Excluded Liabilities.

(d) The exercise by any party of the rights granted in this Section shall not unreasonably interfere with the conduct of business of the other party and nothing in this Section requires any party to maintain or release to any other Persons any medical or other records except in accordance with applicable Legal Requirements and record retention policies.

(e) To the extent Seller remains in existence and maintains sufficient operational control over relevant functions and pursuant to the Transitional Services Agreement, for seven years after the Closing Date, Seller will give Buyer, within 30 days after request, an updated claims history, including losses paid and open reserves, for all claims relating to the conduct of the Hospital Businesses on or before the Closing Date.

5.06. Governmental Authority Approvals; Consents to Assignment.

(a) Until the Closing Date, Seller and Buyer shall (i) promptly apply for, and use commercially reasonable efforts to obtain before Closing, all consents, approvals, authorizations and clearances of Governmental Authorities required to consummate the transactions contemplated by this Agreement, including approvals of the applications to the Attorney General and the Office of Health Care Access of the Connecticut Department of Public Health, (ii) provide such information and communications to Governmental Authorities as the other party or such Governmental Authorities may reasonably request, and (iii) assist and cooperate with the other party to obtain all Permits, including approvals of the applications to the Attorney General and the Office of Health Care Access of the Connecticut Department of Public Health, that the other party deems necessary or appropriate, and to prepare any document or other information reasonably required of it by any such Governmental Authority to consummate the transactions contemplated by this Agreement, *provided* that no party may be required without the party's consent (x) to pay any sum to Governmental Authorities other than filing fees or past due amounts, or (y) to agree to divest assets or limit the conduct of the business.

(b) Until the Closing Date, each party shall file, if and to the extent required by applicable Legal Requirements, all reports and other documents required or requested by Governmental Authorities under the HSR Act concerning the transactions contemplated by this Agreement, and shall promptly comply with any requests by the Governmental Authorities for additional information concerning such transactions, so that the waiting period specified in the HSR Act will expire as soon as reasonably possible. Each party shall furnish to the other party such information as the other party reasonably requires to comply with its obligations under the HSR Act and shall exchange drafts of the relevant portions of each other's report forms before filing. The parties shall also share equally the costs of any fees due in respect of filings required by the HSR Act.

(c) Seller shall promptly apply for and use commercially reasonable efforts to obtain before Closing all consents required to assign the Assumed Contracts to Buyer at Closing, provided that Seller shall not be required to make any payments or economic concessions to landlords to obtain such consents.

(d) To obtain one or more of the consents and approvals described in this Section, Buyer may be required by applicable Legal Requirement or practical necessity to enter into a contract that supersedes or replaces an existing Contract between Seller and a third party. Such new contract may require Buyer to assume, for the benefit of such third party, certain obligations and liabilities of Seller that are Excluded Liabilities. Alternatively, Buyer may be required by Legal Requirements to assume, or may be deemed as a matter of law to have assumed, obligations and liabilities of Seller that are Excluded Liabilities. If Buyer enters into a replacement contract or assumes such Excluded Liabilities, then – as between Seller and Buyer – such contract or assumption of Excluded Liabilities will not affect the contractual rights and remedies provided in this Agreement in respect of such contract or Excluded Liabilities, including Buyer's rights to indemnification from Seller (subject to the limitations set forth in Article 9), or otherwise diminish Seller's obligations to Buyer or enlarge Seller's liabilities to Buyer (or diminish Seller's defenses or limitations on liability) under this Agreement and will under no circumstances be claimed by Seller as a defense (whether of waiver, estoppel, consent, operation of law, or otherwise) against Buyer's assertion of any claim under this Agreement against Seller, and the rights and obligations of the parties to each other under this Agreement will be determined as if such replacement contract did not exist or such assumption of Excluded Liabilities was not required.

5.07. Use of Controlled Substance Permits. To the extent permitted by applicable Legal Requirements, Buyer shall have the right, for a period not to exceed 120 days following the Closing Date, to operate the Hospital Businesses under the licenses and registrations of Seller relating to controlled substances and the operations of pharmacies and laboratories, until Buyer is able to obtain such licenses and registrations for the Hospital Businesses. In furtherance thereof, Seller shall execute and deliver to Buyer at or prior to the Closing limited powers of attorney substantially in the form of Exhibit B hereto. Buyer or its Affiliates shall apply for all such licenses and registrations as soon as reasonably practicable before and after the Closing Date and shall diligently pursue such applications. Buyer shall indemnify and hold harmless Seller and its Affiliates, and their officers, trustees and employees for all claims, liabilities and costs arising from or relating to use of such licenses and registration after the Closing Date.

5.08. Connecticut Transfer Act. Certain components of the Real Property (including the Hospitals) may constitute, in whole or in part, "Establishments" as the term is defined in the Transfer Act (collectively, the "**Establishment Real Properties**"). Accordingly, Seller and Buyer shall prepare an appropriate Transfer Act Form and accompanying ECAF for each Establishment Real Property to satisfy the requirements of the Transfer Act in connection with the transaction contemplated herein. Seller shall execute as transferor and Buyer shall execute as transferee and Certifying Party (as all such terms are defined in the Transfer Act). Within ten (10) days after the Closing Date, Buyer shall (i) file the fully executed Form and ECAF with the Connecticut Department of Energy and Environmental Protection ("**CTDEEP**"); (ii) pay the initial filing fee and any and all subsequent Transfer Act fees (which shall be reimbursed by

Seller); and (iii) provide written confirmation to Seller that the Transfer Act filing has been completed (with a copy of such filing). In order to evaluate the potential scope and cost of Transfer Act obligations that may be required, prior to the Closing, Buyer shall have the right to perform limited Phase II Assessments subject to and in accordance with the provisions of Section 7.09 hereof. Buyer or its designee shall conduct and complete, at Buyer's sole expense, any actions required (as determined by Buyer in its reasonable discretion) as a result of the filing of the Form and the ECAF, to comply with the Transfer Act, and, if appropriate, to obtain written approval from CTDEEP or a "verification" from a "Licensed Environmental Professional" that the Facilities have been remediated in full compliance with the Connecticut Remediation Standard Regulations (collectively "**Transfer Act Activities**"). Buyer shall complete all Transfer Act Activities as soon as practicable, but in any event within any deadline defined by or pursuant to the Transfer Act (as the same may be extended). Notwithstanding the foregoing, Seller shall pay Buyer for all costs and expenses that Buyer incurs in connection with Transfer Act Activities. Seller and Buyer agree to execute and deliver all documents reasonably requested by the other to comply with the Transfer Act. All undefined terms in this Section 5.08 shall have the meanings set forth in the Transfer Act. Notwithstanding anything to the contrary in this Agreement, the parties agree that any and all fees, expenses and other costs to be paid by Seller under this Section 5.08 shall be paid first from funds held as part of the indemnity reserve established pursuant to Section 9.08.

5.09. No-Shop Clause. Until termination of this Agreement, Seller shall not, and shall not permit any Affiliate of Seller or any other Person acting for or on behalf of Seller or any Affiliate of Seller to, without the prior written consent of Buyer: (a) offer for sale, lease or other disposition all or substantially all of the Assets or any material portion thereof, or any ownership interest in any entity owning any of the Assets, whether by virtue of an asset sale transaction, a lease transaction, affiliation transaction, or a change of control, change of membership, merger, consolidation or other combination transaction with respect to Seller or any entity owning any of the Assets (collectively, a "**Prohibited Transaction**"), or negotiate in respect of an unsolicited offer therefor; (b) solicit offers to acquire all or substantially all of the Assets, or any material portion thereof, or offers to acquire any ownership interest in an entity owning any of the Assets, in a Prohibited Transaction; (c) enter into any Contract with any Person with respect to the disposition of all or substantially all of the Assets, or any material portion thereof, or the sale of any ownership interest in an entity owning any of the Assets, in a Prohibited Transaction; or (d) furnish or permit or cause to be furnished any information to any Person that Seller knows or has reason to believe is in the process of considering a Prohibited Transaction. If Seller, any Affiliate of Seller, or any Person acting for or on behalf of any of the foregoing receives from any Person (other than Buyer or its representatives) any offer, inquiry or informational request referred to above, Seller will promptly advise such Person, by written notice, of this Section.

5.10. Noncompetition. For a period of five years after the Closing Date, Seller shall not, directly or indirectly, and Seller shall cause its Affiliates not to, in any capacity: (i) own, lease, manage, operate, control, be employed by, maintain or continue any interest whatsoever or participate in any manner with the ownership, leasing, management, operation, or control of any business or enterprise that offers services in competition with the Hospital Businesses, including any acute care hospital, specialty hospital, rehabilitation facility, diagnostic imaging center, inpatient or outpatient psychiatric or substance abuse facility, ambulatory or other type of surgery center, wellness center, urgent care center, ambulatory service, nursing home, skilled

nursing facility, home health or hospice agency, or physician clinic or physician medical practice, within a 30 mile radius of either Hospital (the "**Restricted Area**"); (ii) employ or solicit the employment of any Hired Employee, other than no more than five (5) individuals employed solely for winding down operations, unless (x) such employee resigns voluntarily (without any solicitation from Seller or any of its Affiliates), (y) Buyer consents in writing to such employment or solicitation, or (z) such employee is terminated by Buyer or its Affiliate after the Closing Date; (iii) induce, cause or attempt to induce or cause any Person (including any physician employee or medical staff member) to replace or terminate any contract for the provision or arrangement of health care services from the Hospital Businesses with products or services of any other Person after the Closing Date; or (iv) request, induce or cause any physician employee or medical staff member to terminate any contract with or change practice patterns at the Hospital Businesses. Notwithstanding the foregoing, however, (i) Seller and its Affiliates will not be precluded from participating in the following activities that promote health care services for residents of the communities historically served by Seller and its Affiliates through the Hospitals: development, ownership, and operation of indigent or charity care clinics and services; preventative care programs and services and educational programs; health screening services; child care services; and other similar services or programs intended to better serve the health care needs of the community's indigent population in the Restricted Area that are not directly competitive with services to be provided by Buyer or its Affiliates. In the event of a breach of this Section, Seller recognizes that monetary damages shall be inadequate to compensate Buyer, and Buyer shall be entitled, without the posting of a bond or similar security, to an injunction restraining such breach, with the costs (including attorneys' fees) of securing such injunction to be borne by Seller. Nothing contained herein shall be construed as prohibiting Buyer from pursuing any other remedy available to it for such breach or threatened breach. All parties hereto hereby acknowledge the necessity of protection against the competition of Buyer and its Affiliates and that the nature and scope of such protection has been carefully considered by the parties. Seller further acknowledges and agrees that the covenants and provisions of this Section form part of the consideration under this Agreement and are among the inducements for Buyer entering into and consummating the transactions contemplated herein. The period provided and the area covered are expressly represented,and agreed to be fair, reasonable, and necessary. The consideration provided for herein is deemed to be sufficient and adequate to compensate for agreeing to the restrictions contained in this Section. If, however, any court determines that the foregoing restrictions are not reasonable, such restrictions shall be modified, rewritten, or interpreted to include as much of their nature and scope as will render them enforceable.

5.11. Allocation of Purchase Price. Within a reasonable time after Closing, Buyer shall provide Seller a proposed allocation of the Purchase Price among the Hospital Businesses and the Assets. Such allocation will be in accordance with section 1060 of the Code. Buyer's proposed allocation will become final and binding on the parties 45 days after Buyer provides the proposed allocation to Seller unless Seller objects to the proposed allocation, in which case Seller shall propose an alternative allocation. The parties shall use good faith efforts to resolve their differences within 60 days after Seller gave its objection to Buyer. If a final resolution is not reached within 60 days after Seller has submitted its objection in writing, each of Buyer and Seller shall make their own independent allocation of the total consideration among the Hospital Businesses and the Assets. If Seller and Buyer reach agreement upon the allocation (or Seller does not object to Buyer's proposed allocation), Seller and Buyer will be bound by the agreed

allocation and (for federal and state Tax purposes) account for and report the transactions contemplated by this Agreement in accordance with such allocation, and will not voluntarily take any position (whether in Tax Returns, Tax audits or other Proceedings) inconsistent with such allocation. Seller and Buyer shall exchange Internal Revenue Service Forms 8594 (including supplemental forms, if required) to report the transactions contemplated by this Agreement to the Internal Revenue Service in accordance with such allocation.

5.12. Further Assurances. After the Closing, upon request of Buyer, Seller shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such further acts, deeds, assignments, transfers, conveyances, powers of attorney, confirmations and assurances as Buyer may reasonably request to more effectively convey, assign and transfer to and vest in Buyer full legal right, title and interest in and actual possession of the Assets and the Hospital Businesses, to confirm Seller's capacities and abilities to perform its post-Closing covenants under this Agreement and the Closing Documents, and to generally carry out the purposes and intent of this Agreement. If any interest in a Joint Venture has not been transferred at Closing as a result of the failure to obtain a consent or to otherwise comply with the governing instruments of such Joint Venture, then Seller shall use commercially reasonable efforts following the Closing to obtain such consent or otherwise comply with the governing instruments of the Joint Venture to permit the transfer of such interest to Buyer as soon as practical following the Closing. Seller shall also furnish Buyer with such information and documents in its possession or under its control, or which Seller can execute or cause to be executed, as will enable Buyer to prosecute any and all petitions, applications, claims and demands relating to or constituting a part of the Assets and Hospital Businesses. After the Closing, upon request of Seller, Buyer shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such further acts, deeds, assignments, transfers, conveyances, powers of attorney, confirmations and assurances as Seller may reasonably request to more effectively convey, assign and transfer to Buyer each of the Assumed Liabilities, to confirm Buyer's capacities and abilities to perform its post-Closing covenants under this Agreement and the Closing Documents, and to generally carry out the purposes and intent of this Agreement.

5.13. Casualty. If, on or before the Closing Date, any of the Hospital Businesses are destroyed or materially damaged by fire, theft, vandalism or other cause or casualty and as a result thereof any material part of such Hospital Business is rendered unsuitable for its primary intended use and the cost of repair would exceed $1,000,000, Buyer may elect, by giving written notice to Seller within 15 business days after having actual notice of the occurrence of such destruction or damage and the extent of the loss, to: (i) terminate this Agreement in accordance with Section 8.04(a), (ii) consummate the transaction in spite of such destruction or damage but reduce the Purchase Price by the fair market value of the Assets destroyed or damaged (determined as of the date immediately before the destruction or damage) or, if greater, the estimated cost to restore, repair or replace such Assets, in which event Seller will retain all right, title and interest in and to insurance proceeds payable on account of such destruction or damage, or (iii) consummate the transaction in spite of such destruction or damage without any reduction in the Purchase Price, in which event Seller shall pay, transfer and assign to Buyer at Closing the insurance proceeds less any reasonable out-of-pocket costs incurred in collecting the proceeds or in securing or repairing the property (or the right to receive the insurance proceeds) payable on account of such destruction or damage, and Buyer shall receive a credit for any deductibles or

copayments required under the applicable insurance policy in respect of such claim. Notwithstanding the foregoing, Buyer and Seller acknowledge and agree that the Purchase Price shall not be reduced by an amount that would preclude Seller from paying, or providing for payment of, all of its liabilities in full.

5.14. Seller's Cost Reports. Pursuant to the Transitional Services Agreement, Seller will prepare and timely file all Cost Reports required to be filed after Closing for periods ending on or before the Closing Date, including terminating Cost Reports required as a result of the consummation of the transactions described in this Agreement. Buyer will provide information to Seller and reasonably assist Seller in the preparation and filing of the terminating Cost Reports and the Purchase Price will be allocated in the terminating Cost Reports in a manner consistent with the allocation for Tax purposes described in Section 5.11. Buyer will forward to Seller any and all correspondence, remittances and demands relating to Seller's Cost Reports within ten business days after receipt by Buyer. Seller retains all rights to its Cost Reports, including any payables resulting from or reserves relating to the Cost Reports and the right to appeal any Medicare determinations relating to the Cost Reports.

5.15. Continuation of Hospitals and Post-Care Continuum. For at least 3 (three) years after Closing, Buyer will (i) continue operating the Hospitals in their current locations as acute care hospitals with emergency departments, and (ii) maintain an ownership interest in Seller's current post-acute care continuum of care network (e.g., VNA/home care, sub-acute and long-term lines of service) and require any joint venture involving such post-acute care continuum of care network to maintain the applicable service line for such three-year period. During such periods that Buyer operates the Hospitals, Buyer agrees to maintain Seller's commitment to quality, safety, and patient satisfaction, including maintaining appropriate enrollment, certifications, and accreditations necessary to receive reimbursement under Government Payment Programs.

5.16. Charity Care and Community Obligations.

(a) Seller has historically provided significant levels of care for indigent and low-income patients and has also provided support for community volunteer services and care through a variety of community-based health programs. Subject to changes in Legal Requirements or governmental guidelines or policies, Buyer will ensure that each Hospital maintains and adheres to Seller's current policies on charity care, indigent care, community volunteer services and community benefits attached as Schedule 5.16 or adopt other policies and procedures that are at least as favorable to the indigent and uninsured in the aggregate as Seller's existing policies.

(b) During all times that Buyer owns and operates the Hospitals, Buyer will strive to provide care through community-based health programs, including by cooperating with local organizations that sponsor health care initiatives to address community needs and improve the health status of the elderly, poor, and at-risk populations in the community.

5.17. Educational Support. Buyer agrees to maintain and support financially the University of New England medical student and other health professions teaching programs

established by Seller, in addition to Seller's graduate medical education programs, while operating at a level to not exceed the Indirect Medical Education and Direct Graduate Medical Education caps that may be established by CMS.

5.18. Capital Commitment.

(a) Commitment Amount. Post-Closing, Buyer, in consultation with Seller, the Local Board and potentially an outside consultant, will develop a strategic capital plan with respect to the Hospital Businesses (which for purposes of this Section 5.18 includes the Joint Ventures). In accordance with such strategic capital plan, Buyer agrees to spend within five years of Closing or commit in a binding contract to spend (or cause or permit its Affiliates or third parties to spend or commit in a binding contract to spend) within five years of Closing not less than $75,000,000 (the "**Commitment Amount**") at Seller facilities on (i) capital projects, including routine and non-routine capital expenditures for the improvement of Seller's facilities and/or the acquisition, development, expansion and improvement of hospital, ambulatory or other health care services (such as implementation of a comprehensive and system-wide electronic medical record such as the Epic system), (ii) de novo development, expansion, or acquisition of a department, program, service or facility (whether for inpatient or outpatient services), (iii) upgrades or renovations generally, (iv) deferred maintenance items, and (v) capital expended in support of the recruitment of the Hospitals' medical staff located in the Hospitals' service area, limited to physician practice acquisitions, loan security agreements and real estate acquisition or development (including any associated medical equipment) in support of physician practice acquisitions. Buyer shall provide a written report to Seller on an annual basis that verifies its compliance with the capital commitment, which Seller may share publically. For the purposes of determining whether the Commitment Amount has been expended or committed to be expended, (x) only operating leases for (i) buildings or the fit-out or build-out of space used in the provision or support of medical services or (ii) medical equipment with a useful life of more than one year, shall count towards the Commitment Amount, (y) capital leases, and those operating leases that are permitted to be counted toward the Commitment Amount under Sections 5.18(a)(x)(i)-(ii), shall be valued at the net present value of any lease commitments, and (z) solely with respect to expenditures for equipment not currently owned or leased by the Hospital Businesses or space that is renovated, acquired or newly leased (with respect to incremental Buyer improvements) or obtained after Closing consistent with Section 5.18, it shall not be a prerequisite that the applicable expenditure be classified as a capital expenditure for accounting purposes.

(b) Reduction of Commitment Amount. Notwithstanding the foregoing,

(i) the Commitment Amount shall be reduced by the Unfunded ED Loan Amount, if any;

(ii) the Commitment Amount shall be reduced by the amount, if any, of Seller's administrative wind-down costs paid by Buyer in accordance with Section 2.05(*l*)(i);

(iii) if Buyer assumes any unreimbursed Additional Liabilities in accordance with Section 2.05(d), the Commitment Amount shall be further reduced by the amount of such unreimbursed Additional Liabilities;

(iv) the Commitment Amount shall be reduced by the amount by which the Purchase Price Adjustment to be paid by Seller to Buyer pursuant to Section 2.05(k)(ii) exceeds Available Cash; and

(v) the Commitment Amount may be reduced, on a dollar-for-dollar basis, by the aggregate amount of Losses incurred by Buyer's Indemnified Persons under the provisions of Section 9.01 after application of the Seller Deductible (if applicable), to the extent such Losses are not satisfied in full (i.e., regardless of whether such Losses are satisfied from the amounts maintained as an indemnify reserve under Section 9.08 or otherwise) in accordance with Section 9.08; *provided*, that Buyer shall be entitled to make such reduction to the Commitment Amount if and to the extent Seller fails to satisfy such Losses pursuant to Section 9.05(d) after a reasonable period of time following written demand for payment by Buyer, *provided, further*, that any such reduction shall not relieve Seller from its indemnification payment obligations thereunder.

(c) Restoration of Commitment Amount. Notwithstanding the foregoing,

(i) the Commitment Amount shall be increased (up to a maximum of Seventy-Five Million Dollars ($75,000,000)) by any amounts retained by Buyer as reimbursement for the ED Loan assumed by Buyer;

(ii) the Commitment Amount shall be increased (up to a maximum of Seventy-Five Million Dollars ($75,000,000)) by any amounts retained by Buyer to reimburse Buyer for the Additional Liabilities;

(iii) to the extent that the Commitment Amount was decreased in accordance with Section 5.18(b), and Buyer is reimbursed in full for the ED Loan assumed by Buyer and the liabilities assumed by Buyer in excess of the Threshold Liability, the Commitment Amount shall be further increased (up to a maximum of Seventy-Five Million Dollars ($75,000,000)) by any remaining amounts received by Seller from cost report settlements and paid to Buyer in accordance with Section 2.05(m)(i)(z);

(iv) if applicable, the Commitment Amount shall be increased (up to a maximum of Seventy-Five Million Dollars ($75,000,000)) in accordance with Section 9.08; and

(v) if applicable, the Commitment Amount shall be increased (up to a maximum of Seventy-Five Million Dollars ($75,000,000)) in accordance with Section 2.05(*l*)(ii).

(d) Upon any change to the Commitment Amount made in accordance with Section 5.18(b)-(c), Buyer shall provide Seller with an updated calculation of the Commitment Amount.

5.19. Connecticut Transactions. If at any time prior to Closing, Buyer or any of its Affiliates enter into an agreement with another Connecticut hospital that seeks to consummate transactions similar to the transactions described herein, then Buyer shall promptly inform Seller of such fact, subject to such hospital's approval of waiving any nondisclosure obligation in a confidentiality agreement between such hospital and Buyer, or an Affiliate of Buyer.

5.20. Fees and Expenses.

(a) Except as otherwise expressly set forth in this Agreement, whether or not the transactions contemplated by this Agreement are consummated, (i) Buyer or its Affiliates shall bear and pay all expenses incurred by or on behalf of Buyer in connection with Buyer's due diligence investigation of the Assets and the Hospital Businesses, the preparation and negotiation of this Agreement and Buyer's performance of its obligations pursuant to this Agreement, including counsel, accounting, brokerage and investment advisor fees and disbursements, and (ii) Seller or its Affiliates shall bear and pay all expenses incurred by or on behalf of Seller in connection with the preparation and negotiation of this Agreement and Seller's performance of its obligations pursuant to this Agreement, including counsel, accounting, brokerage and investment advisor fees and disbursements.

(b) Seller shall pay all costs reasonably necessary for Seller to remove all Encumbrances on the Assets that are not Permitted Encumbrances and all expenses incurred by Seller in obtaining any third party consents or approvals necessary to assign to Buyer any Assumed Contracts (it being understood that Seller shall have no obligation to make any monetary payment to a third party beyond any nominal review fee of not more than $1,000 or accept any material concession in the terms of any Contract in order to obtain any such consents or approvals).

(c) Buyer shall pay the following: (i) all third party fees and expenses reasonably incurred by Buyer for Buyer's land title surveys and environmental, engineering and other inspections, studies, tests, reviews and analyses undertaken by or on behalf of Buyer for the benefit of Buyer, (ii) all transfer Taxes, sales and use and similar Taxes arising out of the transfer of the Assets (whether or not originally arising with or assessed to Seller or its applicable Subsidiary) and (iii) the premium for Buyer's title insurance policies described in Section 7.06.

(d) If any party incurs legal fees or expenses in connection with any Proceeding to enforce any provision of this Agreement and is the prevailing party in the Proceeding, such party will be entitled to recover from the non-prevailing party in the Proceeding the legal fees and expenses reasonably incurred by such party in connection with the Proceeding, including attorneys' fees, costs and necessary disbursements, in addition to any other relief to which such party is entitled.

5.21. Clinical Quality and Integration. For at least three (3) years after Closing, Buyer shall (i) collaborate with the Local Board and remaining former hospital staff of Seller on clinical quality matters of the Hospital Businesses to share best practices, establish clinical quality goals and measure progress, and (ii) to the extent consistent with antitrust Legal Requirements, consult with physicians on the medical staff of each Hospital, including at least some independent (*i.e.*, non-employed) physicians, in managed care contracting and clinical integration with respect to the Hospital Businesses.

5.22. Insurance Ratings. Seller will take all commercially reasonable actions requested by Buyer to enable Buyer, at Buyer's expense, to succeed to the workers' compensation and unemployment insurance ratings of Seller and the Hospital Businesses for insurance purposes. Buyer shall not be obligated to succeed to any such rating, except as it may elect to do so or as is otherwise required to do so by Legal Requirements.

5.23. Fulfillment of Conditions. If all of the conditions to a party's obligation to consummate the transactions contemplated by this Agreement at the Closing are satisfied (or waived by that party in its sole discretion), such party will execute and deliver at Closing each Closing Document that such party is required by this Agreement to execute and deliver at Closing. Each party will use all commercially reasonable efforts to satisfy each condition to the obligations of the other party to consummate the transactions contemplated by this Agreement, to the extent that satisfaction of any such condition is within the control of such party.

5.24. Release of Encumbrances. Seller shall use all commercially reasonable efforts to cause all Encumbrances on the Assets, other than the Permitted Encumbrances, to be released and discharged at or before Closing.

5.25. Insurance Transition Provisions.

(a) With respect to the Disability Obligations, Buyer and Seller acknowledge and agree that no tail insurance shall be required in connection with the Disability Obligations because Seller is fully insured with respect to the Disability Obligations.

(b) Other than with respect to the Accumulated Benefit Obligation, the Post-Retiree Health Plan Liability, the Captive Insurer Liability and the Workers' Compensation Liability, on or immediately following the Closing Date, Seller will purchase and obtain an extended claims reporting provision for all primary and excess insurance policies listed in Schedule 5.25(b), including but not limited to coverage for directors, trustees and officers of Seller and its Affiliates, in force as of the date of the Closing Date that cover Seller, its Affiliates and each physician employee of Seller or its Affiliates (or for which Seller otherwise has an obligation to provide such insurance), and that are written on a claims-made insuring agreement. Such extended claim endorsements must name Buyer (and other Affiliates of Buyer designated by Buyer prior to the Closing) as named insureds thereunder. Within thirty (30) days following the Closing Date, Seller will provide Buyer with an original or certified copy of the tail insurance policies required by this Section 5.25(b) and receipts evidencing payment of the premiums therefor.

(c) Notwithstanding anything in this Agreement to the contrary and to the extent in the best interests of Seller, Seller may choose in its sole discretion to retain the Captive Insurer Liability, the Workers' Compensation Liability or both and, at or prior to Closing, purchase its own tail insurance policy or policies with respect to the Captive Insurer Liability, the Workers' Compensation Liability or both. To the extent Seller elects to retain the Captive Insurer Liability, the Workers' Compensation Liability or both, Seller shall provide written notice to Buyer of such election, and Buyer will be relieved of its obligations set forth in this Agreement with respect to any liability or liabilities that Seller elects to retain as set forth in such written notice, and there shall be no adjustment in the Purchase Price pursuant to Sections 2.05(a)(vi)-(vii) for any liabilities so retained.

5.26. Strategic Business Plan. After Closing, Buyer will use commercially reasonable efforts to execute and implement the Strategic Business Plan in accordance with its terms, as the Strategic Business Plan may be modified by Buyer, in consultation with the Local Board, from time to time.

5.27. Local Board. The Local Board shall, among other things, serve as a resource for Buyer with respect to Buyer's investment of the Commitment Amount (see Section 5.18 herein) and maintenance and implementation of the Strategic Business Plan, be responsible for medical staff credentialing at the Hospitals, maintain and oversee the quality assurance program at the Hospitals and oversee and manage the accreditation process for the Hospitals.

5.28. Compliance Program. The Buyer and its Affiliates have established and implemented corporate compliance and ethics programs to ensure that high ethical and conduct standards are met in the conduct of their business. Buyer shall extend after Closing its corporate compliance and ethics programs to the Hospital Businesses.

5.29. New and Existing Collective Bargaining Agreement. Seller shall keep Buyer apprised of, and consult with Buyer, regarding the status of the negotiations regarding any collective bargaining agreement. Seller shall not enter into any new collective bargaining agreement or extension of any existing collective bargaining agreement without prior written consent from Buyer, which consent shall not be unreasonably withheld, *provided, further*, that such consent does not interfere with Seller's bargaining obligations under the National Labor Relations Act. Buyer shall comply with its successorship obligations to assume the existing collective bargaining agreements through their stated expiration dates.

5.30. Tax Claims. In the event that any cash recovery is received by either Seller or Buyer relating to the claims described on Schedule 5.30 (collectively, the "**Tax Claims**"), then the Parties agree that proceeds of such claims shall be allocated and paid in the following order to the extent of such proceeds: first, to Buyer to the extent of its external counsel fees and other direct costs of pursuing the Tax Claims (including claim-related assessments from the Connecticut Hospital Association); second, to Seller in the amount of One Hundred Ten Thousand Dollars ($110,000), being the amount of Seller's external counsel fees and direct costs incurred prior to the Closing Date relating to the Tax Claims; and third, to Buyer, to be used by Buyer to pay for capital or operating expenses relating to the delivery of health care in the Seller's primary service area, which may include, but is not limited to, renovation of facilities or

free care. The Parties agree that the decision whether to pursue or settle the Tax Claims and all matters relating to the conduct and pursuit of the Tax Claims after the Closing Date shall be within the sole and absolute discretion of the Buyer, and Seller hereby irrevocably waives any right to challenge or otherwise make any claim against the Buyer with respect to Buyer's pursuit, settlement or conduct of the Tax Claims. The Seller agrees to cooperate reasonably with the Buyer in pursuing the Tax Claims after the Closing Date, at the sole expense of the Buyer, and the Buyer will assume all costs of pursuing or settling the Tax Claims. Seller agrees to execute any documents, agreements or powers of attorney reasonably necessary or desirable to Buyer in connection with effectuating the foregoing provisions.

6. CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER

The obligations of Seller to consummate the transactions contemplated by this Agreement, including by taking the actions specified in Section 8.02, are subject to the satisfaction on or before Closing of the following conditions, unless waived by Seller:

6.01. Representations; Covenants.

(a) Each of the representations and warranties of Buyer in this Agreement that is qualified as to materiality was true and correct on and as of the date of this Agreement, each of the other representations and warranties of Buyer was true and correct in all material respects on and as of the date of this Agreement, each of the representations and warranties of Buyer in this Agreement that is qualified as to materiality is true and correct on and as of the Closing Date, and each of the other representations and warranties of Buyer in this Agreement is true and correct in all material respects on and as of the Closing Date.

(b) Each of the covenants to be complied with or performed by Buyer on or before Closing (other than actions to be taken at the Closing, including the delivery of the Closing Documents described in Section 8.03) has been complied with and performed in all material respects.

6.02. Adverse Proceeding. No Proceeding by any Governmental Authority (including the Attorney General) has been instituted or threatened to restrain or prohibit the transactions contemplated by this Agreement, no Governmental Authority (including the Attorney General) has taken any other action or made any request of Seller or Buyer as a result of which Seller reasonably and in good faith deems it inadvisable to proceed with the transactions contemplated by this Agreement, and no order is in effect restraining, enjoining or otherwise preventing consummation of the transactions contemplated by this Agreement.

6.03. Pre-Closing Confirmations. Seller has received all consents, approvals, licenses and other authorizations of Governmental Authorities, on terms reasonably satisfactory to Seller, including (i) the certificate of need approval by the Office of Health Care Access of the Connecticut Department of Public Health, (ii) confirmation that the Bond Liabilities have been satisfied, and (iii) approval for the conversion of the Hospitals to a for-profit entity by the Attorney General (including receipt of a fairness evaluation or fairness opinion satisfactory to the Seller and the Attorney General) and approval of the transfer or disposition of all donor restricted

funds of the Hospitals and all Subsidiaries in a manner acceptable to the Attorney General, required for Seller to consummate the transactions contemplated by this Agreement and that all applicable waiting periods under the HSR Act shall have expired or been terminated.

6.04. Redemption of the Bonds/Satisfaction of the Indenture. All actions required to be taken and all conditions required to be satisfied in connection with the defeasance or redemption of all outstanding tax-exempt debt issued by or on behalf of Seller, including the Bond Liabilities, and the satisfaction, discharge, release, and termination of all trust indentures, tax-exempt equipment loans and related documents (collectively, the "**Indenture**") associated with such tax-exempt debt, and all Encumbrances created by or in connection with the Indenture, have been, or at Closing will be, taken and satisfied. The Indenture and all Encumbrances created by or in connection with the Indenture shall have been satisfied, discharged and terminated, and Seller shall have received an opinion from counsel to the Connecticut Health and Education Facilities Authority to the effect that all Bond Liabilities have been defeased or prepaid, together with evidence satisfactory to Buyer of the discharge of all Encumbrances on the Assets under the Indenture.

6.05. Extraordinary Events. Buyer (a) is not in receivership or dissolution, (b) has not made any assignment for the benefit of creditors, (c) has not admitted in writing its inability to pay its debts as they mature, (d) has not been adjudicated a bankrupt, (e) has not filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar Legal Requirement of the United States or any state (and no such petition has been filed against Buyer), or (f) has not entered into any contract to do any of the foregoing on or after the Closing Date.

7. CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

The obligations of Buyer to consummate the transactions contemplated by this Agreement, including by taking the actions specified in Section 8.03, are subject to the satisfaction on or before Closing of the following conditions, unless waived by Buyer:

7.01. Representations; Covenants; Schedules.

(a) Each of the representations and warranties of Seller in this Agreement that is qualified as to materiality was true and correct on and as of the date of this Agreement, each of the other representations and warranties of Seller in this Agreement was true and correct in all material respects on and as of the date of this Agreement, each of the representations and warranties of Seller in this Agreement that is qualified as to materiality is true and correct on and as of the Closing Date, and each of the other representations and warranties of Seller in this Agreement is true and correct in all material respects on and as of the Closing Date (other than the representation in Section 3.08(l) which shall be true and correct in all respects).

(b) Each of the covenants to be complied with or performed by Seller on or before Closing (other than actions to be taken at the Closing, including the delivery of the Closing Documents described in Section 8.02) has been complied with and performed in all material respects.

(c) Each of Seller's Schedules, Exhibits and other instruments required under this Agreement has been updated or delivered by Seller, and approved by Buyer, all in accordance with Section 10.01.

7.02. Adverse Action or Proceeding. No Proceeding by any Governmental Authority (including the Attorney General) has been instituted or threatened to restrain or prohibit the transactions contemplated by this Agreement, no Governmental Authority (including the Attorney General) has taken any other action or made any request of Seller or Buyer as a result of which Buyer reasonably and in good faith deems it inadvisable to proceed with the transactions contemplated by this Agreement, and no order is in effect restraining, enjoining or otherwise preventing consummation of the transactions contemplated by this Agreement.

7.03. Material Adverse Change. Since the date hereof, no Material Adverse Change has occurred and no event or condition has occurred or exists that could reasonably be expected to cause a Material Adverse Change.

7.04. Pre-Closing Confirmations and Contractual Consents. Buyer has obtained documentation or other evidence reasonably satisfactory to Buyer that:

(a) All Permits required to operate the Hospital Businesses will be transferred to or issued in the name of Buyer as of the Closing Date, without the imposition of any condition that is materially burdensome to the operation of the Hospital Businesses after Closing;

(b) The applicable Hospital Businesses that participate in the Government Payment Programs as of the date of this Agreement will be qualified effective as of Closing to participate in the Government Payment Programs in which they participate as of the date of this Agreement and will be entitled to receive payment under such Government Payment Programs for services rendered to qualified beneficiaries of such Government Payment Programs immediately after the Closing Date with respect to the Hospitals, and within a reasonable period of time after the Closing Date with respect to the other applicable Hospital Businesses;

(c) All other consents, approvals, licenses and other authorizations of Governmental Authorities, including the certificate of need approval by the Office of Health Care Access of the Connecticut Department of Public Health and approval for the conversion of the Hospitals to a for-profit entity by the Attorney General, required for Buyer to consummate the transactions contemplated by this Agreement and all other material consents, approvals, licenses and other authorizations of Governmental Authorities required for Buyer to operate the Hospital Businesses after Closing shall have been received on terms reasonably satisfactory to Buyer;

(d) Seller has delivered to Buyer copies of consents to assignment of the Assumed Contracts, and certain other consents, waivers and estoppels, that are listed on Schedule 7.04(d);

(e) Seller has obtained approvals from its Board of Trustees, corporators and, to the extent required, the governing boards of its Subsidiaries; and

(f) All applicable waiting periods under the HSR Act have expired or been terminated.

7.05. Extraordinary Events. Seller (a) is not in receivership or dissolution, (b) has not made any assignment for the benefit of creditors, (c) has not admitted in writing its inability to pay its debts as they mature, (d) has not been adjudicated a bankrupt, (e) has not filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar Legal Requirement of the United States or any state (and no such petition has been filed against it), and (f) has not entered into any Contract to do any of the foregoing on or after the Closing Date.

7.06. Title Insurance Policies and Surveys. Buyer has received:

(a) One or more commitments from a recognized national title insurance company chosen by Buyer to issue as of the Closing Date ALTA extended coverage owner's title insurance policies for the Owned Real Property, in amounts reasonably acceptable to Buyer, in form reasonably acceptable to Buyer and with such endorsements as Buyer may reasonably require, at Buyer's sole cost and expense; and

(b) ALTA land title surveys of the Owned Real Property, in form reasonably satisfactory to Buyer and the title insurance company, from a firm designated by Buyer and certified to Buyer and the title insurance company, at Buyer's sole cost and expense.

7.07. [RESERVED].

7.08. The Indenture. The Indenture and all Encumbrances created by or in connection with the Indenture, including the Bond Liabilities and other tax-exempt debt, shall have been satisfied, discharged and terminated, and Buyer shall be entitled to rely on the opinion of Seller's bond counsel described in Section 6.04.

7.09. Environmental Assessments. Buyer shall, at its election, have received a Phase I environmental site assessment in a form reasonably satisfactory to Buyer, on each parcel of Owned Real Property and, at Buyer's option, any portion of the premises forming a part of the Leased Real Property (each, a "**Phase I Assessment**," and, collectively, the "**Phase I Assessments**"). Buyer shall not be permitted to conduct any Phase II environmental site assessments, or other intrusive or destructive testing on or relating to the Owned Real Property or Leased Real Property (each, a "**Phase II Assessment**," and, collectively, the "**Phase II Assessments**") unless pursuant to information contained in the applicable Phase I Assessment and subject to the prior approval of Seller (including any conditions which Seller may impose on such investigations, and, if Seller so requires, memorialized in an environmental access agreement between Buyer and Seller), in Seller's sole discretion. Notwithstanding the foregoing, if, after review of any Phase I Assessment, the parties reasonably determine that the subject real property is an Establishment Real Property (as defined in Section 5.08 hereof) and reasonably identifies any "areas of concern" ("**AOCs**") warranting additional investigation pursuant to the Transfer Act, then, in order to obtain a preliminary (but not definitive) understanding of the nature and extent of any contamination potentially associated with such AOC, Buyer shall have the right to perform a limited Phase II Assessment of each such AOC pursuant to a scope of

work approved by Seller in advance, which approval (including any conditions which Seller may reasonably impose on such investigation) shall not be unreasonably withheld, conditioned or delayed. Buyer shall pay the full costs of any Phase I Assessment(s) and any Phase II Assessment(s) that may occur pursuant to this Section 7.09. Notwithstanding any other provision hereof to the contrary, Buyer shall not provide Seller with copies of any Phase II Assessment(s) (or any of the data contained therein) unless requested by Seller. To the extent any Phase II Assessments are performed in accordance with this provision, Buyer shall be reasonably satisfied with same.

7.10. Hill-Burton Facilities. No Encumbrance affects any of the Assets or Hospital Businesses relating to or arising under the Hill-Burton Act.

7.11. Physician Organization. On or before the Closing, Buyer shall form a medical foundation under Chapter 594b of the Connecticut General Statutes (the "**PMH Medical Foundation**"). The PMH Medical Foundation shall adopt governing documents in substantially the form set forth in Exhibit C. Simultaneous with the Closing, Eastern Connecticut Medical Professionals Foundation, Inc. shall transfer its assets, including its agreements with physicians, to the PMH Medical Foundation. The PMH Medical Foundation shall continue to employ on and after the Closing Date and consistent with the agreements transferred to it hereunder those physicians and other licensed "Providers," as defined in Section 33-182aa of the Connecticut General Statutes, that Eastern Connecticut Medical Professional Foundations, Inc. employed immediately prior to the Closing Date.

7.12. Additional Liabilities. Seller shall not, based on the Closing Estimates, have Additional Liabilities in excess of Ten Million Dollars ($10,000,000), unless Buyer in its sole discretion agrees to assume such Additional Liabilities in accordance with Section 2.05(d).

8. CLOSING; TERMINATION OF AGREEMENT

8.01. Closing.

(a) Consummation of the sale and purchase of the Assets and the other transactions contemplated by this Agreement (the "**Closing**") will take place electronically at 10:00 a.m., or at such other place and time as the parties may mutually agree, on October 1, 2016, or if at such time any conditions to Closing set forth in Articles 6 and 7 have not been satisfied (or waived by the parties entitled to the benefit thereof), on the third business day following satisfaction or waiver of such conditions, or at such time or place as the parties may mutually agree. The Closing shall be effective for all purposes as of 12:01 a.m. on the day of the Closing Date.

(b) At the Closing, Seller shall deliver, or cause to be delivered, to Buyer, each of the Closing Documents and other items set forth in Section 8.02, all in forms reasonably acceptable to Buyer and its counsel, and such Closing Documents, as appropriate, shall be duly executed by, and acknowledged on behalf of, Seller. At the Closing, Buyer shall deliver, or cause to be delivered, to Seller, each of the Closing Documents and the consideration set forth in Section 8.03, all in forms reasonably

acceptable to Seller and its counsel, and such Closing Documents, as appropriate, shall be duly executed by, and acknowledged on behalf of, Buyer and, where applicable, PMH.

(c) All proceedings to be taken and all documents to be executed and delivered by all parties at the Closing will be deemed to have been taken, executed and delivered simultaneously, and no proceedings will be deemed taken nor any documents executed or delivered until all have been taken, executed and delivered. At the conclusion of the Closing, all Closing Documents shall be released to the recipients thereof and Seller shall deliver (or cause to be delivered) to Buyer control and possession of the Assets.

8.02. Action of Seller at Closing. At the Closing, Seller shall deliver to Buyer:

(a) special warranty deeds, duly executed by Seller in recordable form, conveying to Buyer fee simple title to the Owned Real Property, free and clear of Encumbrances other than the Permitted Real Property Encumbrances;

(b) assignment and assumption agreements duly executed by Seller conveying to Buyer all of Seller's right, title and leasehold interest in and to the Leased Real Property;

(c) bills of sale and assignment duly executed by Seller conveying to Buyer good and valid title to all personal property Assets, free and clear of Encumbrances other than the Permitted Personal Property Encumbrances;

(d) assignments duly executed by Seller conveying to Buyer Seller's interests in the Assumed Contracts;

(e) limited powers of attorney to permit Buyer to utilize Seller's DEA registration numbers, in substantially the form of Exhibit B attached hereto, fully executed by Seller;

(f) a copy of resolutions duly adopted by the board of directors of Seller authorizing and approving the execution and delivery of this Agreement and the Closing Documents and the consummation of the transactions contemplated herein and therein, certified as in full force and effect as of the Closing Date by an appropriate officer of Seller;

(g) a certificate of a duly authorized officer of Seller certifying that (i) each of the representations and warranties of Seller in this Agreement that is qualified as to materiality was true and correct on and as of the date of this Agreement, (ii) each of the other representations and warranties of Seller in this Agreement was true and correct in all material respects on and as of the date of this Agreement, (iii) each of the representations and warranties of Seller in this Agreement that is qualified as to materiality is true and correct on and as the Closing Date, (iv) each of the other representations and warranties of Seller in this Agreement was true and correct in all material respects on and as of the Closing Date and (v) each of the covenants to be complied with or performed by Seller on or before Closing (other than actions to be taken

at the Closing, including the delivery of the Closing Documents described in this Section 8.02) has been complied with and performed in all material respects;

(h) a certificate of incumbency for the officers of Seller executing this Agreement and the Closing Documents;

(i) a certificate of legal existence for Seller and each of its Subsidiaries that is organized under the laws of the State of Connecticut from the State of Connecticut, dated no earlier than 15 days prior to the Closing Date;

(j) stock certificates and certificates or other appropriate instruments of transfer of the ownership interests in the Joint Ventures, duly endorsed for transfer to Buyer, and, to the extent obtained prior to Closing, any amendment to the operating agreement, bylaws or other governing documents of each Joint Venture that Buyer determines, in its reasonable discretion, is necessary to fully effectuate the transfer of the ownership interest in the Joint Ventures to Buyer;

(k) a statement pursuant to section 1.1445-2(b)(2)(iv) of the Treasury Regulations under the Code, executed on behalf of Seller or any Affiliate conveying an interest in Owned Real Property to Buyer or its Affiliates, certifying that such entity is not a foreign corporation and is not otherwise a foreign Person;

(l) all certificates of title and other documents evidencing an ownership interest conveyed as part of the Assets, including for all motor vehicles;

(m) all necessary state and local real estate conveyance tax forms duly executed by Seller;

(n) final execution copy of the Transfer Act Form III and ECAF with a $3,000 filing fee, as more fully described in Section 5.08;

(o) UCC termination statements or other releases for all Encumbrances on the Assets not constituting Permitted Encumbrances, which termination statements and releases will be effective as of Closing;

(p) owner's affidavits, certificates, rent rolls and other documentation that may be reasonably necessary to consummate the transactions contemplated by this Agreement and obtain the title policies required to be issued hereunder;

(q) the Transitional Services Agreement, fully executed by Seller; and

(r) such other Closing Documents as Buyer deems reasonably necessary to consummate the transactions contemplated by this Agreement.

8.03. Action of Buyer at Closing. At the Closing, Buyer shall deliver to Seller:

(a) The Purchase Price due to Seller, as adjusted in accordance with Section 2.05;

(b) an assumption agreement duly executed by Buyer pursuant to which Buyer assumes the Assumed Liabilities, as well as any documents Seller may reasonably require to effectuate Buyer's assumption of certain of Seller's Employee Benefit Plans pursuant to Section 5.03(e);

(c) a copy of resolutions duly adopted by the boards of directors, members or managers of PMH and Buyer, as appropriate, authorizing and approving the execution and delivery of this Agreement and the Closing Documents and the consummation of the transactions contemplated herein and therein, certified as in full force and effect as of the Closing Date by an appropriate officer of PMH and Buyer;

(d) a certificate of a duly authorized officer of Buyer certifying that each of the representations and warranties of Buyer in this Agreement that is qualified as to materiality was true and correct on and as of the date of this Agreement, that each of the other representations and warranties of Buyer in this Agreement was true and correct in all material respects on and as of the date of this Agreement, that each of the representations and warranties of Buyer in this Agreement that is qualified as to materiality is true and correct on and as of the Closing Date, that each of the other representations and warranties of Buyer in this Agreement is true and correct in all material respects on and as of the Closing Date, and that each of the covenants to be complied with or performed by Buyer on or before Closing (other than actions to be taken at the Closing, including the delivery of the Closing Documents described in this Section) has been complied with and performed in all material respects;

(e) a certificate of incumbency for the officers of PMH and Buyer executing this Agreement and the Closing Documents;

(f) a certificate of legal existence for Buyer from the State of Connecticut, dated no earlier than 15 days prior to the Closing Date;

(g) the Transitional Services Agreement, fully executed by Buyer; and

(h) such other Closing Documents as Seller deems reasonably necessary to consummate the transactions contemplated by this Agreement.

8.04. Termination Prior to Closing; Termination Fee.

(a) Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time: (i) by mutual consent of Seller and Buyer; (ii) by Buyer, by written notice to Seller if any event occurs or condition exists that causes Seller to be unable to satisfy one or more conditions to the obligations of Buyer to consummate the trasnactions contemplated by this Agreement as set forth in Article 7; (iii) by Seller, by written notice to Buyer if any event occurs or condition exists that causes Buyer to be unable to satisfy one or more conditions to the obligations of Seller to consummate the trasnactions contemplated by this Agreement as set forth in Article 6; (iv) by Seller or Buyer, if the Closing Date shall not have taken place on or before December 31, 2016 (as such date may be extended by mutual agreement of Seller and Buyer); *provided*, however, that no party may terminate this Agreement if the failure of Closing to occur by

such date resulted from a material breach of this Agreement by such party; (v) by Buyer, pursuant to Section 5.13 hereof, or (vi) by Seller pursuant to Section 10.11(b).

(b) For the avoidance of doubt, this Section 8.04(b) shall not be effective unless and until the Certificate of Need ("**CON**") application has been filed with the State of Connecticut. Upon the filing of the CON application with the State of Connecticut, Seller shall present its invoices for reasonable out-of-pocket legal, valuation and consulting expenses incurred by Seller after the execution of that Letter of Intent between Buyer and Seller dated June 25, 2015 up to the time of the filing of the CON application (the "**CON Preparation Period**"). Within 10 days of receipt of such invoices, Buyer shall reimburse Seller for such reasonable out-of-pocket legal, valuation and consulting expenses up to $1,000,000 (One Million Dollars). If, however, the out-of-pocket legal, valuation and consulting expenses incurred by Seller during the CON Preparation Period total less than $1,000,000 (One Million Dollars), then Seller may present Buyer with additional invoices for out-of-pocket legal, valuation and consulting expenses incurred by Seller after the filing of the CON but prior to the closing of the transaction, and Buyer shall reimburse Seller for such additional out-of-pocket legal, valuation, and consulting expenses within 10 days of receipt of such invoices; provided, however, that the total amount of the invoices reimbursed by Buyer for out-of-pocket legal, valuation and consulting expenses paid by Seller during the CON Preparation Period and thereafter shall not in the aggregate exceed $1,000,000 (One Million Dollars). In the event that the transaction closes, the total amount paid by Buyer to Seller pursuant to this Section 8.04(b) shall be credited against the Purchase Price as shown in Section 2.05(a)(xi). In the event that the transaction does not close because Buyer breaches its obligations under this Agreement or refuses to accept regulatory conditions placed on the transaction by the Attorney General and the Office of Health Care Access of the Connecticut Department of Public Health, Seller shall be entitled to retain all amounts it receives pursuant to this Section 8.04(b). In the event that the transaction does not close as a result of (i) a breach by Seller of the provisions of Section 5.23 where such breach is willful and intentional by Seller or (ii) the failure of any material regulatory approval to issue despite the good faith efforts of the parties to cooperate with each other and regulators as part of the regulatory process, then Seller shall refund to Buyer all amounts paid to Seller under this Section 8.04(b).

(c) If this Agreement is validly terminated pursuant to Section 8.04(a), this Agreement will be null and void, and there will be no liability on the part of any party pursuant to this Agreement, except that (i) upon termination of this Agreement pursuant to Section 8.04(a), subject to Section 8.04(b), Seller will remain liable to Buyer and Buyer will remain liable to Seller for any breach of their respective obligations existing at the time of such termination, and each party may seek such remedies or damages against the other with respect to any such breach as are provided in this Agreement or as are otherwise available at law or in equity and (ii) the expense allocation provisions of Section 5.20 and the confidentiality provisions of Section 10.22 shall remain in full force and effect and survive any termination of this Agreement.

(d) Upon termination of this Agreement, each party's existing rights of access to the books and records of the other party shall terminate, and each party shall promptly

return every document furnished it by the other party (or any Affiliate of such other party) in connection with the transactions contemplated hereby, whether obtained before or after execution of this Agreement, and all copies thereof, and will destroy all copies of any analyses, studies, compilations or other documents prepared by it or its representatives to the extent they contain any information with respect to the business of the other parties hereto or their Affiliates, and will cause its representatives to whom such documents were furnished to comply with the foregoing. This Section 8.04 shall survive any termination of this Agreement.

9. INDEMNIFICATION

9.01. Indemnification by Seller. Subject to the conditions and limitations, and solely to the extent provided in this Article 9, Seller shall indemnify, defend and hold harmless Buyer's Indemnified Persons, and each of them, from and against any Losses incurred or suffered by Buyer's Indemnified Persons, directly or indirectly, as a result of or arising from:

(a) any inaccuracy in or breach of any representation or warranty of Seller set forth in this Agreement or in any Closing Document to which Seller is a party, whether or not Buyer's Indemnified Persons relied thereon or had knowledge thereof, *provided* that, in determining whether there has been any such inaccuracy or breach, any qualification as to materiality included in any representation or warranty shall not be taken into account;

(b) any claim asserted against Buyer or Buyer's Affiliates that, if meritorious, would constitute or give rise to a breach of any of Seller's representations and warranties as the direct cause of such claim;

(c) the nonfulfillment or breach of any covenant of Seller set forth in this Agreement or in any Closing Document to which Seller is a party;

(d) the Excluded Liabilities;

(e) any actual damages (including reasonable attorneys' fees) resulting from claims by any creditor of Seller relating to a claim in existence as of the Closing Date that the transfer of any of the Assets constitutes a fraudulent conveyance or transfer, or is avoidable under applicable state or federal insolvency, bankruptcy, bulk sales, fraudulent conveyance or creditors' rights Legal Requirements; and

(f) any liabilities, costs or expenses incurred by Buyer or its Affiliates in connection with the Transfer Act Activities contemplated by Section 5.08.

9.02. Seller's Limitations. Seller will have no liability under Section 9.01(a) and no claim will accrue against Seller under Section 9.01(a) unless and until the total amount of Losses that would otherwise be indemnifiable by Seller in respect of claims arising under Section 9.01(a) exceeds $675,000 (the "**Seller Deductible**") in the aggregate, at which time Buyer's Indemnified Persons shall be entitled to indemnification for all Losses under Section 9.01(a) in excess of the Seller Deductible, *provided* that there shall be no minimum Loss requirement, and liability of Seller shall arise for all Losses, in respect of Losses resulting from Seller's intentional misrepresentation or fraud.

9.03. Indemnification by Buyer. Subject to the conditions and limitations, and solely to the extent, provided in this Article 9, Buyer shall indemnify, defend and hold harmless Seller's Indemnified Persons, and each of them, from and against any Losses incurred or suffered by Seller's Indemnified Persons, directly or indirectly, as a result of or arising from:

(a) the inaccuracy in or breach of any representation or warranty of Buyer set forth in this Agreement or in any Closing Document to which Buyer is a party, whether or not Seller's Indemnified Persons relied thereon or had knowledge thereof, *provided* that, in determining whether there has been any such inaccuracy or breach, any qualification as to materiality included in any representation or warranty shall not be taken into account;

(b) the nonfulfillment or breach of any covenant of Buyer in this Agreement or in any Closing Document to which Buyer is a party;

(c) the Assumed Liabilities; and

(d) the ownership by Buyer of the Assets or the operation by Buyer of the Hospital Businesses after the Closing Date.

9.04. Buyer's Limitations. Buyer will have no liability under Section 9.03(a) and no claim will accrue against Buyer under Section 9.03(a) unless and until the total amount of Losses that would otherwise be indemnifiable by Buyer in respect of claims arising under Section 9.03(a) exceeds $675,000 (the "**Buyer Deductible**") in the aggregate, at which time Seller's Indemnified Persons shall be entitled to indemnification for all Losses under Section 9.03(a) in excess of the Buyer Deductible, *provided* that there shall be no minimum Loss requirement, and liability of Buyer shall arise for all Losses, in respect of Losses resulting from any intentional misrepresentation or fraud by Buyer.

9.05. Notice and Procedure. All claims for indemnification by any Indemnitee against an Indemnifying Party under this Article shall be asserted and resolved as follows:

(a) Third Party Claims.

(i) If the basis for any claim for indemnification against an Indemnifying Party pursuant to this Article 9 is a claim or demand made against an Indemnitee by a Person other than Buyer's Indemnified Person or Seller's Indemnified Person (a "**Third Party Claim**"), the Indemnitee shall deliver a Claim Notice with reasonable promptness to the Indemnifying Party (with copies

of all relevant written documentation, including papers served, if any, and a reasonable summary of any relevant oral discussions with such third party) specifying the nature of and alleged basis for the Third Party Claim and, to the extent then feasible and known, the alleged amount or the estimated amount of the Third Party Claim. If the Indemnitee fails to deliver the Claim Notice (and related materials) to the Indemnifying Party within 60 days after the Indemnitee receives notice of such Third Party Claim, the Indemnifying Party will not be obligated to indemnify the Indemnitee with respect to such Third Party Claim if and only to the extent that the Indemnifying Party's ability to defend the Third Party Claim or otherwise minimize the Losses for which the Indemnifying Party must indemnify the Indemnitee has been prejudiced by such failure. The Indemnifying Party will notify the Indemnitee within 15 days after receipt of the Claim Notice by the Indemnifying Party (the "**Notice Period**") whether the Indemnifying Party elects, at the sole cost and expense of the Indemnifying Party, to assume the defense of the Indemnitee against the Third Party Claim.

(ii) If the Indemnifying Party notifies the Indemnitee within the Notice Period that the Indemnifying Party elects to assume the defense of the Indemnitee against the Third Party Claim, then the Indemnifying Party will defend, at its sole cost and expense, the Third Party Claim by all appropriate proceedings, which proceedings will be diligently prosecuted by the Indemnifying Party to a final conclusion or settled, at the discretion of the Indemnifying Party (with the consent of the Indemnitee, which consent shall not be unreasonably withheld with respect to any settlement that does not include any non-monetary relief). The Indemnifying Party will have full control of such defense and proceedings, including any compromise or settlement thereof; *provided* that, prior to the Indemnitee's receipt of the Indemnifying Party's notice that it elects to assume such defense, the Indemnitee may file, at the sole cost and expense of the Indemnitee, any motion, answer or other pleading that the Indemnitee reasonably deems necessary to protect its interests and that is not prejudicial to the Indemnifying Party (it being understood that, except as provided in this Section 9.05(a)(ii), if an Indemnitee takes any such action that is prejudicial to the Indemnifying Party, the Indemnifying Party will be relieved of its obligations hereunder with respect to that portion of the Third Party Claim (or the Losses attributable thereto) prejudiced by the Indemnitee's action); and *provided further* that, if requested by the Indemnifying Party, the Indemnitee shall reasonably cooperate, at the sole cost and expense of the Indemnifying Party, with the Indemnifying Party and its counsel in contesting any Third Party Claim that the Indemnifying Party elects to contest or, if related to the Third Party Claim, in making any counterclaim or cross-claim against any Person (other than the Indemnitee or its Affiliates). The Indemnitee may participate in, but not control, any defense or settlement of any Third Party Claim assumed by the Indemnifying Party pursuant to this Section 9.05(a)(ii) and, except in respect of cooperation requested by the Indemnifying Party as provided in the preceding sentence, the Indemnitee will bear its own costs and expenses with respect to such participation. Notwithstanding the foregoing, the Indemnifying Party may not assume the defense of the Third Party Claim on behalf of the Indemnitee if (1) the

Persons against whom the Third Party Claim is made, or any impleaded Persons, include both one or more of Buyer's Indemnified Persons and one or more of Seller's Indemnified Persons, and (2) representation of all of such Persons by the same counsel creates an actual or potential conflict of interest that, after giving effect to any waivers made by such Persons, would breach or violate the ethical rules applicable to such counsel, in which case the Indemnitee shall have the right to defend the Third Party Claim on its own behalf and to employ counsel at the expense of the Indemnifying Party.

(iii) If the Indemnifying Party fails to notify the Indemnitee within the Notice Period that the Indemnifying Party intends to defend the Indemnitee against the Third Party Claim, or if the Indemnifying Party gives such notice but fails to diligently prosecute or settle the Third Party Claim, or if the Indemnifying Party is precluded by the last sentence of Section 9.05(a)(ii) from assuming the defense of such Third Party Claim, then (A) the Indemnitee will defend the Third Party Claim by all appropriate proceedings, which proceedings will be diligently prosecuted by the Indemnitee to a final conclusion or settled at the discretion of the Indemnitee (*provided*, however, that no Indemnifying Party shall be liable to any Indemnitee for any Losses arising from any settlement that is made or entered into without an Indemnifying Party's prior, written consent, such consent not to be unreasonably withheld or delayed) and (B) the out-of-pocket costs and expenses reasonably incurred in good faith by the Indemnitee in the defense of such Third Party Claim will be paid by the Indemnifying Party. The Indemnitee will have full control of such defense and proceedings, including any compromise or settlement thereof (subject to the proviso in the first sentence of this clause (iii)), *provided* that, if requested by the Indemnitee, the Indemnifying Party shall reasonably cooperate, at the sole cost and expense of the Indemnifying Party, with the Indemnitee and its counsel in contesting the Third Party Claim which the Indemnitee is contesting or, if related to the Third Party Claim in question, in making any counterclaim or cross-claim against any Person (other than the Indemnifying Party or its Affiliates).

(b) First Party Claims.

(i) If any Indemnitee has a claim against any Indemnifying Party that is not a Third Party Claim, the Indemnitee shall deliver an Indemnity Notice with reasonable promptness to the Indemnifying Party specifying the nature of and specific basis for the claim and, to the extent then feasible, the amount or the estimated amount of the claim. If the Indemnifying Party does not notify the Indemnitee within 60 days following its receipt of the Indemnity Notice that the Indemnifying Party disputes its obligation to indemnify the Indemnitee hereunder, the claim will be presumed to be a liability of the Indemnifying Party hereunder.

(ii) Upon receipt of any Indemnity Notice, the Indemnifying Party will be entitled to request in writing and receive from the Indemnitee a reasonable extension of the 60-day period in which to respond pursuant to Section 9.05(b)(i) for the purpose of investigating the claims made therein or the proper amount

thereof. The Indemnitee, to the extent requested by the Indemnifying Party, shall reasonably cooperate, at the sole cost and expense of the Indemnifying Party, with the Indemnifying Party's investigation of such claims or the proper amount thereof.

(c) Resolution of Disputes. If the Indemnifying Party timely disputes, or is deemed to have disputed, its liability with respect to a claim described in a Claim Notice or an Indemnity Notice, the Indemnifying Party and the Indemnitee shall proceed promptly and in good faith to negotiate a resolution of such dispute within 60 days following receipt by the Indemnifying Party of the Claim Notice or Indemnity Notice and, if such dispute is not resolved through negotiations during such 60-day period, it shall be resolved pursuant to Section 10.04 and, if not resolved thereby, by other appropriate legal process.

(d) Payment of Indemnifiable Losses. Subject to the terms of any final order entered by a court of competent jurisdiction, the Indemnifying Party shall pay the amount of any indemnifiable Losses to the Indemnitee within ten days following the later to occur of (i) the date on which such indemnifiable Losses are incurred or sustained by the Indemnitee or (ii) the date on which the Indemnifying Party has acknowledged its liability for such indemnifiable Losses. Indemnifiable Losses not paid when so due shall accrue interest from (and including) the date on which such indemnifiable Losses were incurred or sustained by the Indemnitee until (but excluding) the date on which such amount is paid, at the interest rate provided in Section 10.20.

(e) Certain Disclaimers. Any estimated amount of a claim submitted in a Claim Notice or an Indemnity Notice shall not be conclusive of the final amount of such claim, and the giving of a Claim Notice when an Indemnity Notice is properly due, or the giving of an Indemnity Notice when a Claim Notice is properly due, shall not impair such Indemnitee's rights hereunder. Notice of any claim comprised in part of Third Party Claims and claims that are not Third Party Claims shall be appropriately bifurcated and given pursuant to each of Section 9.05(a)(i) and Section 9.05(b)(i), as applicable.

9.06. Survival of Representations and Warranties; Indemnity Periods. Notwithstanding any right of Buyer to investigate Seller and the Hospital Businesses or any right of any party to investigate the accuracy of the representations and warranties of the other party in this Agreement, or any actual investigation by or knowledge of a party, Seller has, on the one hand, and Buyer has, on the other hand, the right to rely fully upon the representations and warranties of the other in this Agreement. The representations, warranties and covenants of Seller and Buyer in this Agreement respectively will survive the Closing (a) indefinitely with respect to matters covered by Sections 2.04, 3.01, 3.02, 3.03, 3.11, 4.01, 4.02, 4.04, 8.04(b), 8.04(c), 8.04(d), 9.01(b)-(e), 9.03(b)-(d), 10.15, 10.20, 10.22 and 10.23, (b) until the expiration of all applicable statutes of limitations (including all periods of extension) with respect to matters covered by Sections 3.05, 3.07, 3.11, 3.12(a), 3.13, 3.17, 3.22, 3.24 and 3.28, and (c) until the second anniversary of the Closing Date in the case of all other representations and warranties, except that:

(i) the right to indemnification with respect to any claim relating to a breach or default of any representation and warranty whose survival expires in accordance with clause (b) or (c) above will continue to survive if a Claim Notice or an Indemnity Notice with respect to such claim has been given on or before the expiration of such representation or warranty until the claim for indemnification has been satisfied or otherwise resolved as provided in this Article;

(ii) in the event of intentional misrepresentation or fraud in the making of any representation and warranty, all representations and warranties that are the subject of the intentional misrepresentation, fraud or intentional nonfulfillment or breach shall survive until the expiration of all applicable statutes of limitations (including all periods of extension) with respect to claims made for such intentional misrepresentation, fraud or intentional nonfulfillment or breach; and

(iii) covenants to be performed or complied with after the Closing Date will survive the Closing until 60 days after the end of the term specified in each covenant, or, if no term is specified, indefinitely.

9.07. Mitigation. Each Indemnitee shall take all commercially reasonable steps to mitigate its Losses upon and after becoming aware of any event or condition that has given rise to any Losses for which it may be indemnified pursuant to this Agreement. The amount of Losses for which an Indemnitee may make an indemnification claim pursuant to this Agreement shall be reduced by any amounts actually recovered by the Indemnitee under insurance policies or other collateral sources (such as contractual indemnities of any Person that are contained outside of this Agreement or the Closing Documents) with respect to such Losses. Each Indemnitee must use commercially reasonable efforts to obtain recovery under such insurance policies or other collateral sources. To the extent that any payment received by an Indemnitee under any insurance policy or other collateral source was not previously taken into account to reduce the amount of indemnifiable Losses paid to such Indemnitee, such Indemnitee shall promptly pay over to the Indemnifying Party the amount so recovered or realized (after deducting therefrom the full amount of the expenses incurred by the Indemnitee in procuring such recovery or realization), but such amount paid over to the Indemnifying Party shall not exceed the sum of (a) the amount previously paid by the Indemnifying Party to the Indemnitee in respect of such matter plus (b) the amount expended by the Indemnifying Party in pursuing or defending any third party claim arising out of such matter. Notwithstanding the foregoing, no Indemnitee shall be required to seek recovery under any insurance policy issued by, or other collateral source that is, an Affiliate of the Indemnitee.

9.08. Indemnity Reserve. In accordance with the provisions of Sections 2.05(g), 2.05(k) and 2.05(m), Seller agrees to fund an indemnity reserve up to a maximum of $4,500,000 (Four Million Five Hundred Thousand Dollars) for a period of three years after the Closing so that Buyer will have meaningful financial recourse against Seller for indemnification claims; *provided*, however, that (a) if, as of the third anniversary of the Closing Date, Buyer has pending indemnification claims, then Seller shall maintain an indemnity reserve in the amount of Buyer's Indemnified Person's bona fide claims until final resolution of such matters, and (b) if Buyer has not yet received written approval from CTDEEP or a "verification" from a "Licensed Environmental Professional" as contemplated by Section 5.08 that the Establishment Real

Properties have been remediated in full compliance with the Connecticut Remediation Standard Regulations, then the indemnification reserve shall be extended for an additional period until such written approval has been received by Buyer. Notwithstanding the foregoing, in no circumstance shall the indemnification reserve established by this Section 9.08 be extended beyond the fifth anniversary of the Closing Date. For clarity, in no event shall the indemnity reserve be deemed to be in any respect a cap on the amount of Losses for which the Buyer's Indemnified Persons shall be entitled to recover under Section 9.01. To the extent that any funds remain in the indemnity reserve following the expiration of applicable periods set forth in this Section 9.08, and there has been a reduction in the Commitment Amount pursuant to Section 5.18, the remaining indemnity reserve funds shall be paid to Buyer and the Commitment Amount shall be increased, on a dollar-for-dollar basis, up to Seventy-Five Million Dollars ($75,000,000).

10. GENERAL

10.01. Exhibits; Schedules.

(a) Each Schedule and Exhibit to this Agreement shall be considered a part hereof as if set forth herein in full. From the date hereof until Closing, Seller shall update its Schedules such that all of its representations and warranties are true and accurate as of the Closing Date. Any other provision herein to the contrary notwithstanding, all Schedules, Exhibits, or other instruments provided for herein and not delivered at the time of execution of this Agreement or that are incomplete at the time of execution of this Agreement shall be delivered or completed within ten (10) days after the date hereof or ten (10) days prior to the Closing, whichever is sooner. It shall be deemed a condition precedent to the obligations of Buyer that each of the Schedules, Exhibits and related documents, instruments, books and records shall meet with the approval of Buyer. If Buyer, in its reasonable discretion, determines that it should not consummate the transactions contemplated by this Agreement because of any information contained in a Schedule, Exhibit, or other instrument that is delivered to Buyer after the execution of this Agreement, then Buyer may terminate this Agreement on or before the Closing by giving written notice thereof to Seller.

(b) Nothing in the Schedules shall be deemed adequate to disclose an exception to a representation or warranty made in this Agreement unless the Schedule identifies the exception with reasonable particularity and, without limiting the generality of the foregoing, the mere listing of a document as an exception to any representation and warranty shall not be deemed to disclose the contents of such document as an exception to any representation or warranty (but shall be adequate to disclose the existence of the document itself).

10.02. Equitable Remedies. Subject to Section 8.04(b), each party acknowledges and agrees that its breach of this Agreement, or its failure to perform its obligations pursuant to this Agreement in accordance with its specific terms, would cause the other party to suffer irreparable damage or injury that would not be fully compensable by money damages, or the exact amount of which may be impossible to determine, and, therefore, such other party would not have an adequate remedy available at law. Accordingly, each party agrees that the other

party shall be entitled to seek specific performance, injunctive and/or other equitable relief from any court of competent jurisdiction (without the necessity of posting bond) as may be necessary or appropriate to enforce specifically this Agreement and the terms and provisions hereof and to prevent or curtail any breach (or threatened breach) of the provisions of this Agreement. Such equitable remedies shall not be the exclusive remedy of any party for any such breach or failure to perform by another party, but shall be in addition to all other remedies available to such party at law or in equity (the availability of which remedies shall be, after the Closing, subject to the applicable limitations set forth in Article 9).

10.03. Other Owners of Assets.

(a) Buyer, Seller and its undersigned Subsidiaries acknowledge that certain Assets may be owned by Subsidiaries of Seller and not Seller. Notwithstanding the foregoing, and for purposes of all representations, warranties, covenants, and agreements contained herein, Seller agrees, and, as evidenced by their acknowledgement to this Agreement, its undersigned Subsidiaries agree and acknowledge, that (i) its obligations with respect to any Assets shall be joint and several with any Subsidiary of Seller that owns or controls such Assets, (ii) the representations and warranties herein, to the extent applicable, shall be deemed to have been made by, on behalf of and with respect to such Subsidiaries of Seller in their ownership capacity, and (iii) it has the legal capacity to cause, and it shall cause, any of its Subsidiaries that owns or controls any Assets to meet all of Seller's obligations under this Agreement with respect to such Assets. Seller hereby waives any defense to a claim made by Buyer or its Affiliates under this Agreement based on the failure of any Person who owns or controls the Assets to be a party to this Agreement. Notwithstanding the foregoing, the parties acknowledge and agree that Seller shall not make pursuant to this Agreement, and this Section 10.03(a) shall not otherwise suggest, any representation, warranty or other commitment as to the Subsidiaries of Seller listed on Schedule 10.03(a).

(b) Seller and each of the Buyer Entities acknowledge that certain Assets may be purchased at Closing by one or more of the Buyer Entities (as determined by the Buyer in its discretion). Notwithstanding the foregoing, and for purposes of all representations, warranties, covenants, and agreements contained herein, Buyer agrees and acknowledges, that (i) the representations and warranties herein, to the extent applicable, shall be deemed to have been made by, on behalf of and with respect to each Buyer Entity, as applicable, in its post-Closing ownership capacity, and (ii) each of the Buyer Entities has the legal capacity to meet all of Buyer's obligations under this Agreement with respect to such Assets. Buyer hereby waives any defense to a claim made by Seller or any of its Subsidiaries, or its Affiliates, under this Agreement based on the failure of any Person who will purchase the Assets to be a party to this Agreement.

10.04. Dispute Resolution. The parties hereby agree that, prior to pursuing any other legal remedy, any controversy or claim arising out of this Agreement shall be resolved through the following procedures:

(a) In the event of a controversy or claim arising under this Agreement, either party may give the other party notice of such dispute pursuant to Section 10.14 hereof,

and promptly thereafter the parties will each select two or more senior executives to negotiate in good faith in an effort to resolve the controversy or claim. The senior executives shall meet at such location as from time to time may be mutually agreed by the parties and such meetings shall be in person to the extent practicable.

(b) If the parties are unable to resolve the controversy or claim as provided in Section 10.04(a) within 30 days of the notice of the controversy or claim, then either party may notify the other party that it wants to pursue non-binding mediation in an attempt to resolve the controversy or claim. The parties shall jointly appoint a mutually acceptable mediator to mediate the dispute or, if the parties are unable to agree on a mutually acceptable mediator within 15 days after receipt of notice requesting mediation, then the parties shall request assistance from the American Arbitration Association in finding a mutually acceptable mediator. Each party shall bear its own costs incurred in the mediation and shall bear one-half the costs and expenses of the mediator and any similar parties that may assist in the mediation. The parties agree to participate in good faith in the mediation and negotiations related thereto for a period of 30 days, unless a longer period is otherwise agreed.

10.05. Tax and Government Payment Program Effect. None of the parties (nor such parties' counsel or accountants) has made or is making in this Agreement any representation to any other party (or such party's counsel or accountants) concerning any of the Tax or Government Payment Program effects or consequences on the other party of the transactions provided for in this Agreement. Each party represents that it has obtained, or may obtain, independent Tax and Government Payment Program advice with respect thereto and upon which it, if so obtained, has solely relied.

10.06. Reproduction of Documents. This Agreement and all documents relating hereto, including consents, waivers and modifications that may hereafter be executed, the Closing Documents, financial statements, certificates and other information previously or hereafter furnished to any party, may be reproduced by any party by any photographic, microfilm, electronic or similar process. The parties stipulate that any such reproduction, when rendered in physical form and constituting an identical representation of the original, shall be admissible in evidence as the original itself in any judicial, arbitral or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the ordinary course of business).

10.07. Consented Assignment. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Assumed Contract, claim or other right if the assignment or attempted assignment thereof without the consent of another Person would (i) constitute a breach thereof, (ii) be ineffective or render the Contract, claim or right void or voidable, or (iii) in any material way affect the rights of Seller thereunder (or the rights of Buyer thereunder following any such assignment or attempted assignment). In any such event, until the requisite consent is obtained, Seller shall cooperate in any reasonable arrangement designed to provide for Buyer the benefits under any such Contract, claim or right, including enforcement of any and all rights of Seller against the other Person arising out of the breach or cancellation by such other Person or otherwise. After Closing, the parties shall continue to use commercially reasonable efforts to obtain the consent to the assignment of such

Contract, claim or right; provided, however, that such obligation shall be of no further force and effect if Seller and Buyer determine that such consent or approval will not be forthcoming.

10.08. Time of Essence. Time is of the essence in the performance of this Agreement, *provided* that, if the day on or by which a notice must or may be given, or the performance of any party's obligation is due, is a Saturday, Sunday or other day on which banks in Manchester, Connecticut are permitted or required to be closed, then the day on or by which such notice must or may be given, or that such performance is due, shall be extended to the first day thereafter that is not a Saturday, Sunday or other day on which banks in Manchester, Connecticut are permitted or required to be closed. The parties will use commercially reasonable efforts to file as soon as practicable and pursue all necessary regulatory approvals required in connection with this Agreement.

10.09. Consents, Approvals and Discretion. Except as expressly provided to the contrary in this Agreement, whenever this Agreement requires any consent or approval to be given by any party or any party must or may exercise discretion, such consent or approval shall not be unreasonably withheld or delayed and such discretion shall be reasonably exercised.

10.10. Choice of Law. This Agreement and all matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut without regard to any conflicts of laws rules (whether of the State of Connecticut or any other jurisdiction). Any litigation or proceedings among the parties arising out of or relating to this Agreement shall be commenced in a court of the State of Connecticut or the federal district court of Connecticut.

10.11. Benefit and Assignment; Change in Control of PMH.

(a) Subject to the provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns; *provided* however that no party may assign this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, (i) Buyer may designate one or more Affiliates to purchase any or all of the Assets including the Hospital Businesses, provided that PMH hall unconditionally guarantee any and all obligations of such Affiliates pursuant to Section 10.23, and (ii) Buyer and PMH shall be permitted to grant a security interest in and collaterally assign and transfer all their rights, interests and benefits, but not their obligations under this Agreement to any entity providing financing to Buyer and/or Buyer's Affiliates at any time and from time to time without obtaining the written consent of Seller.

(b) If PMH undergoes a "Change in Control" prior to the Closing PMH shall (i) provide 30 days' advance notice to Seller of such Change in Control, and (ii) Seller shall have the right to terminate this Agreement without penalty, including that Seller shall not be required to pay any consulting fees to PMH or Buyer pursuant to any consulting agreement entered into by Seller and PMH or Buyer. For purposes of this Section 10.11(b), the term "Change in Control" means where (i) more than fifty percent (50%) of PMH's outstanding equity interest, or substantially all of PMH's assets, are transferred to a third party, or (ii) any merger, consolidation or acquisition of PMH by or

into another corporation, entity or person. Notwithstanding the forgoing, a "Change in Control" shall not include a transfer of 50% or more of the shares of PMH in connection with one or more public offerings of its shares.

10.12. Third Party Beneficiary. This Agreement (including provisions regarding employee and employee benefit matters) and the Closing Documents are intended solely for the benefit of the parties to this Agreement (and their respective successors and permitted assigns) and (solely in their capacities as Indemnified Persons) Buyer's Indemnified Persons and Seller's Indemnified Persons, and are not intended to confer third-party beneficiary rights upon any other Person (or, in the case of Buyer's Indemnified Persons and Seller's Indemnified Persons, to such Persons in any other capacity). Any reference in this Agreement to one or more Employee Benefit Plans of Buyer includes provisions, if any, in such plans permitting their termination or amendment and any covenant in this Agreement to provide any Employee Benefit Plan shall not be deemed or construed to limit Buyer's right to terminate or amend such plan of Buyer in accordance with its terms (except as otherwise provided in Section 5.03(d)).

10.13. Waiver of Breach, Right or Remedy. The waiver by any party of (a) any breach or violation by the other party of any provision of this Agreement, (b) any condition to the obligations of such party to consummate the transactions contemplated by this Agreement, or (c) any other right or remedy permitted the waiving party in this Agreement, (i) shall not waive or be construed to waive any prior or subsequent breach or violation of the same provision or any subsequent exercise of the same right or remedy, (ii) shall not waive or be construed to waive a breach or violation of any other provision, any other closing condition or any other right or remedy, and (iii) to be effective, must be in writing and signed by the party entitled to the benefit of the provision, condition, right or remedy to be waived, and may not be presumed or inferred from any party's conduct. The election of any one or more available remedies by a party shall not constitute a waiver of the right to pursue other available remedies.

10.14. Notices. Any notice, demand or communication required, permitted or desired to be given hereunder must be in writing and shall be deemed effectively given (i) on the date tendered by personal delivery, (ii) on the date received by fax or other electronic means, (iii) on the date tendered for delivery by nationally recognized overnight courier, or (iv) three days after the date tendered for delivery by United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, in any event addressed as follows:

If to Buyer: Prospect ECHN, Inc.
c/o Prospect Medical Holdings, Inc.
3415 South Sepulveda Boulevard, 9th Floor
Los Angeles, CA 90034
Attn: General Counsel
Fax: 310-943-4501
Email: ellen.shin@prospectmedical.com

with a copy to (which shall not constitute notice):

Epstein Becker & Green, P.C.
1 Gateway Center
Newark, NJ 07102
Attn: Gary W. Herschman
Fax: 973-639-8924
Email: GHerschman@ebglaw.com
Attn: David E. Weiss
Email: DWeiss@ebglaw.com

If to Seller: Eastern Connecticut Health Network, Inc.
General Counsel
Eastern Connecticut Health Network
71 Haynes Street
Manchester, Connecticut 06040
Attn: Joyce Tichy
Email: jtichy@echn.org

with a copy to (which shall not constitute notice):

Ropes & Gray LLP
Prudential Tower
800 Boylston Street
Boston, MA 02199-3600
Attn: Anne Ogilby
Fax: 617-235-0234
Email: anne.ogilby@ropesgray.com

or to such other address or fax number, and to the attention of such other Person, as any party may designate in writing in conformity with this Section.

10.15. Misdirected Payments; Physician Loans. After Closing, (a) Seller shall remit to Buyer with reasonable promptness any monies received by Seller (or its Affiliates) constituting or in respect of the Assets and Assumed Liabilities, and (b) Buyer shall remit to Seller with reasonable promptness any monies received by Buyer (or its Affiliates) constituting or in respect of the Excluded Assets and Excluded Liabilities. If any funds previously paid or credited to Seller or the Hospital Businesses in respect of services rendered on or before the Closing Date have resulted in an overpayment or must be repaid, Seller shall be responsible for the repayment of said monies (and the defense of such actions), except to the extent that such credit or repayment obligation was included in the calculation of Net Working Capital as shown on the Closing Balance Sheets in which case Seller shall not be liable for any such repayment. If Buyer suffers any deduction to or offset or withhold against amounts due Buyer of funds previously paid or credited to Seller or the Hospital Businesses in respect of services rendered on or before the Closing Date (other than in respect of overpayments addressed by the preceding sentence), Seller shall pay to Buyer the amounts so deducted, offset or withheld within five business days after demand therefor, except to the extent that the amount of such deduction, offset or withholding was included in the calculation of Net Working Capital as shown on the Closing

Balance Sheets. Any amounts payable pursuant to this Agreement that are due Buyer by Seller or one of its Affiliates, or due Seller by Buyer or one of its Affiliates, may be offset against monies or other funds owed by the party entitled to receive payment to the party required to make payment (other than such owed amounts that are being disputed in good faith). Seller shall use, and cause its Affiliates to use, good faith efforts to collect any and all loans and other amounts due from physicians and their Affiliates that constitute Excluded Assets.

10.16. Severability. If any provision of this Agreement is held or determined to be illegal, invalid or unenforceable under any present or future law in the final judgment of a court of competent jurisdiction, then, if the rights or obligations of any party under this Agreement would not be materially and adversely affected thereby: (a) such provision will be fully severable; (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; (c) the remainder of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement; and (d) instead of such illegal, invalid or unenforceable provision, there will be deemed to be added to this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

10.17. CON Disclaimer. This Agreement shall not be deemed to be an acquisition or obligation of a capital expenditure or of funds within the meaning of the certificate of need statute of any state, until the appropriate governmental agencies shall have granted a certificate of need or the appropriate approval or ruled that no certificate of need or other approval is required.

10.18. Entire Agreement; Amendment. This Agreement supersedes all previous contracts, agreements and understandings and constitutes the entire agreement of whatsoever kind or nature existing between or among the parties respecting the within subject matter and no party shall be entitled to benefits with respect to the Assets or the Hospital Businesses other than those specified in this Agreement. As between or among the parties, any oral or written representation, warranty, covenant, agreement or statement not expressly incorporated in this Agreement, whether given before or on the date of this Agreement, shall be of no force and effect unless and until made in writing and signed by the parties on or after the date of this Agreement. The representations, warranties and covenants set forth in this Agreement shall survive the Closing and remain in full force and effect as provided in Section 9.06, and shall survive the execution and delivery of, and shall not be merged with or into, the Closing Documents and all other agreements, instruments or other documents described, referenced in or contemplated by this Agreement. Each representation, warranty and covenant in this Agreement has independent legal significance and if any party has breached any representation, warranty or covenant in any respect, whether there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative level of specificity) that such party has not breached shall not detract from or mitigate the party's breach of the first representation, warranty or covenant. This Agreement may not be amended or supplemented except in a written instrument executed by each of the parties.

10.19. Counterparts; Transmission by Electronic Means. This Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all

of which together shall constitute but one and the same instrument. This Agreement, and any executed counterpart of a signature page to this Agreement, may be transmitted by fax or e-mail (attaching a .pdf (portable document format) copy thereof), and such delivery of an executed counterpart of a signature page to this Agreement by fax or e-mail shall be effective as delivery of a manually executed counterpart of this Agreement. At the Closing, the Closing Documents may be executed, and the signature pages thereto delivered, in like manner.

10.20. Interest. Any monies required to be paid by any party to another party pursuant to this Agreement shall be due on the date or at the time for payment specified in this Agreement, and monies not paid when due shall accrue interest from and after the due date to, but not including, the date full payment is made at an annual rate equal to the average prime rate of Bank of America, N.A. during such period.

10.21. Drafting. No provision of this Agreement shall be interpreted for or against any Person on the basis that such Person was the draftsman of such provision, and no presumption or burden of proof shall arise favoring or disfavoring any Person by virtue of the authorship of any provision of this Agreement.

10.22. Confidentiality; Public Announcements.

(a) Except as required by Legal Requirements or in order to coordinate the defeasance of tax-exempt debt, Seller and Buyer (and their respective Affiliates) shall keep this Agreement and the Closing Documents and their contents confidential and not disclose the same to any Person (except the parties' attorneys, accountants or other professional advisors who need to know such contents for the purpose of advising such party in connection with the transactions contemplated hereby, and except to the applicable Governmental Authorities in connection with any required notification or application for approval or a license or exemption therefrom) without the prior written consent of the other party.

(b) At all times before and after the Closing, Seller, on the one hand, and PMH and Buyer, on the other hand, will consult with the other before issuing or making any reports, statements or releases to the public with respect to this Agreement or the transactions contemplated by this Agreement and will use good faith efforts to obtain the other party's prior approval of the text of any public report, statement or release to be made by or on behalf of such party. If either party is unable to obtain the prior approval of its public report, statement or release from the other party and such report, statement or release is, in the opinion of legal counsel to such party, necessary to discharge such party's disclosure obligations under applicable Legal Requirements, then such party may make or issue the legally required report, statement or release and promptly furnish the other party a copy thereof.

10.23. Guarantee of Buyer's Obligations. PMH, as principal obligor and not merely as a surety, hereby unconditionally guarantees full, punctual and complete performance by Buyer of all of Buyer's obligations under this Agreement and each of the Closing Documents subject to the terms hereof and thereof and so undertakes to Seller that, if and whenever Buyer is in default, PMH will on demand duly and promptly perform or procure the performance of Buyer's

obligations. The foregoing guarantee is a continuing guarantee and will remain in full force and effect indefinitely (in light of the fact that, as provided in Section 9.06, certain representations, warranties, covenants and indemnification obligations of Buyer survive the Closing indefinitely) and will be reinstated with respect to any sum paid to Seller that must be restored by Seller upon the bankruptcy, liquidation or reorganization of Buyer. PMH's obligations under this Section 10.23 shall not be affected or discharged in any way by any Proceeding with respect to Buyer under any federal or state bankruptcy, insolvency or debtor relief laws (or any order, judgment, ruling, writ, injunction or decree entered or made in connection therewith) or any other fact, development, occurrence or circumstance affecting the legal capacity of Buyer or the enforceability of this Agreement or any of the Closing Documents against Buyer in accordance with their respective terms.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in multiple originals by their authorized officers, all as of the date first above written.

SELLER:

EASTERN CONNECTICUT HEALTH NETWORK, INC.

By: _____
Name: Peter J. Karl
Title: President & CEO

BUYER:

PROSPECT CT MEDICAL FOUNDATION, INC.

By: _____
Name: Samuel S. Lee
Title: President

PROSPECT CT MANAGEMENT SERVICES, INC.

By: _____
Name: Samuel S. Lee
Title: President

PROSPECT ECHN, INC.

By: _____
Name: Samuel S. Lee
Title: President

PROSPECT MANCHESTER HOSPITAL, INC.

By: _____
Name: Samuel S. Lee
Title: President

PROSPECT ROCKVILLE HOSPITAL, INC.

By: _____
Name: Samuel S. Lee
Title: President

PROSPECT ECHN ELDERCARE SERVICES, INC.

By: _____
Name: Samuel S. Lee
Title: President

PROSPECT ECHN HOME HEALTH, INC.

By: _____
Name: Samuel S. Lee
Title: President

PROSPECT CARING HAND, INC.

By: _____
Name: Samuel S. Lee
Title: President

PROSPECT HAYNES STREET PROPERTY MANAGEMENT, INC.

By: _____
Name: Samuel S. Lee
Title: President

PROSPECT MEDICAL HOLDINGS, INC., solely for the limited purposes described in this Agreement

By: _____
Name: Samuel S. Lee
Title: Chief Executive Officer

[*Acknowledgement Page Follows*]

Each of the undersigned Subsidiaries of Seller hereby joins this Agreement to acknowledge that Seller has executed this Agreement on its behalf and that, with respect to the Assets or Hospital Businesses owned or operated by it, it is subject to and bound by the same obligations, representations, and warranties as Seller as provided under Section 10.03(a).

ACKNOWLEDGED BY:

THE MANCHESTER MEMORIAL HOSPITAL

By: _____
Name: Peter J. Karl
Title: President & CEO

THE ROCKVILLE GENERAL HOSPITAL, INCORPORATED

By: _____
Name: Peter J. Karl
Title: President & CEO

ECHN ELDERCARE SERVICES, INC.

By: _____
Name: Peter J. Karl
Title: President & CEO

VISITING NURSE AND HEALTH SERVICES OF CONNECTICUT, INC.

By: _____
Name: Peter J. Karl
Title: Authorized Signatory

A CARING HAND, LLC

By: _____
Name: Peter J. Karl
Title: Authorized Signatory

CLINICALLY INTEGRATED NETWORK OF EASTERN CONNECTICUT, LLC

By: _____
Name: Peter J. Karl
Title: Authorized Signatory

CONNECTICUT HEALTHCARE INSURANCE COMPANY

By: _____
Name: Peter J. Karl
Title: Director

ECHN CORPORATE SERVICES, INC.

By: _____
Name: Peter J. Karl
Title: Authorized Signatory

MEDICAL PRACTICE PARTNERS, LLC

By: _____
Name: Dennis O'Neill, M.D.
Title: Authorized Signatory

ECHN ENTERPRISES, INC.

By: _____
Name: Peter J. Karl
Title: President & CEO

HAYNES STREET PROPERTY MANAGEMENT, LLC

By: _____
Name: Peter J. Karl
Title: Authorized Signatory

EASTERN CONNECTICUT MEDICAL PROFESSIONALS FOUNDATION, INC.

By: _____
Name: Peter J. Karl
Title: President & CEO

Exhibit A

Form of Transitional Services Agreement

See attached.

TRANSITION SERVICES AGREEMENT

This Transition Services Agreement (this "Agreement") is made and entered into as of the ___ day of ____, 2016, by and between Eastern Connecticut Health Network, Inc. (together with affiliates and successors, collectively, "OLDCO") and Prospect ECHN, Inc. (together with affiliates and successors, collectively, "Prospect").

W I T N E S S E T H

WHEREAS, at a closing held on the date hereof pursuant to that certain Asset Purchase Agreement, dated ___ 2016,by and among, Inter Alia, Prospect and OLDCO (the "Purchase Agreement"), Prospect has acquired substantially all of the assets of OLDCO; and

WHEREAS, Prospect has employed substantially all of the former employees of OLDCO;

WHEREAS, following the closing under the Purchase Agreement. Eastern Connecticut Health Network, Inc. and certain of its affiliates will change their respective names to new names that are not substantially similar to the names being used by Prospect;

WHEREAS, OLDCO, having few or no employees, requires certain post-closing services to wind down its business, administer the assets not sold to Prospect and discharge the liabilities of OLDCO not assumed by Prospect; and

WHEREAS, Prospect is willing to provide those certain services to OLDCO for such purposes during the term of this Agreement.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Term. The term of this Agreement shall commence on the date hereof and shall continue for a period of twelve (12) months (the "Initial Term"). The Initial Term shall be automatically extended for two additional twelve month renewal periods.

2. Transition Services. During the Term, Prospect shall arrange for services to be provided to OLDCO in the manner detailed in Exhibit A (the "Transition Services").

a. Prospect will provide the Transition Services in good faith and with due care consistent with the care Prospect exercises in performing like services for itself. OLDCO acknowledges and agrees that Prospect does not regularly provide the Transition Services to third parties as part of its business, and, except as specifically stated elsewhere herein, Prospect

does not otherwise warrant or assume any responsibility for its performance of the Transition Services.

b. Prospect shall have no obligation to provide any Transition Services in any instance where such Transition Services would create a conflict of interest between Prospect and OLDCO. Prospect at its sole discretion, shall be permitted to identify instances of conflicts of interest between Prospect and OLDCO.

c. OLDCO shall have no obligation to accept any Transition Services in any instance where such Transition Services would create a conflict of interest between Prospect and OLDCO. OLDCO at is sole discretion, shall be permitted to decline any Transition Services from Prospect in instances where a conflict of interest is identified by OLDCO.

d. OLDCO shall appoint Robert A. Schwartz, MD and Michael R. Blezard as representatives of OLDCO following the Closing (the "Representatives"). The Representatives shall be the principal contact persons and shall each, whether acting singly or jointly, have the authority and be responsible for making decisions on behalf of OLDCO under this Agreement. The Representatives shall each, whether acting singly or jointly, be authorized to sign documents (including checks) on behalf of OLDCO and take all other appropriate and necessary actions on behalf of OLDCO.

e. Each party shall make available to the other party any information required or reasonably requested by that other party regarding performance of Transition Services, and shall be responsible for timely providing that information and for the accuracy and completeness of that information. The parties shall cooperate with each other in good faith in all matters relating to the provision and receipt of Transition Services. The parties shall cooperate with each other in making such information available as needed in the event of any and all internal and external audits. If this Agreement is terminated in whole or in part, the parties shall cooperate with each other in all reasonable respects in order to effect an efficient transition and to minimize disruption to the business of both parties.

3. Charges; Payment Terms.

a. OLDCO shall, for each Transition Service performed, reimburse Prospect for any reasonable documented out-of-pocket expenses that are incurred by Prospect in connection with Prospect's provision of the Transition Services ("Expenses"). Prospect shall provide OLDCO with an invoice for all Transition Services provided at the rates described on Exhibit B, and Expenses incurred by Prospect in connection therewith, during the Term, that are payable by OLDCO pursuant to this Agreement, together with all appropriate supporting documentation (each, an "Invoice").

b. Prospect shall provide Invoices to OLDCO on a monthly basis. OLDCO shall, subject to Section 2.05(*l*)(i) of the Purchase Agreement, pay in full to Prospect all fees and Expenses as set forth in the Invoice within thirty (30) days after receipt of the Invoice, unless

OLDCO has provided notice to Prospect that it disputes a given Invoice within fifteen (15) days of receipt of such Invoice, in which case the parties will work in good faith to resolve the dispute.

c. If Prospect terminates any of the Transition Services prior to the expiration of the Term, OLDCO shall be responsible for payment only for the Transition Services provided through the date on which such Transition Services are terminated.

d. If OLDCO exhausts its funds such that it can no longer pay for the Transition Services, Prospect shall continue to provide those Transition Services that are necessary for the timely filing of all governmental forms and filings in order to permit the orderly wind-down of OLDCO and shall not seek payment from OLDCO for such Transition Services.

4. Indemnification.

a. Each party assumes liability for and shall indemnify and hold harmless the other party, its officers, directors, trustees, employees, and agents, from and against any and all losses, damages, penalties, liabilities, claims, actions, suits, costs, and expenses, including reasonable attorneys' fees, whether in law or in equity, of any kind or nature whatsoever, imposed upon, incurred by, or asserted against the other party relating to or arising out of any negligent or other wrongful act or omission of such party, its employees or agents, or any breach of this Agreement by such party.

b. Neither party shall have liability for consequential, exemplary, indirect, special, incidental or punitive damages, including loss of profits, revenues, data or use, incurred by the other party, whether based on contract, tort or any other legal theory, arising out of or related to this Agreement or the Transition Services provided hereunder.

c. Notwithstanding anything contained herein to the contrary, any liability of a party under this Agreement shall in no event exceed the aggregate amount of fees paid to Prospect by OLDCO hereunder, except in the case of such party's gross negligence or reckless or intentional act or omission.

d. The provisions of this Section 4 shall survive the termination of this Agreement.

5. Confidentiality.

a. "Confidential Information" is defined as all information, data and materials furnished or made available by a party to another party in connection with this Agreement, including, without limitation, the identity of patients, the content of any medical records, financial and tax information, and information regarding Medicare and Medicaid claims submission and reimbursements.

b. The party receiving the Confidential Information (the "Receiving Party") from the party who owns or holds in confidence such Confidential Information (the "Owning Party") may use the Confidential Information solely for the purpose of performing its obligations or enforcing its rights under this Agreement.

c. The Receiving Party shall not disclose any of the Confidential Information except to those persons having a need to know for the purpose of performing the Receiving Party's obligations or enforcing its rights under this Agreement. Each party shall take appropriate action, by instruction to or agreement with its affiliates, employees, agents, trustees, subcontractors, consultants, and professional advisors, to maintain the confidentiality of the Confidential Information. The Receiving Party shall promptly notify the Owning Party in the event that the Receiving Party learns of an unauthorized release of Confidential Information.

d. The Receiving Party shall have no obligation with respect to (i) Confidential Information made available to the general public without restriction by the Owning Party or by an authorized third party; (ii) Confidential Information known to the Receiving Party independently of disclosures by the Owning Party under this Agreement; (iii) Confidential Information independently developed by the Receiving Party; or (iv) Confidential Information that the Receiving Party may be required to disclose pursuant to subpoena or other lawful process; provided, however, that the Receiving Party notifies the Owning Party in a timely manner to allow the Owning Party to protect its interests at Owning Party's sole expense.

e. Upon the termination or expiration of this Agreement, unless otherwise provided in this Agreement, each party shall immediately cease to use the other party's Confidential Information and, (a) return to the other party such Confidential Information and all copies thereof within ten (10) days of the termination, or (b) provide the other party with written confirmation that all such Confidential Information and all copies thereof has been destroyed.

f. The parties acknowledge that monetary remedies may be inadequate to protect rights in Confidential Information and that, in addition to legal remedies otherwise available, injunctive relief is an appropriate judicial remedy to protect such rights. The provisions of this Section 5 shall survive the termination of this Agreement.

6. Protected Health Information.

a. Each of Prospect and OLDCO shall comply with all federal and state laws and regulations, regarding the confidentiality of Protected Health Information, as such term is defined in HIPAA (as hereinafter defined). Simultaneously herewith, the parties shall enter into a Business Associate Agreement in the form of Exhibit C in accordance with the applicable provisions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320, and the requirements of the

regulations promulgated thereunder (45 C.F.R. Parts 160, 162, and 164) as amended by the Health Information Technology for Economic and Clinical Health Act found in the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, Title XIII (2009, aka HITECH), including regulations promulgated thereunder, as amended, and guidance issued pursuant thereto (collectively "HIPAA"). In addition, each of Prospect and OLDCO acknowledges that in receiving or otherwise dealing with any records or information from the other about patients receiving treatment for alcohol or drug abuse, Prospect and OLDCO respectively and their respective staffs are bound by the provisions of the federal regulations governing Confidentiality of Alcohol and Drug Abuse Patient Records, 42 C.F.R. Part 2, as amended from time to time.

b. To the extent that any records maintained or stored by either Prospect or OLDCO pursuant to this Agreement contain Personal Information (as herein defined) about their respective personnel or patients, they shall comply with Connecticut General Statutes § 36a-701b(a) ("Data Security Breaches Act"). "Personal Information" shall mean: (a) first name or first initial and last name in combination with any one or more of the following data elements: (i) Social Security number; (ii) driver's license or state identification card number; or (iii) account number, credit or debit card number in combination with any required security code, access code or password that would permit access to an individual's financial account. In the event of a Breach of the Security of the System involving such records, Prospect or OLDCO, as the case may be, shall immediately notify the other via telephone and in writing and shall comply fully with the Data Security Breaches Act. For purposes of this paragraph, the term Breach of the Security of the System shall mean unauthorized access to or acquisition of electronic files, media, databases or computerized data containing Personal Information when access to the Personal Information has not been secured by encryption or by any other method or technology that renders the personal information unreadable or unusable. The provisions of this paragraph shall survive the termination of this Agreement.

7. Record Retention. Until the expiration of four years after the termination of this Agreement, the Parties upon request shall make available to the Secretary, United States Department of Health and Human Services, the U.S. Comptroller General or any of their duly authorized representatives, this Agreement and all other books, documents, and records necessary to certify the nature and extent of the costs incurred by the Parties under this Agreement. If a party purchases such services through a subcontract worth Ten Thousand Dollars ($10,000) or more over twelve (12) month period with a related organization, the subcontract shall also contain a clause permitting access by said Secretary, Comptroller General, and their respective representatives to the books and records of the related organization. Each party shall promptly notify the other via telephone and in writing if such access is requested.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut without regard to its conflict of law provisions. Each party hereby consents to jurisdiction in the state or federal courts located in the State of Connecticut should suit to enforce this contract become necessary. If either party hereto shall bring suit to enforce the terms and provisions hereof or to recover damages for breach, the

prevailing party shall be entitled to recover from the other party all costs, expenses and attorneys' fees incurred in connection with the exercise by the prevailing party of its rights and remedies hereunder.

9. Termination. OLDCO may terminate this Agreement prior to the expiration of the Term by giving Prospect at least ninety (90) days' prior written notice of termination. Prospect may terminate this Agreement prior to the expiration of the Term (i) for cause, if OLDCO fails to pay an undisputed invoice presented by Prospect pursuant to Section 3.b above within 90 days of receipt of such invoice provided that OLDCO has sufficient funds in the Wind-Down Reserve established under the Purchase Agreement to pay such invoice, or (ii) by giving OLDCO ninety (90) days' prior written notice of termination, provided that prior to termination, Prospect arranges for an alternate entity to provide the Transition Services to OLDCO on terms reasonably acceptable to OLDCO..

10. Miscellaneous.

a. Any notice or other communication under this Agreement shall be in writing and shall be deemed to have been given: (a) upon actual delivery, if delivered by hand; (b) the first business day following deposit with any nationally recognized overnight carrier; or (c) three (3) days after deposit in the United States mail, postage prepaid, certified or registered mail, return receipt requested. Each such notice shall be sent to the parties, marked to the attention of the signatories to this Agreement, at the following addresses:

If to Prospect: Prospect ECHN, Inc
71 Haynes Street
Manchester, CT 06040
Attention: CEO

With a copy to: Prospect Medical Holdings, Inc.
3415 South Sepulveda Boulevard, 9th Floor
Los Angeles, California 90034
Attention: Legal Department

If to OLDCO: Eastern Connecticut Health Network, Inc.
71 Haynes Street
Manchester, CT 06040
Attention: President of Legacy ECHN, Inc.

b. The parties agree that the relationship between them shall be that of independent contractors. Neither party shall hold itself out as the employee, agent, joint venturer or partner of the other. Neither party has the authority to bind the other in any way. Prospect is responsible for paying or withholding, as required, federal, state, and local employment taxes including, without limitation, FICA and FUTA, for its employees.

c. This Agreement contains the entire agreement of the parties with respect to the matters set forth herein and may not be amended except in writing signed by all of the parties hereto.

d. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. A party shall not assign its rights and obligations under this Agreement without the other party's prior written consent.

e. No delay or failure by either party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right at any time, or from time to time thereafter. The waiver, or any breach, of any term or condition of this Agreement shall not be deemed to constitute the continuing waiver of the same or any other term or condition.

f. If any part of this Agreement should be held to be void or unenforceable, such part shall be treated as severable, leaving valid the remainder of this Agreement, notwithstanding the part or parts found to be void or unenforceable.

g. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

h. This Agreement may be executed by facsimile signature and in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Transition Services Agreement as of the date first written above.

EASTERN CONNECTICUT HEALTH NETWORK, INC.

By: _____
Name: _____
Title: _____

PROSPECT ECHN, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

Services

For a twelve (12) month period after the date of closing, the services to be provided by Prospect to OLDCO may include but not be limited to:

Accounting:

- Monthly financial close
- Management of cash and investment activities as necessary
- Preparation of tax returns
- Monthly reconciliation of balance sheet accounts
- Financial audits including 401(a) and 403(b) plans
- Assistance with the final preparation and submission of the *Cy Pres* litigation and related matters
- Assistance with final cost reports

Accounts Payable:

- Entry and payment of invoices as necessary
- Creation of 1099s through February of 2017
- Assistance with reconciliation of outstanding checks

Payroll:

- Filing of payroll tax reports as necessary
- Creation of W-2's for pre-transition employees
- Management of outstanding checks
- Employee support - providing information to employees for historical payroll data, historical W-2 requests and payroll slips

Human Resources:

- Response to prior plan inquiries
- Transition management of OLDCO's 401(a), 401(k) and 403(b) plans (whether or not subject to ERISA), including:
    1. 403(b), 401(k) and 401(a) audits and Form 5500s for the 2015 and 2016 plan years (and any subsecquent years required until final liquidation of the plans)
    2. Calculation and administration of trailing payroll deductions and 2016 company contributions (payment to be made for 2016 by [date]) (it being understood that provision of funding remains the responsibility of OLDCO)
    3. Liquidation and termination of defined contribution plans
    4. Any additional tasks necessary or appropriate for the proper pre-liquidation operation and liquidation of the plans
- Transition management of welfare benefits, including:

1. Oversight of claims administration for trailing claims under self-insured health plan and flexible spending accounts (it being understood that provision of funding remains the responsibility of OLDCO)
2. Form 5500 filings as required
3. Coordination with insurers for payment of pre-closing claims covered by insurance companies
4. Any other tasks necessary or appropriate for the orderly termination of these benefits

- Final payout (and administration pending final payout) of 457 plans (it being understood that funding remains the responsibility of OLDCO)

Miscellaneous:

- Assist in Preparation of 990 tax returns
- Assist in Preparation of the Community Needs Assessment (990 reporting requirement)
- Insurance management
- Support for OLDCO Board/Finance/Investment Committee meetings, including meetings of the entities identified in the Purchase Agreement as the Hospitals and the Hospital Businesses, as well as Eastern Connecticut Physician Hospital Organization, Inc., Northeast Regional Radiation Oncology Network, Inc. and Tolland Imaging Center, LLC.
- Support and attendance of staff at OLDCO Board meetings, including meetings of the entities identified in the Purchase Agreement as the Hospitals and the Hospital Businesses, as well as Eastern Connecticut Physician Hospital Organization, Inc., Northeast Regional Radiation Oncology Network, Inc. and Tolland Imaging Center, LLC.
- Assist in the planning of and transition to post-closing operations
- Assist in developing a plan for post-closing office space
- Assist with record retention planning
- Assist with necessary reporting to regulatory authorities
- Support for organization and operation of the New Community Foundation

Information Services:

- Assist with support of OLDCO systems, including backup, for all necessary applications, and custom reports as needed
- Maintain and protect all data to meet OLDCO's data retention requirements
- Support all audits/reviews of data

Legal/Risk Management:

- Assist with operational issues
- Assist with resolution of outstanding claims and suits including legacy labor and employment issues (grievances, arbitrations, governmental inquries, etc.)
- Assist with outstanding workers compensation and other insurance claims and matters

EXHIBIT B

Rates

1. Prospect personnel at the level of Vice President and above shall be provided at the rate of One Hundred Fifty Dollars ($150) per hour.

2. All other Prospect personnel shall be provided at the rate of Ninety Dollars ($90) per hour.

EXHIBIT C

Dual Use Business Associate Agreement Attached

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement") is entered into and made effective as of _____, 2016 (the "Effective Date") by and between Prospect ECHN, Inc. and its subsidiaries (collectively "Prospect"), on the one hand, and Eastern Connecticut Health Network, Inc., and its subsidiaries and successors (collectively, "OLDCO"), on the other.

RECITALS

A. Prospect and OLDCO have entered into various agreements, including a Transition Services Agreement, (collectively the "Underlying Contracts") pursuant to which the parties may disclose certain information to one another pursuant to the terms of the Underlying Contracts, some of which may constitute Protected Health Information ("PHI" or "Protected Information") (defined below).

B. Prospect and OLDCO intend to protect the privacy and provide for the security of PHI disclosed to one another and are committed to complying with the patient privacy requirements set forth in California law, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("HITECH Act"), and all regulations promulgated by the U.S. Department of Health and Human Services under HIPAA and the HITECH Act, including the requirements set forth in the HIPAA Final Omnibus Rule issued on January 25, 2013, ("HIPAA Regulations").

C. As part of the HIPAA Regulations, the Privacy, Security, Breach Notification, and Enforcement Rules (defined below as "HIPAA Rules") require the parties to enter into an agreement containing specific requirements concerning the disclosure of PHI, as required by Code of Federal Regulations ("C.F.R.), Title 45, Parts 160 and 164.

In consideration of the mutual promises contained herein and the exchange of information pursuant to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. *DEFINITIONS*

All capitalized terms used herein but not otherwise defined in this Agreement shall have the same meaning as in the HIPAA Rules.

a. **Breach** shall have the meaning given to such term under the HIPAA Rules.

b. **Business Associate** ("BA") shall have the meaning given to such term under the HIPAA Rules, as set forth in 42 U.S.C. § 17938 and 45 C.F.R. § 160.103, and, in reference to this Agreement, shall mean either Prospect or OLDCO, depending on which party is receiving the protected information, and the subcontractors, agents, and person(s) or entities under the party's control.

c. **Covered Entity** ("CE") shall have the meaning given to such term under the HIPAA Rules, as set forth in C.F.R. § 160.103. Both Prospect and OLDCO are Covered Entities and may provide protected information to the other party, which will sit in the role as the Business Associate.

d. **Data Aggregation** shall have the meaning given to such term under the HIPAA Rules, as set forth 45 C.F.R. § 164.501.

e. **Designated Record Set** shall have the meaning given to such term under HIPAA Rules, as set forth in 45 C.F.R. § 164.501.

f. **Electronic Protected Health Information or EPHI** means Protected Health Information that is maintained in or transmitted by electronic media, as defined in the HIPAA Rules.

g. **Electronic Health Record** shall have the meaning given to such term in the HIPAA Rules and as set forth in 42 U.S.C. § 17921.

h. **Health Care Operations** shall have the meaning given to such term under the HIPAA Rules, including, but not limited to, the meaning set forth in 45 C.F.R. § 164.501.

i. **HIPAA Rules** shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and 164.

j. **Protected Health Information or PHI** shall have the meaning given to such term under the HIPAA Rules, including 45 C.F.R. § 160.103, which includes any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual. Protected Health Information includes Electronic Protected Health Information.

k. **Protected Information** shall mean PHI provided by CE to BA or created or received by BA on CE's behalf.

l. **Subcontractor** means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate, pursuant to 45 C.F.R. § 160.103.

m. **Unsecured PHI** shall have the meaning given to such term under 42 U.S.C. § 17932(h), 45 C.F.R. § 164.402 and guidance issued pursuant to the HITECH Act including, but not limited to that issued on April 17, 2009 and published in 74 Federal Register 19006 (April 27, 2009), by the Secretary of the U.S. Department of Health and Human Services ("Secretary").

2. *OBLIGATIONS OF BUSINESS ASSOCIATE*

a. **Permitted Access, Use or Disclosure.** The parties shall neither permit the unauthorized or unlawful access to, nor use or disclose, PHI other than as permitted or required by the Underlying Contracts, this Agreement or as permitted or required by law. The parties shall not access, use or disclose Protected Information in any manner that would constitute a violation of HIPAA, the HITECH Act, the HIPAA Regulations, or applicable state law if so accessed, used or disclosed by CE. However, the parties may access, use or disclose Protected Information (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) as required by law; (iv) for Data Aggregation purposes for the Health Care Operations of CE; (v) for the public health activities and purposes set forth at 45 C.F.R. § 164.512(b); or (vi) to the extent such Protected Information is de-identified in accordance with the standards set forth under 45 C.F.R. § 164.514, provided the parties have each other's written consent in advance of any such use or disclosure, which consent may be withheld in CE's sole discretion. If either party permits a third party to use or access Protected Information or otherwise discloses Protected Information to a third party, the party must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such Protected Information will be held confidential as provided pursuant to this Agreement and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify the other party of any Breaches of confidentiality of the Protected Information, to the extent it has obtained knowledge of such Breach.

b. **Prohibited Uses and Disclosures under HITECH.** Notwithstanding any other provision in this Agreement, the parties to this Agreement shall comply with the following requirements: (i) a party shall not use or disclose Protected Information for fundraising or marketing purposes, except as provided under the Agreement and consistent with the requirements of 42 U.S.C. 17936, 45 C.F.R. § 164.522(a)(vi); (ii) a party shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates, 42 U.S.C. § 17935(a); (iii) a party shall not directly or indirectly receive remuneration in exchange for Protected Information, except with the prior written consent of CE and as permitted by the HIPAA Rules and HITECH Act, 42 U.S.C. § 17935(d)(2), 45 C.F.R. 164.502(a)(5)(ii); however, this prohibition shall not affect payment for services provided pursuant to the Agreement.

c. **Appropriate Safeguards.** The parties shall implement appropriate safeguards as are necessary to prevent the access, use or disclosure of Protected Information other than as permitted by the Underlying Contracts or this Agreement. The parties shall comply, where applicable, with the Security Rule with respect to EPHI, including but not limited to 45 C.F.R. §§ 164.308, 164.310, and 164.312 and the policies and procedures and documentation requirements of the HIPAA Security Rule set forth in 45 C.F.R. § 164.316, and shall use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of EPHI.

d. **Mitigation.** The parties agree to mitigate, to the extent practicable, any harmful effect that is known as a result of use or disclosure of PHI not authorized by the Underlying Contracts, this Agreement or applicable federal or state rules or regulations governing the use, access, maintenance or disclosure of protected health information.

e. **Reporting of Improper Access, Use or Disclosure.** The parties shall promptly report to the other party in writing of any access, use or disclosure of Protected Information exchanged between one another, not permitted by the Underlying Contracts, this Agreement, the HIPAA Rules or any corresponding state privacy or security requirements as well as any security incident of which it becomes aware. The parties shall, following the discovery of any Breach of Unsecured PHI, notify the other in writing of such breach without unreasonable delay and in no case later than ten (10) calendar days after discovery. The party responsible for the improper use or disclosure agrees to pay the actual, reasonable costs of the required notifications.

f. **Business Associate's Subcontractors.** The receiving party of any protected information shall ensure that any Subcontractors that create, maintain or transmit Protected Information, agree in writing to the same restrictions and conditions that apply to the party with respect to such PHI. To the extent a party creates, maintains, receives or transmits Electronic PHI on behalf of the other party, the receiving party shall implement the safeguards required by paragraph 2.c. above with respect to EPHI and shall ensure that any Subcontractor to whom it provides Protected Information agrees in writing to implement the same safeguards.

g. **Access to Protected Information.** To the extent the receiving party maintains a Designated Record Set on behalf of the other party, it shall make Protected Information maintained by it or its Subcontractors in Designated Record Sets available to the other party for inspection and copying within fifteen (15) days of a request by the other party to enable the other party to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. § 164.524. If the receiving party maintains an Electronic Health Record, the receiving party shall provide such information in electronic format to enable the CE to fulfill its obligations under the HIPAA Rules (and the HITECH Act as set forth in 42 U.S.C. § 17935(e)).

h. **Amendment of PHI.** To the extent a party maintains a Designated Record Set on behalf of the other party, within fifteen (15) days of receipt of a request from the other party or an individual for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, the party and/or its Subcontractors shall make any amendments that the other party directs or agrees to in accordance with the HIPAA Rules.

i. **Accounting Rights.** Within fifteen (15) days of notice by a party of a request for an accounting of disclosures of Protected Information, each party and its Subcontractors shall make available to the requesting party the information required to provide an accounting of disclosures to enable the party to fulfill its obligations under the HIPAA Rules, including, but not limited to, 45 C.F.R. § 164.528 and 42 U.S.C. § 17935(c), as determined by the requesting party. The provisions of this subparagraph 2.i. shall survive the termination of this Agreement.

j. **Governmental Access to Records.** The parties shall make their internal practices, books and records relating to the use and disclosure of Protected Information available

to the other party and to the Secretary of the U.S. Department of Health and Human Services (the "Secretary") for purposes of determining the party's compliance with the HIPAA Rules. Each party shall immediately notify the other party of any requests made by the Secretary and provide the other party with copies of any documentation it provides in response to such requests.

k. **Compliance with Privacy Rule.** To the extent that a party carries out the other party's obligations under the Privacy Rule, the party shall comply with the requirements of the Privacy Rule that apply to the other party in the performance of such obligations.

l. **Minimum Necessary**. Each party and their respective Subcontractors shall request, use and disclose only the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure. The parties understand and agree that the definition of "minimum necessary" shall be the meaning set forth in the HIPAA Rules. The parties agree to make their respective uses, disclosures and requests for Protected Information consistent with the other party's minimum necessary policies and procedures, to the extent such policies and procedures are provided to one another.

m. **Business Associate's Insurance**. The parties shall each obtain insurance for themselves and their respective employees, agents and independent contractors in an amount not less than One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) annual aggregate of Commercial General Liability insurance and Two Million Dollars ($2,000,000) per occurrence and Four Million Dollars ($4,000,000) annual aggregate of Errors and Omissions insurance. The Errors and Omissions insurance shall cover, among other things, Breaches. Upon request, the parties shall exchange certificates of insurance or other written evidence of the insurance policy or policies required herein prior to execution of this Agreement (or as shortly thereafter as is practicable) and as of each annual renewal of such insurance policies during the period of such coverage. Further, in the event of any material modification, termination, expiration, non-renewal or cancellation of any of such insurance policies, the party shall give written notice to the other party not more than ten (10) days following the party's receipt of such notification. If a party fails to procure, maintain or pay for the insurance required under this section, the other party shall have the right, but not the obligation, to obtain such insurance. In such event, the party shall promptly reimburse the other party for the cost thereof upon written request, and failure to repay the same upon demand by the party shall constitute a material breach of this Agreement.

3. *TERMINATION*

a. **Term.** The term of this Agreement shall be effective as of the Effective Date and shall terminate upon the later of (1) the termination or expiration of the Underlying Contracts; or (2) when all of the PHI provided by CE to BA, or created or received by BA on behalf of CE, is destroyed or returned to CE.

b. **Termination**.

i. **Material Breach**. A breach by either party of any provision of this Agreement, as determined by the other party, shall constitute a material breach of the Agreement

and shall provide grounds for termination of the Agreement, any provision in the Agreement to the contrary notwithstanding, with or without an opportunity to cure the breach. If termination of the Agreement is not feasible, the party may report the problem to the Secretary.

ii. **Material Breach by either CE.** If either party knows of a pattern of activity or practice of the other party that constitutes a material breach or violation of the other party's obligations under the Underlying Contracts, the Agreement or other arrangement, the party shall notify the other party of the pattern or activity or practice and take reasonable steps to assist the other party in curing or ending the breach or violation. If the steps are unsuccessful, the party may be required terminate the Agreement or other arrangement.

c. **Effect of Termination.** Upon termination of the Agreement for any reason, the parties shall, at the option of the other party, return or destroy all Protected Information or its Subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by a party, the other party shall continue to extend the protections of this Agreement to such information, and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. If a party elects destruction of the PHI, the party shall certify in writing to the other party that such PHI has been destroyed.

4. ***INDEMNIFICATION; LIMITATION OF LIABILITY.*** To the extent permitted by law, a party shall indemnify, defend and hold harmless the other party and its directors, officers, employees, parent, subsidiaries, agents and affiliates from any and all liability, claim, lawsuit, injury, loss, expense or damage resulting from or relating to the acts or omissions of the indemnifying party in connection with the representations, duties and obligations of the indemnifying party under this Agreement. Any limitation of liability contained in the Agreement shall not apply to the indemnification requirement of this provision. This provision shall survive the termination of the Agreement.

5. ***ASSISTANCE IN LITIGATION.*** Each party shall make itself and any Subcontractors assisting a party in the performance of its obligations pursuant to the Underlying Contracts available, at no cost to the other party, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against a party, its directors, officers, agents, employees or affiliates based upon a claim of violation of the HIPAA Rules or HITECH Act, or other California or federal laws related to security and privacy, except where the party or its Subcontractor is named as an adverse party.

6. ***COMPLIANCE WITH STATE LAW.*** Nothing in this Agreement shall be construed to require or permit either party to use or disclose Protected Information without a written authorization from an individual who is a subject of the Protected Information, or without written authorization from any other person, where such authorization would be required under state law for such use or disclosure.

7. ***AMENDMENT TO COMPLY WITH LAW.*** The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such develop-

ments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, and other applicable laws relating to the security or confidentiality of PHI. The parties understand and agree that they must receive satisfactory written assurance from the other party that it will adequately safeguard all Protected Information. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act or any other applicable law. A party may terminate the Agreement upon thirty (30) days written notice if (i) the other party does not promptly enter into negotiations to amend the Agreement or Agreement when requested by a party pursuant to this section or (ii) the other party does not enter into an amendment to the Underlying Contracts or Agreement providing assurances regarding the safeguarding of PHI that the other party, in its sole discretion, deems sufficient to satisfy the standards and requirements of applicable laws.

8. ***NO THIRD-PARTY BENEFICIARIES.*** Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer upon any person other than the parties to this Agreement and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

9. ***INTERPRETATION.*** The provisions of this Agreement shall prevail over any provisions in the Underlying Contracts that may conflict or appear inconsistent with any provision in this Agreement. This Agreement and the Underlying Contracts shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, and any other state or federal rules concerning PHI. The parties agree that any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with the HIPAA Rules. Except as specifically required to implement the purposes of this Agreement, or to the extent inconsistent with this Agreement, all other terms of the Agreement shall remain in force and effect.

10. ***NOTICES.*** All notices hereunder shall be in writing and delivered by a confirmed facsimile, personally, by certified or registered mail, return receipt requested, or by overnight courier, and shall be deemed to have been duly given when delivered by fax, personally or when deposited in the United States mail, postage prepaid, or deposited with the overnight courier addressed as follows:

If to Prospect

Prospect ECHN, Inc.
Attn: Chief Executive Officer
71 Haynes Street
Manchester, CT 06040
Fax: [(860) 533-3404]

and

Prospect Medical Holdings, Inc.
Attn: Legal Department
10780 Santa Monica Blvd, Suite 400, Los Angeles, CA 90025
Fax: (310) 943-4501

If to OLDCO:_____
_____
_____
Attn: _____
Fax: _____

or to such other persons or places as either party may from time to time designate by written notice to the other.

11. ***ENTIRE AGREEMENT OF THE PARTIES.*** This Agreement supersedes any and all prior and contemporaneous business associate agreements or addenda between the parties and constitutes the final and entire agreement between the parties hereto with respect to the subject matter hereof. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, with respect to the subject matter hereof, have been made by either party, or by anyone acting on behalf of either party, which is not embodied herein. No other agreement, statement or promise, with respect to the subject matter hereof, not contained in this Agreement shall be valid or binding.

12. ***REGULATORY REFERENCES.*** A reference in this Agreement to a section of regulations means the section as in effect or as amended, and for which compliance is required.

13. ***COUNTERPARTS.*** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date referenced above.

PROSPECT ECHN, INC.	**EASTERN CONNECTICUT HEALTH NETWORK, INC.**
By: _____	By: _____
Name:	Name:
Title:	Title:

Exhibit B

Form of Limited Power of Attorney

See attached.

LIMITED POWER OF ATTORNEY

_____, a Connecticut non-stock corporation ("Registrant"), operates under the certain licenses and registrations relating to controlled substances and the operation of pharmacies and laboratories set forth on Exhibit A hereto (collectively, the "Licenses and Registrations"). This Limited Power of Attorney is being delivered pursuant to that certain Asset Purchase Agreement, dated as of _____, 2016, by and among Registrant, _____, a Connecticut corporation ("Corporation"), and certain other parties (the "Purchase Agreement").

1. To the extent permitted by applicable law:

(a) I, _____, am authorized to sign the current applications for DEA registration on behalf of the Registrant under the Controlled Substances Act or Controlled Substances Import and Export Act, and have made, constituted, and appointed, and by these present, do hereby make, constitute, and appoint Corporation as my true and lawful attorney-in-fact to act for me in my name, place, and stead, to execute applications for Forms 222 and to sign orders for Schedule II controlled substances, whether these orders be on Form 222 or electronic, in accordance with 21 U.S.C. § 828 and Part 1305 of Title 21 of the Code of Federal Regulations, for the Limited Period described in Section 3 below. I hereby ratify and confirm all that Corporation must lawfully do or cause to be done by virtue hereof.

(b) Corporation further grants this Limited Power of Attorney to _____ ("Pharmacist-In-Charge") to act as the true and lawful agent and attorney in-fact of Corporation, and to act in the name, place, and stead of Corporation, to execute applications for Forms 222 and to sign orders for Schedule II controlled substances, whether these orders be on Form 222 or electronic, in accordance with 21 U.S.C. § 828 and Part 1305 of Title 21 of the Code of Federal Regulations, as is necessary for the treatment of pharmacy patients. Corporation hereby ratifies and confirms all that said Pharmacist-In-Charge must lawfully do or cause to be done by virtue hereof.

(c) Corporation shall have the right, for the Limited Period described in Section 3 below, to operate under all of the Licenses and Registrations, until it is able to obtain all requisite licenses and registrations for itself.

2. Registrant recognizes that it remains legally responsible for Licenses and Registrations issued to it, during the period in which this Limited Power of Attorney is in effect. Therefore, Registrant grants this Limited Power of Attorney to Corporation based upon the following covenants and warranties of Corporation: (a) Corporation shall follow and abide by and comply with all federal and state laws governing the regulation of controlled substances, and the operation of the pharmacies, laboratories, blood banks and blood collection facilities set forth on Exhibit A hereto at all times while utilizing this Limited Power of Attorney and shall indemnify and hold Registrant harmless from and against any claims arising out of Corporation's failure to do so; and (b) Corporation, or its designee, shall make application for and pursue its own licenses and registrations relating to controlled substances, and the operation of pharmacies, laboratories, blood banks and blood collection facilities that are required by law as soon as practicable.

3. This Limited Power of Attorney shall remain in effect for a period not to exceed one hundred twenty (120) days following the closing date of the Purchase Agreement (the "Limited Period").

4. Registrant may revoke this Limited Power of Attorney at any time by executing the Notice of Revocation, attached hereto at Exhibit B.

5. This Limited Power of Attorney may be executed in multiple counterparts, each and all of which shall be deemed an original and all of which together shall constitute one and the same instrument. A signature delivered by facsimile or PDF will be sufficient for all purposes among the parties hereto and shall be deemed to have the same legal effect as delivery of an original.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Registrant and Corporation have executed this Limited Power of Attorney as of the _____ day of _____, 2016 to be effective as of 12:01 a.m. Eastern Time on the __ day of _____, 2016.

REGISTRANT:

WITNESS

_____

_____

By: _____
Name:
Title:

WITNESS

_____

CORPORATION:

_____

By: _____
Name:
Title:

(Limited Power of Attorney Signature Page – _____)

I, _____, hereby affirm that I am the person named herein as attorney-in-fact pursuant to Section 1(b) of the Limited Power of Attorney and that the signature affixed hereto is my signature.

_____
Name:
Pharmacist-In-Charge

Witness: _____

Witness: _____

(Limited Power of Attorney Signature Page – Pharmacist-In-Charge – _____)

EXHIBIT A

Location	*License/Registration*	*License/Registration #*
	U.S. Drug Enforcement Agency Controlled Substance Registration	
	Controlled Substance Registration	
	Connecticut Laboratory Licenses	
	Connecticut Blood Bank and Blood Collection Facility Registrations	
	CMS Laboratory – CLIAs	

EXHIBIT B

The Limited Power of Attorney, executed on _____ ____, 2016, is hereby revoked by the undersigned, who is authorized to sign the current applications for the Licenses and Registrations. Written notice of this revocation has been given to the attorney-in-fact this same day.

By: _____
Name:
Title:

Witness: _____

Witness: _____

Exhibit C

Form of Governing Documents of PMH Medical Foundation

See attached.

ORGANIZATIONAL ACTION BY
SOLE INCORPORATOR
OF
PROSPECT CT MEDICAL FOUNDATION, INC.

The undersigned, being the sole incorporator named in the Certificate of Incorporation of Prospect CT Medical Foundation, Inc., a Connecticut corporation (the "**Corporation**"), filed with the Secretary of State of the State of Connecticut on April 15, 2016, acting by written consent without a meeting pursuant to Section 33-1029(b) of the Connecticut Revised Nonstock Corporation Act, hereby consents to the adoption of the following specified resolutions:

Number and Election of Directors

RESOLVED: That the number of members that shall constitute the Board of Directors shall initially be two (2); and

RESOLVED, FURTHER: That each of the following persons is hereby elected to the Board of Directors of the Corporation, to hold such office until his or her successor or successors have been duly elected and qualified, or until his or her earlier death, resignation or removal:

Samuel S. Lee

David Topper

IN WITNESS WHEREOF, the undersigned has duly executed this Organizational Action as of this 25th day of July, 2016.

Michele M. Volpe, Esq.
Sole Incorporator

PROSPECT CT MEDICAL FOUNDATION, INC.
(a Connecticut corporation)

UNANIMOUS WRITTEN CONSENT IN LIEU OF MEETING OF THE BOARD OF DIRECTORS

The undersigned, being all of the members of the Board of Directors of Prospect CT Medical Foundation, Inc., a Connecticut corporation (the "**Corporation**"), acting by unanimous written consent without a meeting pursuant to Section 33-1064 of the Connecticut Revised Nonstock Corporation Act, do hereby waive notice of a meeting and consent to the adoption of the following resolutions:

NOW, THEREFORE, BE IT:

Organizational Matters

RESOLVED: That all of the actions of Michele M. Volpe, Esq., as the sole incorporator of the Corporation (the "**Incorporator**"), are hereby approved, ratified and adopted in all respects; and be it hereby

RESOLVED, FURTHER: That the Certificate of Incorporation of the Corporation executed by the Incorporator and filed with the Secretary of State of the State of Connecticut, attached hereto and incorporated herein as Exhibit A (the "**Certificate**"), be, and the same hereby is, approved, ratified and adopted; and be it hereby

Bylaws

RESOLVED, FURTHER: That the Bylaws attached hereto and incorporated herein as Exhibit B be, and the same hereby are, adopted as the Bylaws of the Corporation; and be it hereby

Officers; Delegated Authority

RESOLVED, FURTHER: That the following individuals be, and each of them hereby is, elected to serve in the offices of the Corporation set opposite their respective names, each to hold such offices until his or respective successor is duly elected and qualified or until his or her earlier resignation or removal; and be it hereby:

President	Samuel S. Lee
Chief Executive Officer	David Topper
Secretary	Ellen J. Shin, Esq.
Chief Financial Officer	Steve M. Aleman

RESOLVED, FURTHER: That for the purposes of authorizing the Corporation to do business in any state, territory or dependency of the United States or any foreign country in which it is necessary or expedient for this Corporation to transact business, the proper officers of the Corporation be, and each of them hereby is, authorized to appoint and substitute all necessary agents or attorneys for service of process, to designate and change the location of all necessary statutory offices and to make and file all necessary certificates, reports, powers of attorney, and other instruments as may be required by the laws of such state, territory, dependency or country to authorize the Corporation to transact business therein; and be it hereby

RESOLVED, FURTHER: That the President and the Chief Financial Officer of the Corporation and/or any officers or agents as they may designate be, and each of them hereby is, authorized to make payments from the funds of the Corporation for expenses incurred or to be incurred incident to the organization of the Corporation or to the implementation of authorized corporate action including, but not limited to, all expenses for office and clerical services and professional accounting, investment consultant, and legal services provided to the Corporation, and all filing fees relating to the creation of the Corporation or the implementation of any authorized corporate practice; and be it hereby

Books and Records

RESOLVED, FURTHER: That the President of the Corporation and/or any officers or agents as he may designate be, and each of them hereby is, authorized and directed to procure all books of account and other materials and supplies necessary or appropriate in connection with maintaining the records and conducting the business of the Corporation; and be it hereby

Banking

RESOLVED, FURTHER: That the President and the Chief Financial Officer of the Corporation and/or any officers or agents as they may designate be, and each of them hereby is, authorized to open such bank account(s) on behalf of the Corporation as they deem appropriate or advisable, and that such officers or agents be, and each of them hereby is, authorized to execute and deliver to such banks the resolutions required thereby and such resolutions will be deemed to have been approved by the Board of Directors with the same force and effect as if they had been set forth herein; and be it hereby

RESOLVED, FURTHER: That the President and the Chief Financial Officer of the Corporation and/or any officers or agents as they may designate be, and each of them hereby is, authorized to deposit any of the funds of the Corporation in said bank(s) and that the President or the Chief Financial Officer of the Corporation and/or any officers or agents as they may designate be, and each of them hereby is, authorized to withdraw funds of the Corporation by checks drawn in the name of the Corporation from said bank(s) either at its main office or any of its branches; and be it hereby

General

RESOLVED, FURTHER: That all actions previously taken by any of the officers of the Corporation, or by any of the Corporation's directors, employees, agents or representatives in connection with the organization of the Corporation and the matters contemplated by the

foregoing resolutions be, and each of them hereby is, expressly approved, ratified, and confirmed in all respects as the acts and deeds of the Corporation; and be it hereby

RESOLVED, FURTHER: That the President of the Corporation and/or any officers or agents as he may designate be, and each of them hereby is, authorized to take all such further action, as the President of the Corporation or any such officer or agent, as applicable, may deem necessary, proper, convenient or desirable, in order to carry out each of the foregoing resolutions and fully to effectuate the purposes and intents thereof, and that all actions taken by the President of the Corporation or any such officers or agents, as applicable, to date, in connection with the foregoing resolutions, or otherwise, be, and each of them hereby is, in all respects approved, ratified and confirmed; and be it hereby

RESOLVED, FURTHER: That the officers of the Corporation be, and each of them hereby is, authorized and directed in the name of the Corporation, to prepare and file all such notices and applications and any and all certificates, documents, letters and other instruments with all appropriate state and federal or other governmental authorities as necessary or desirable with respect to hospital licensure and the transactions contemplated by the foregoing resolutions; and be it hereby

RESOLVED, FURTHER: That the Corporation may proceed to carry on the business for which it was incorporated; and be it hereby

RESOLVED, FURTHER: That this unanimous written consent may be signed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument, and the undersigned members of the Board of Directors of the Corporation hereby direct the Secretary of the Corporation to file the executed copy of this unanimous written consent in the books and records of the Corporation.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned members of the Board of Directors of Prospect CT Medical Foundation, Inc. have duly executed this unanimous written consent as of the 25th day of July, 2016.

By: _____
Print Name: Samuel S. Lee
Title: Director

By: _____
Print Name: David Topper
Title: Director

[Signature Page to Unanimous Written Consent In Lieu of Meeting of the Board of Directors of Prospect CT Medical Foundation, Inc.]

EXHIBIT A

CERTIFICATE OF INCORPORATION

FILING #0005546144 PG 01 OF 05 VOL B-02184
FILED 04/15/2016 12:00 PM PAGE 00997
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

Certificate of Incorporation

of

Prospect CT Medical Foundation, Inc., a Connecticut Nonstock Corporation

1. The name of the corporation shall be **Prospect CT Medical Foundation, Inc.**, a Connecticut Nonstock Corporation (the "Corporation").

2. The nature of the activities to be conducted and the purposes to be promoted or carried out by the Corporation shall include the following:

   a. To provide professional medical services to the patients of hospitals affiliated with Prospect CT, Inc. (the "Hospitals") and other affiliates of Prospect CT, Inc. and to other individuals in the Hospitals' service areas; provided, however, that all professional medical services rendered by the Corporation shall be rendered only through individuals who are authorized by the laws of the State of Connecticut to render professional medical services.

   b. To promote and support the mission and purposes of the Hospitals by providing professional medical services to their patients and engaging in education activities related to patient care and the promotion of good health.

   c. To carry on additional activities related to rendering care to the sick or injured or the promotion of health in the community.

   d. To invest the funds of the Corporation in stocks, bonds, real estate, mortgages, or any other type of investment and to own real property incident to the rendering of professional medical services.

   e. To otherwise engage in any lawful act or activity from which a medical foundation may be organized under Chapter 594b of the Connecticut General Statutes or for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act (the "Act").

   f. Medical foundation status will not be effective until Member or a Member affiliate owns a Connecticut licensed hospital.

3. The Corporation is nonprofit and shall not have or issue shares of stock or make distributions.

4. The Corporation shall have one member (the "Member") which shall be Prospect CT, Inc., a Delaware corporation. The Member shall have the right to adopt bylaws (the "Bylaws") for the conduct of the affairs of the Corporation and the right to elect the Board of Directors and officers of the Corporation in accordance with the Corporation's Bylaws and shall have all other rights, powers and privileges usually or by law accorded to the members of a non-stock nonprofit corporation and conferred thereby or by the Corporation's Certificate of Incorporation or Bylaws.

5. Subject to the rights and powers of the Member, the Corporation shall operate under the management of its Board of Directors. The Member shall prescribe the number, qualifications (if any) and manner of election of the Directors of the Corporation. The Member may provide that persons occupying certain positions within or without the Corporation shall be ex-officio members of the Board of Directors, who may vote and be counted in determining a quorum.

6. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to the Corporation's Directors, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Paragraph 2 hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

7. Upon any dissolution or termination of the existence of the Corporation, all its property and assets shall be applied and distributed as follows: (i) All liabilities and other obligations of the Corporation shall be paid, satisfied and discharged, or adequate provision shall be made therefor; (ii) assets held by the Corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements; (iii) assets received and held by the Corporation subject to limitations permitting their use, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more domestic or foreign corporations, societies or organizations engaged in activities substantially similar to those of the dissolving corporation, pursuant to a plan of distribution adopted as provided in section 33-1175; (iv) other assets, if any, shall be distributed to the Member except to the extent that the certificate of incorporation provides for distribution to others; and (v) any remaining assets may be distributed to such persons, societies, organizations or domestic or foreign corporations, whether for

profit or nonprofit, as may be specified in a plan of distribution adopted as provided in section 33-1175.

8. The personal liability of a Director of the Corporation to the Corporation for breach of duty as a Director of the Corporation shall be limited to the fullest extent permitted by the Act and as set forth in Section 1104 or any other applicable laws presently or hereafter in effect.

9. The Corporation shall indemnify its Directors and officers as follows:

   a. The Corporation shall, to the fullest extent permitted by law, indemnify its Directors or officers from and against any and all of the liabilities, expenses and other matters referenced in or covered by the Act or any other applicable laws presently or hereafter in effect. In furtherance and not in limitation thereof, the Corporation shall indemnify a Director for a liability, as defined in Section 33-1116 of the Act, to any person for any action taken, or any failure to take any action, as a Director, except a liability that (i) involved a knowing and culpable violation of law by the Director; (ii) enabled the Director or an associate, as defined in Section 33-840 of the Connecticut General Statutes, to receive an improper personal gain; (iii) showed a lack of good faith and a conscious disregard for the duty of the Director to the Corporation under circumstances in which the Director was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the Corporation; or (iv) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the Director's duty to the Corporation.

   b. In addition to the foregoing, the Corporation shall provide to its Directors and officers the full amount of indemnification that the Corporation is permitted to provide to such Directors and officers pursuant to Sections 33-1116 to 33-1125, inclusive, of the Act or any other applicable laws presently or hereafter in effect. Expenses (including attorneys' fees) incurred by a Director or officer in defending a civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of both (i) a written affirmation by such officer or Director of his or her good faith belief that he or she has met the relevant standard of conduct under the Act or that the proceeding involves conduct for which liability has been limited under Paragraph 8 of this Certificate of Incorporation; and (ii) an undertaking by or on behalf of such Director or officer to repay such amount if it shall ultimately be determined that such Director or officer is not entitled to be indemnified by the Corporation as authorized in this Paragraph 9.

Such expenses (including attorneys' fees) incurred by other employees and agents of the Corporation may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

c. The indemnification and advancement of expenses provided by, or granted pursuant to this Paragraph 9 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

d. No amendment to or repeal of this Paragraph 9 shall apply to or have any effect on the indemnification of any Director or officer for or with respect to any acts or omissions of such Director or officer occurring prior to such amendment or repeal, nor shall any such amendment or repeal apply to or have any effect on the obligations of the Corporation to pay for or reimburse in advance expenses incurred by a Director or officer in defending any action, suit or proceeding arising out of or with respect to any acts or omissions occurring prior to such amendment or repeal.

10. References in this Certificate of Incorporation to the Act shall be deemed to include amendments adopted from time to time to such Act.

11. The Corporation's registered agent shall be:

Name: C T Corporation System

Business Address: One Corporate Center, Hartford, CT 06103

Acceptance of Appointment:

Signature of Agent: Gary Scappini, Special Asst Sec

Email address: NONE

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FILED 04/15/2016 12:00 PM PAGE 01001
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

12. The name and address of the incorporator is:

Name: Michele M. Volpe, Esq.

Address: Bershtein, Volpe & McKeon PC
105 Court Street, 3rd Floor
New Haven, CT 06511

I hereby declare, under penalties of false statement, that the statements made in the foregoing certificate are true.

Dated this 14 of April, 2016

Michele M. Volpe, Esq.
Sole Incorporator

STATE OF CONNECTICUT } SS. HARTFORD
OFFICE OF THE SECRETARY OF THE STATE

I hereby certify that this is a true copy of record in this Office.
In Testimony whereof, I have hereunto set my hand and affixed the Seal of said State, at Hartford, this 22ND day of APRIL A.D. 2016

SECRETARY OF THE STATE

EXHIBIT B

BYLAWS

BYLAWS OF

PROSPECT CT MEDICAL FOUNDATION, INC.

A CONNECTICUT NONSTOCK CORPORATION

Dated: _____, 2016

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BYLAWS OF

PROSPECT CT MEDICAL FOUNDATION, INC.

A CONNECTICUT NONSTOCK CORPORATION

ARTICLE 1 – ORGANIZATION

1.1. Name. The name of the Corporation shall be Prospect CT Medical Foundation, Inc. (herein referred to as the "Corporation").

Purposes. The Corporation is organized and shall be operated exclusively as a medical foundation of the Member pursuant to Chapter 594b of the Connecticut General Statutes (as it may be amended from time to time, the "Foundation Act"), providing medical services and other health care services to patients of the Member and its affiliates and to other individuals ; providing public health services, to include promoting the efficient delivery of quality medical care in and around the service area of the Corporation; meeting the healthcare needs of the public; participating in activities designed to promote the general health of the community; and for the other purposes described in the Corporation's Certificate of Incorporation.

1.2. Offices. The principal office of the Corporation shall be located in the State of Connecticut at such location as may be determined by the Corporation. The Corporation may have such other offices within and without the State of Connecticut as the Member may determine.

1.3. Divisions. The operations of the Corporation shall be divided into divisions representing the service area of each hospital or health system operated by the Member or an affiliate (each such area hereinafter referred to as a "Division") or by a particular specialty all determined by the Member at its sole discretion.

ARTICLE 2 - THE MEMBER

2.1. Membership. Prospect CT, Inc. shall be the sole member (the "Member") of the Corporation, which shall have the right to elect the Board of Directors (the "Board") of the Corporation, and shall have all of the other rights, powers and privileges usually or by law accorded to the member of a medical foundation under the Foundation Act and the member of a nonstock corporation under the Connecticut Revised Nonstock Corporation Act (the "Nonstock Act") that are not conferred by these Bylaws on the Board of Directors of the Corporation.

2.2. **Member's Action; Powers of the Member**. In the exercise of its powers, the Member may act through its President or Chief Executive Officer, or such other officer duly designated by the Member. The President, Chief Executive Officer or duly designated officer shall have the full power and authority to act on behalf of the Member, to vote in person or by proxy on behalf of the Member, and to take all other actions as the Member may be authorized to take by law, the Certificate of Incorporation or these Bylaws. All action of the Member may be taken by written consent in lieu of a meeting, including in lieu of the annual meeting of the Corporation. Whenever approval by the Member is required by law, the Certificate of Incorporation or these Bylaws, the Member shall attempt to act on a request for approval within the time frame set forth in any schedule that may be developed from time to time, or if no such schedule exists, in a timely manner. In addition to any other powers that are provided to the Member by law and to the fullest extent permitted by law, the Member shall have the following rights, powers and privileges:

2.2.1. The power, consistent with Section 3.2.2 hereof, to appoint all Directors to the Board.

2.2.2. The power to approve or initiate all operating and capital budgets of the Corporation.

2.2.3. The power to approve unbudgeted expenditures in such amount or amounts as may be established by the Member or any increase in an approved annual operating or capital budget.

2.2.4. The power to approve or initiate any advances of assets of, or loans by, the Corporation, or the incurring of any indebtedness, secured or unsecured.

2.2.5. The power to appoint the Corporation's auditors and to appoint legal counsel and other consultants whose responsibilities encompass rights or responsibilities of corporations, subsidiaries or entities affiliated with the Corporation or Member (the "Subsidiaries" and "Affiliates").

2.2.6. The power to engage in managed care and other third party payor contracting on behalf of the Corporation.

2.2.7. The power to obtain Director and Officer liability, comprehensive general and other insurance on behalf of the Corporation.

2.2.8. The power, to the extent permitted under applicable law, to exercise supervision and control over the investment of any and all of the Corporation's funds and assets.

2.2.9. The power to approve or initiate the commencement, cessation, location, relocation or consolidation of clinical services provided by the Corporation and to approve or initiate the filing of any application for a Certificate of Need by the Corporation.

2.2.10. The power to adopt system-wide quality, performance and credentialing standards and procedures to which the Corporation is expected to adhere.

2.2.11. The power to approve or initiate any agreement or transaction involving another corporation or entity, including corporations or entities controlled directly by or otherwise affiliated with the Corporation or Member.

2.2.12. The power to approve or initiate the affiliation of the Corporation with any other entities for the purpose of the joint conduct of business or other purposes, whether in the form of participation in said organization or entity or through the holding of stock or by membership or in the form of partnership, joint venture, co-tenancy or any other form of ownership or control.

2.2.13. The power to change, amend or restate the Corporation's Certificate of Incorporation, Bylaws, purposes, membership and rights and responsibilities accruing thereto, fiscal year, principal office or name.

2.2.14. The power to create any corporation of which the Corporation is the sole member or controlling member; to approve any merger or consolidation with another corporation in which the Corporation is a constituent corporation; and to reorganize, liquidate or dissolve the Corporation or any corporation of which the Corporation is the sole member or controlling member.

2.2.15. The power to sell, leases, exchange, or otherwise disposes of all or substantially all of the property or assets of the Corporation.

2.2.16. The power to elect, re-elect and remove Directors, the Chair, the Vice Chair, the Treasurer, the Secretary, the President and Chief Executive Officer and the power to increase or decrease the size of the Board.

2.2.17. The power to establish, appoint and remove members of committees of the Corporation and to delegate certain duties to committees, officers, employees or agents of the Corporation.

2.2.18. The power to approve, amend or adopt policies and procedures governing indemnification of Directors and officers of the Corporation; conflicts or dualities of interest; accounting and investment standards and practices; and such other policies and provisions.

2.2.19. The power to approve or initiate the conveyance of, or the granting of mortgages, trusts, deeds or the creation of other liens on, any real property assets of the Corporation.

2.2.20. The power to adopt a system-wide strategic plan and vision to which the Corporation is expected to adhere.

2.2.21. The power to approve any employee pension and other employee benefit plans for or on behalf of the Corporation.

2.2.22. The power to approve any contract with an unrelated third party for the management of all or substantially all of the assets or operations of the Corporation.

2.2.23. The power to approve any compensation plan of the Corporation and establish any policies and procedures relating to compensation

2.3. Annual Meetings. The annual meeting of the Member shall be held at such date, time and place as shall be determined by the Member. At the annual meeting, the Member shall elect and re-elect Directors and transact such other business relating to the affairs of the Corporation as may properly come before the meeting.

2.4. Special Meetings. Special meetings of the Member may be called by the Member or by the Chair. Notice of such call shall be given at least ten (10) days in advance of the meeting and shall state the purpose for which the meeting is called. No business shall be transacted at the meeting except such business as was set forth in the notice of such meeting.

2.5. Action at Meeting. At any meeting of the Member, the vote of the President and Chief Executive Officer of the Member, or other duly authorized officer of the Member, shall be sufficient to take any action. Any action required or permitted to be taken at a meeting of the Member maybe taken without a meeting of the Member if the Member, acting through the President and Chief Executive Officer of the Member or other duly authorized officer of the Member, consents to the action in writing and such written consent is filed with the

records of the meeting of the Member. Each such consent shall be treated for all purposes as a vote taken at a meeting.

ARTICLE 3 - BOARD OF DIRECTORS

3.1. **Powers.** Subject only to the powers of or reserved to the Member by law, the Certificate of Incorporation or these Bylaws, the Board shall have and may exercise all of the powers of the Corporation and shall have the general direction and control of the activities of the Corporation.

3.2. **Number; Composition and Qualification.** The composition, classification, manner of election or appointment of individuals to the Board, and their term of office, shall be subject to the following provisions:

3.2.1. The Board shall be appointed or elected by the Member as set forth in this Article 3.

3.2.2. The Board shall consist of a minimum of 7 and a maximum of 15 Directors, such number to be determined from time to time by the Member.

3.2.3. In accordance with the Foundation Act, the number of Directors on the Board who are providers within the meaning of the Foundation Act shall equal or exceed the number of Directors on the Board who are employees of the Member and who are not providers.

3.2.4. No employee, director or representative of a nonprofit hospital, nonprofit health system, nonprofit medical school or any entity that owns or controls a nonprofit hospital, nonprofit health system or nonprofit medical school may serve on the Board.

3.2.5. No person shall serve on the Board of the Corporation if prohibited by law.

3.3. **Election and Term.** The initial members of the Board shall, subject to Section 3.5 of these Bylaws, hold office for a term of two (2) years and until their successors are duly elected and qualified. At the second annual meeting of the Corporation, the Member shall elect Directors (other than Directors who serve by virtue of holding a particular office as set forth in Section 3.2.2) to staggered terms of one (1) year, two (2) years, or three (3) years in length such that approximately one-third of such Directors expire each year. Thereafter, the Member shall elect at each annual meeting approximately one-third of the Directors, each to serve a full three (3) year term, to fill the vacancies created by those Directors whose terms are then expiring. The Member may also at any time elect Directors to terms

of less than three (3) years to promote the objective of having the terms of approximately one-third of the Directors expire each year. Directors shall take office at the close of the meeting at which they were elected and, subject to Section 3.5 of these Bylaws, shall hold office for the term specified and until a successor is duly elected and qualified, provided that a Director appointed to fill a vacancy shall serve for the remainder of the applicable term. Each Director shall be counted in determining a quorum and shall have full voting rights.

3.4. **Vacancies.** Any vacancy in the Board caused by the death, resignation or removal of a Director may be filled by the Member, such Director to serve for the unexpired term of such Director's predecessor in office.

3.5. **Resignation and Removal.** Any Director may resign at any time by delivering a written resignation to the Corporation at its principal office, to the Chair, the Secretary or the President and Chief Executive Officer of the Corporation. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. A Director may be removed with or without cause by vote of the Member after reasonable notice of the proposed removal to the Director. Notice of a proposed removal shall be given in a notice of a meeting at which such removal shall be considered taken. A Director's failure to comply with the attendance policy and requirements adopted by the Board from time to time shall be considered by the Member as cause for removal of the Director in accordance with this section.

3.6. **Annual Meetings.** The annual meeting of the Board shall be held as soon as practicable following the annual meeting of the Member, at a date, time and place to be determined by the Chair or the Board. At the annual meeting, the Board shall ratify the election of the officers appointed by the Member and may conduct such other business as may properly come before the Board.

3.7. **Regular Meetings.** The Board shall meet at least quarterly, at such times and at such places, as the Chair or the Board may from time to time determine.

3.8. **Special Meetings.** Special meetings of the Board may be held at any time and at any place as designated in a call by the Chair, the President and Chief Executive Officer, the Secretary or any two (2) or more Directors. No business shall be conducted at a special meeting other than as stated in the notice of the meeting.

3.9. **Meetings by Telecommunications.** Directors or members of any committee of the Board may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons

participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

3.10. Notice of Meetings. Notice of any meeting of the Board shall be given to each Director by the Chair, the President and Chief Executive Officer, or in the event of a special meeting called by two (2) or more Directors, by one of the Directors calling the meeting. In the case of the annual or any regular meeting, notice shall be given to each Director in person, by telephone, or by regular mail, overnight delivery or electronic mail sent to such Director's business or home address at least ten (10) days in advance of the meeting. In the case of a special meeting, notice shall be given to each Director in person, by telephone, or by regular mail, overnight delivery or electronic mail sent to such Director's business or home address at least seventy-two (72) hours in advance of the meeting. Notice need not be given to any Director who executes, before or after the meeting, a written waiver of notice, or to any Director who attends the meeting without protesting prior to the meeting or at its commencement the lack of notice to such Director. Unless otherwise stated in these Bylaws, a notice or waiver of notice of a Board meeting need not specify the purposes of the meeting.

3.11. Quorum and Voting. At any meeting of the Board, a majority of the Directors then currently serving and entitled to vote and who are present at the meeting shall constitute a quorum. Unless otherwise disqualified from voting, each Director shall have one (1) vote to be exercised in person. Voting by proxy shall not be permitted.

3.12. Action at Meeting. At any meeting of the Board at which a quorum is present, the vote of a majority of those Directors present and entitled to vote, unless a different vote is specified by law, by the Certificate of Incorporation, or by these Bylaws, shall be sufficient to take any action.

3.13. Action by Consent. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all the Directors then currently serving consent to the action in writing and the written consents are filed with the records of the Board meetings. Each such consent shall be treated for all purposes as a vote taken at a properly called and held meeting. For purposes hereof, a Director may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an electronic mail communication from the Director to the Corporation from an electronic mail address provided by the Director to the Corporation.

3.14. Rules of Order. The Board shall adopt formal, parliamentary Rules of Order, that when not inconsistent with the Bylaws, shall govern the meetings of the Board and all committees.

3.15. Compensation. The Board shall serve without compensation for their services as Directors but may be reimbursed by the Corporation for their reasonable expenses and disbursements in that capacity on behalf of the Corporation.

ARTICLE 4-OFFICERS

4.1. Number and Designation. The officers of the Corporation shall be elected by the Member and shall consist of a Chair, President, Secretary, Treasurer and such other officers with such other titles as the Member may from time to time designate.

4.2. Qualification. The Chair, President, Secretary, Treasurer shall be designated by the Member. Any officer may be required to give bond for the faithful performance of such officer's duties to the Corporation in such amount and with such sureties as the Member may determine. The premiums for such bonds shall be paid by the Corporation.

4.3. Election and Term. Each officer shall be elected by the Member at the annual meeting of the Member and shall, subject to Section 4.4 of these Bylaws, hold office until the next annual meeting or until his or her successor shall have been chosen and qualified.

4.4. Resignation and Removal. Any officer may resign by delivering a written resignation to the President, or, if the resigning officer is the President, to the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. The Member may remove any officer with or without cause after reasonable notice to the officer. Notice of a proposed removal shall be given in the notice of any meeting at which such removal shall be considered or taken. Any such removal shall be without prejudice to the contract rights, if any, of the person so removed, provided, however, that election or appointment to an office shall not in and of itself create any contract rights.

4.5. Vacancies. The Member may fill any vacancy occurring for any reason in any office.

4.6. Chair. The Chair or the Chair's delegate shall preside at all meetings of the Board of Directors and shall perform other duties incident to the office or delegated by the Board of Directors or these Bylaws from time to time. The Chair shall be an ex-officio member of all Committees.

4.7. President. The President shall serve as the chief executive officer of the Corporation and shall be responsible for the integration, operation, administration and performance of the Corporation and its Subsidiaries and Affiliates within the system of health care

organizations operated under the ownership and control of the Member and shall be given the necessary authority for the accomplishment of such responsibility subject to the policies enacted by the Member, of any committees to which the Member or the Board has delegated such responsibilities, and of any Subsidiary subject only to the policies enacted by the board of such Subsidiary. The President shall perform such other duties and shall have such other powers as the Member from time to time may prescribe. In the event of a vacancy in the office of President, the Secretary shall serve as the Acting President during such vacancy.

4.8. **Secretary**. The Secretary shall be responsible for having minutes kept of the proceedings of the Board and the Member; shall give, or cause to be given, all notices in accordance with the provisions of these Bylaws or as required by law; and shall be the custodian of the records of the Corporation. The Secretary shall perform such other duties and shall have such other powers as the Member may from time to time prescribe.

4.9. **Treasurer**. The Treasurer shall supervise the receipt and custody of the Corporation's funds and investments; render a full account and statement of the condition of the Corporation's finances at each annual meeting. The Treasurer shall perform such other duties and shall have such other powers as the Member may from time to time prescribe.

4.10. **Other Powers and Duties**. Each officer, subject to these Bylaws, shall have in addition to the duties and powers specifically set forth in these Bylaws, such duties and powers as are customarily incident to such officer's office, and such duties and powers as the Member may from time to time designate.

ARTICLE 5 – COMMITTEES

5.1. **Committees**. The Member or the Board may designate two (2) or more Directors to constitute a committee, which may be standing or ad hoc. The Chair may, in his or her discretion, appoint a committee chair or delegate the selection of a chair to the committee itself, unless otherwise specified in these Bylaws. The Chair, subject to the approval of the Board if the committee was formed by the Board or the Member if the committee was formed by the Member, may designate or provide for the designation of one or more Directors or others as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. Standing committees shall have such powers and responsibilities as shall be set forth in these Bylaws or in any resolutions establishing such committees; provided, however, that committees may not have any authority prohibited by law.

5.2. **Action by Committee.** A quorum shall be a majority of the number of members of the committee. Any committee member restricted from voting on any matter pursuant to the Corporation's Conflict of Interest Policy shall not be counted in determining the quorum for the matter in question, even where permitted by law. The minutes of the committee meeting should reflect the disclosure, the abstention from voting, and the quorum situation. The act of a majority of the members of any committee present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by the Member, by these Bylaws, by resolution of the Board of Directors or by law. Committees shall have only such authority delegated to them by the Board or the Member as shall be provided in resolutions of appointment, and no committee shall have any other power.

5.3. **Standing Committees:**

5.3.1. **Quality and Performance Committee.** The Quality and Performance Committee shall consist of at least three (3) members of the Board, including one member from each Division, and such other members as the Board determines are necessary to properly perform the functions of the Committee. The Quality and Performance Committee shall assist the Board in providing strategic direction and oversight for all quality improvement, patient safety, risk management, and regulatory compliance activities provided in and by the Corporation.

5.4. **Ad Hoc Committees.** The Board may appoint ad hoc committees from time to time for such special tasks as circumstances warrant. An ad hoc committee shall limit its activities to the accomplishment of the task for which it is appointed and shall have no power to act except as specifically conferred by action of the Board. Upon completion of the task for which appointed, such ad hoc committee shall stand discharged.

5.5. **Other Committees.** The Board may by resolution from time to time establish committees to serve in a purely advisory role to the Board, and such committees may consist of Directors and such other individuals as the Board shall determine.

ARTICLE 6- INDEMNIFICATION

6.1. **Indemnification of Directors and Officers.** The Corporation shall, to the fullest extent permitted by law, indemnify its Directors and Officers from and against any and all of the liabilities, expenses and other matters referenced in or covered by the Act or any other applicable laws presently or hereafter in effect. In furtherance and not in limitation thereof, the Corporation shall indemnify a Director for a liability, as defined in Section 33-1116 of the Act, to any person for any action taken, or any failure to take any action, as

a Director, except a liability that (i) involved a knowing and culpable violation of law by the Director; (ii) enabled the Director or an associate, as defined in Section 33-840 of the Connecticut General Statutes, to receive an improper personal gain; (iii) showed a lack of good faith and a conscious disregard for the duty of the Director to the Corporation under circumstances in which the Director was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the Corporation; or (iv) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the Director's duty to the Corporation.

6.2. **Advancement of Expenses to Directors and Officers.** The Corporation shall advance funds to pay for or reimburse the reasonable expenses incurred by a current or former Director or officer who is or was a party to a proceeding because he or she is or was a Director or officer if he or she delivers to the Corporation: (i) a written affirmation of his or her good faith belief that he or she has met the relevant standard of conduct or that the proceeding involves conduct for which liability has been eliminated under a provision of the Corporation's Certificate of Incorporation; and (ii) his or her written undertaking to repay any funds advanced if he or she is not entitled to mandatory indemnification under the Nonstock Act and it is ultimately determined that he or she has not met the relevant standard of conduct required by the Corporation's Certificate of Incorporation or by the Nonstock Act.

6.3. **Indemnification of Other Parties.** The Corporation shall indemnify under Sections 33-1116 to 33-1125, inclusive, of the Connecticut General Statutes, a non-Director officer of the Corporation, who is a party to a proceeding because he or she is an officer, to the same extent as the Corporation is obligated to indemnify a Director. The Corporation may, at the discretion of the Board, indemnify any other current or former officer, employee or agent of the Corporation who is not a Director to the fullest extent permitted by law.

6.4. **Advancement of Expenses to Other Parties.** The Corporation shall advance expenses under Sections 33-1116 to 33-1125, inclusive, of the Connecticut General Statutes to a non-Director officer of the Corporation who is a party to a proceeding because he or she is an officer, to the same extent as the Corporation is obligated to advance expenses to a Director. The Corporation may, at the discretion of the Board, advance expenses to any other current or former officer, employee or agent of the Corporation who is not a Director to the fullest extent permitted by law.

6.5. **Predecessors of the Corporation.** Subsections 6.1 through 6.4 of this Article 6 shall obligate the Corporation to indemnify and advance expenses to a Director or officer of a predecessor of the Corporation pertaining to conduct with respect to the predecessor.

6.6. **Insurance**. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or other agent of the Corporation, or is or was serving at the request of the Corporation as a trustee, director, officer, employee or other agent of another organization in which it has an interest, against any liability incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability.

ARTICLE 7 - CONFLICTS OF INTEREST

7.1. **Conflicts of Interest Policy**. The Board shall adopt and implement, or cause to be implemented, a written policy, which shall apply to all Directors, officers, members of committees, and all employees who regularly exercise general authority to make administrative or policy decisions on behalf of the Corporation ("Interested Persons") and which shall address, without limitation, the standard and procedures for determining when a conflict of interest exists and for addressing any conflicts of interest determined to exist, and for disclosure by Interested Persons of all financial or other interests that might result in a conflict of interest (the "Conflicts of Interest Policy").

7.2. **Standard**. The standard for determining whether a conflict of interest exists shall incorporate all applicable legal requirements, including without limitation the requirements the statutory standard set forth in the Foundation Act and the Nonstock Act, as such requirements may be revised from time to time.

7.3. **Disclosure**. All Interested Persons shall be required to disclose all financial and other interests, and all material facts related thereto, that might lead to a conflict of interest in accordance with the Conflicts of Interest Policy and each Interested Person shall sign an annual statement acknowledging his receipt, understanding of, and agreement to comply with the Conflicts of Interest Policy.

ARTICLE 8 - MISCELLANEOUS PROVISIONS

8.1. **Fiscal Year**. The fiscal year of the Corporation shall be as determined by the Member.

8.2. **Execution of Instruments**. All checks, deeds, leases, transfers, contracts, bonds, notes and other obligations authorized to be executed by an officer of the Corporation on its behalf shall be signed by the Chair or the President and Chief Executive officer, except as the Board may generally or in particular cases otherwise determine.

8.3. Voting of Interest in Other Corporations. When authorized by the Board, the President and Chief Executive Officer may waive notice of, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for the Corporation (with or without power of substitution) at any meeting of stockholders or members of any other corporation or organization in which this Corporation holds an equity or membership interest.

8.4. Corporate Records. The original, or attested copies of, the Certificate of Incorporation, these Bylaws and records of all meetings of the Member and the Board, shall be kept in the State of Connecticut at the principal office of the Corporation, or at the office of the Secretary and shall be available at all reasonable times for the inspection by any Director for any purpose relative to the affairs of the Corporation.

8.5. Evidence of Authority. A certificate by the Secretary, acting secretary or assistant secretary, as to any action taken by the Board, any committee or any officer or representative of the Corporation shall, as to all persons who rely on the certificate in good faith, be conclusive evidence of such action.

8.6. Certificate of Incorporation. All references in these Bylaws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the Corporation, as amended or restated, and in effect from time to time.

8.7. Days. As used herein, all references to days shall refer to calendar days unless specifically provided otherwise.

ARTICLE 9 – AMENDMENTS

9.1. These Bylaws may be amended only by vote of the Member at any meeting of the Member.

PROSPECT CT MEDICAL FOUNDATION, INC.
(a Connecticut corporation)

UNANIMOUS WRITTEN CONSENT IN LIEU OF MEETING OF THE BOARD OF DIRECTORS

The undersigned, being all of the members of the Board of Directors of Prospect CT Medical Foundation, Inc., a Connecticut corporation (the "**Corporation**"), acting by unanimous written consent without a meeting pursuant to Section 33-1064 of the Connecticut Revised Nonstock Corporation Act, do hereby waive notice of a meeting and consent to the adoption of the following resolutions:

NOW, THEREFORE, BE IT:

RESOLVED: That the Amended and Restated Certificate of Incorporation (Exhibit A) be adopted by the Corporation.

RESOLVED, FURTHER: That Michele Volpe, Esq. be authorized to execute and file the Certificate of Amendment (Exhibit B) with the Connecticut Secretary of State.

RESOLVED, FURTHER: That this unanimous written consent may be signed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument, and the undersigned members of the Board of Directors of the Corporation hereby direct the Secretary of the Corporation to file the executed copy of this unanimous written consent in the books and records of the Corporation.

RESOLVED, FURTHER: That, Michele Volpe hereby resigns as the sole incorporator of the Corporation, and the powers and duties of the undersigned shall be and they hereby are terminated.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned members of the Board of Directors of Prospect CT Medical Foundation, Inc. have duly executed this unanimous written consent as of the 25th day of July, 2016.

By: _____
Print Name: Samuel S. Lee
Title: Director

By: _____
Print Name: David Topper
Title: Director

[Signature Page to Unanimous Written Consent In Lieu of Meeting of the Board of Directors of Prospect CT Medical Foundation, Inc.]

EXHIBIT A

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

Exhibit B

RESTATED CERTIFICATE OF INCORPORATION
OF
PROSPECT CT MEDICAL FOUNDATION, INC.

1. The name of the corporation shall be **Prospect CT Medical Foundation, Inc.**, a Connecticut Nonstock Corporation (the "Corporation").

2. The nature of the activities to be conducted and the purposes to be promoted or carried out by the Corporation shall include the following:

   a. To provide professional medical services to the patients of hospitals affiliated with Prospect CT, Inc. (the "Hospitals") and other affiliates of Prospect CT, Inc. and to other individuals in the Hospitals' service areas; provided, however, that all professional medical services rendered by the Corporation shall be rendered only through individuals who are authorized by the laws of the State of Connecticut to render professional medical services.

   b. To provide the following public services: public health (including nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care practitioner occupations and health care support occupations and is not a business organized for profit.

   c. To promote and support the mission and purposes of the Hospitals by providing professional medical services to their patients and engaging in education activities related to patient care and the promotion of good health.

   d. To carry on additional activities related to rendering care to the sick or injured or the promotion of health in the community.

   e. To invest the funds of the Corporation in stocks, bonds, real estate, mortgages, or any other type of investment and to own real property incident to the rendering of professional medical services.

   f. To otherwise engage in any lawful act or activity from which a medical foundation may be organized under Chapter 594b of the Connecticut General

Statutes or for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act (the "Act").

g. Medical foundation status will not be effective until Member or a Member affiliate owns a Connecticut licensed hospital.

3. The Corporation is nonprofit and shall not have or issue shares of stock or make distributions.

4. The Corporation shall have one member (the "Member") which shall be Prospect CT, Inc., a Delaware corporation. The Member shall have the right to adopt bylaws (the "Bylaws") for the conduct of the affairs of the Corporation and the right to elect the Board of Directors and officers of the Corporation in accordance with the Corporation's Bylaws and shall have all other rights, powers and privileges usually or by law accorded to the members of a non-stock nonprofit corporation and conferred thereby or by the Corporation's Certificate of Incorporation or Bylaws.

5. Subject to the rights and powers of the Member, the Corporation shall operate under the management of its Board of Directors. The Member shall prescribe the number, qualifications (if any) and manner of election of the Directors of the Corporation. The Member may provide that persons occupying certain positions within or without the Corporation shall be ex-officio members of the Board of Directors, who may vote and be counted in determining a quorum.

6. Intentionally Omitted

7. Upon any dissolution or termination of the existence of the Corporation, all its property and assets shall be applied and distributed as follows: (i) All liabilities and other obligations of the Corporation shall be paid, satisfied and discharged, or adequate provision shall be made therefor; (ii) assets held by the Corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements; (iii) assets received and held by the Corporation subject to limitations permitting their use, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more domestic or foreign corporations, societies or organizations engaged in activities substantially similar to those of the dissolving corporation, pursuant to a plan of distribution adopted as provided in section 33-1175; (iv) other assets, if any, shall be distributed to the Member except to the extent that the certificate of incorporation provides for distribution to others; and (v) any remaining assets may be distributed to such persons, societies, organizations or domestic or foreign corporations, whether for

profit or nonprofit, as may be specified in a plan of distribution adopted as provided in section 33-1175.

8. The personal liability of a Director of the Corporation to the Corporation for breach of duty as a Director of the Corporation shall be limited to the fullest extent permitted by the Act and as set forth in Section 1104 or any other applicable laws presently or hereafter in effect.

9. The Corporation shall indemnify its Directors and officers as follows:

   a. The Corporation shall, to the fullest extent permitted by law, indemnify its Directors or officers from and against any and all of the liabilities, expenses and other matters referenced in or covered by the Act or any other applicable laws presently or hereafter in effect. In furtherance and not in limitation thereof, the Corporation shall indemnify a Director for a liability, as defined in Section 33-1116 of the Act, to any person for any action taken, or any failure to take any action, as a Director, except a liability that (i) involved a knowing and culpable violation of law by the Director; (ii) enabled the Director or an associate, as defined in Section 33-840 of the Connecticut General Statutes, to receive an improper personal gain; (iii) showed a lack of good faith and a conscious disregard for the duty of the Director to the Corporation under circumstances in which the Director was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the Corporation; or (iv) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the Director's duty to the Corporation.

   b. In addition to the foregoing, the Corporation shall provide to its Directors and officers the full amount of indemnification that the Corporation is permitted to provide to such Directors and officers pursuant to Sections 33-1116 to 33-1125, inclusive, of the Act or any other applicable laws presently or hereafter in effect. Expenses (including attorneys' fees) incurred by a Director or officer in defending a civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of both (i) a written affirmation by such officer or Director of his or her good faith belief that he or she has met the relevant standard of conduct under the Act or that the proceeding involves conduct for which liability has been limited under Paragraph 8 of this Certificate of Incorporation; and (ii) an undertaking by or on behalf of such Director or officer to repay such amount if it shall ultimately be determined that such Director or officer is not entitled to be indemnified by the Corporation as authorized in this Paragraph 9.

Such expenses (including attorneys' fees) incurred by other employees and agents of the Corporation may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

c. The indemnification and advancement of expenses provided by, or granted pursuant to this Paragraph 9 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

d. No amendment to or repeal of this Paragraph 9 shall apply to or have any effect on the indemnification of any Director or officer for or with respect to any acts or omissions of such Director or officer occurring prior to such amendment or repeal, nor shall any such amendment or repeal apply to or have any effect on the obligations of the Corporation to pay for or reimburse in advance expenses incurred by a Director or officer in defending any action, suit or proceeding arising out of or with respect to any acts or omissions occurring prior to such amendment or repeal.

10. References in this Certificate of Incorporation to the Act shall be deemed to include amendments adopted from time to time to such Act.

11. The Corporation's registered agent shall be:

Name: C T Corporation System

Business Address: One Corporate Center, Hartford, CT 06103

Email address: NONE

12. The name and address of the Incorporator is:

Name: Michele M. Volpe, Esq.

Address: Bershtein, Volpe & McKeon PC
105 Court Street, 3rd Floor
New Haven, CT 06511

EXHIBIT B

CERTIFICATE OF AMENDMENT

SECRETARY OF THE STATE OF CONNECTICUT

MAILING ADDRESS: COMMERCIAL RECORDING DIVISION, CONNECTICUT SECRETARY OF THE STATE, P.O. BOX 150470, HARTFORD, CT 06115-0470
DELIVERY ADDRESS: COMMERCIAL RECORDING DIVISION, CONNECTICUT SECRETARY OF THE STATE, 30 TRINITY STREET, HARTFORD, CT 06106
PHONE: 860-509-6003 WEBSITE: www.concord-sots.ct.gov

CERTIFICATE OF AMENDMENT
NONSTOCK CORPORATION

USE INK. COMPLETE ALL SECTIONS. PRINT OR TYPE. ATTACH 81/2 X 11 SHEETS IF NECESSARY.

FILING PARTY *(CONFIRMATION WILL BE SENT TO THIS ADDRESS):*

NAME: Michele M. Volpe
ADDRESS: Bershtein, Volpe & McKeon, P.C.
105 Court Street, 3rd Floor
CITY: New Haven
STATE: Connecticut ZIP: 06511

FILING FEE: $20

MAKE CHECKS PAYABLE TO "SECRETARY OF THE STATE"

1. NAME OF CORPORATION:

Prospect CT Medical Foundation, Inc.

2. THE CERTIFICATE OF INCORPORATION IS *(check A, B or C):*

☐ A. AMENDED

☐ B. RESTATED

☒ C. AMENDED AND RESTATED

THE RESTATED CERTIFICATE CONSOLIDATES ALL AMENDMENTS INTO A SINGLE DOCUMENT

3. TEXT OF EACH AMENDMENT / RESTATEMENT:

Please see Exhibit A for the text of each amendment.
Please see Exhibit B for the Restated Certificate of Incorporation.

4. VOTE INFORMATION *(CHECK A, B or C)*

☐ A. THE AMENDMENT WAS DULY APPROVED BY THE MEMBERS IN THE MANNER REQUIRED BY SECTIONS 33-1140 TO 33-1147 OF THE CONNECTICUT GENERAL STATUTES, AND BY THE CERTIFICATE OF INCORPORATION.

☒ B. THE AMENDMENT WAS DULY APPROVED BY THE INCORPORATORS AND MEMBER APPROVAL WAS NOT REQUIRED.

☐ C. THE AMENDMENT WAS DULY APPROVED BY THE BOARD OF DIRECTORS AND MEMBER APPROVAL WAS NOT REQUIRED.

6. EXECUTION:

DATED THIS 15TH DAY OF June , 20 16

NAME OF SIGNATORY	CAPACITY/TITLE OF SIGNATORY	SIGNATURE
Michele M. Volpe, Esq.	Incorporator	

Prospect CT Medical Foundation, Inc.

Exhibit A

3. TEXT OF EACH AMENDMENT / RESTATEMENT

1. Article Second is amended by adding new section b. which shall read as follows:

   b. To provide the following public services: public health (including nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care practitioner occupations and health care support occupations and is not a business organized for profit.

2. Article Sixth is deleted in its entirety.

Exhibit B

RESTATED CERTIFICATE OF INCORPORATION
OF
PROSPECT CT MEDICAL FOUNDATION, INC.

1. The name of the corporation shall be **Prospect CT Medical Foundation, Inc.**, a Connecticut Nonstock Corporation (the "Corporation").

2. The nature of the activities to be conducted and the purposes to be promoted or carried out by the Corporation shall include the following:

   a. To provide professional medical services to the patients of hospitals affiliated with Prospect CT, Inc. (the "Hospitals") and other affiliates of Prospect CT, Inc. and to other individuals in the Hospitals' service areas; provided, however, that all professional medical services rendered by the Corporation shall be rendered only through individuals who are authorized by the laws of the State of Connecticut to render professional medical services.

   b. To provide the following public services: public health (including nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care practitioner occupations and health care support occupations and is not a business organized for profit.

   c. To promote and support the mission and purposes of the Hospitals by providing professional medical services to their patients and engaging in education activities related to patient care and the promotion of good health.

   d. To carry on additional activities related to rendering care to the sick or injured or the promotion of health in the community.

   e. To invest the funds of the Corporation in stocks, bonds, real estate, mortgages, or any other type of investment and to own real property incident to the rendering of professional medical services.

   f. To otherwise engage in any lawful act or activity from which a medical foundation may be organized under Chapter 594b of the Connecticut General

Statutes or for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act (the "Act").

g. Medical foundation status will not be effective until Member or a Member affiliate owns a Connecticut licensed hospital.

3. The Corporation is nonprofit and shall not have or issue shares of stock or make distributions.

4. The Corporation shall have one member (the "Member") which shall be Prospect CT, Inc., a Delaware corporation. The Member shall have the right to adopt bylaws (the "Bylaws") for the conduct of the affairs of the Corporation and the right to elect the Board of Directors and officers of the Corporation in accordance with the Corporation's Bylaws and shall have all other rights, powers and privileges usually or by law accorded to the members of a non-stock nonprofit corporation and conferred thereby or by the Corporation's Certificate of Incorporation or Bylaws.

5. Subject to the rights and powers of the Member, the Corporation shall operate under the management of its Board of Directors. The Member shall prescribe the number, qualifications (if any) and manner of election of the Directors of the Corporation. The Member may provide that persons occupying certain positions within or without the Corporation shall be ex-officio members of the Board of Directors, who may vote and be counted in determining a quorum.

6. Intentionally Omitted

7. Upon any dissolution or termination of the existence of the Corporation, all its property and assets shall be applied and distributed as follows: (i) All liabilities and other obligations of the Corporation shall be paid, satisfied and discharged, or adequate provision shall be made therefor; (ii) assets held by the Corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements; (iii) assets received and held by the Corporation subject to limitations permitting their use, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more domestic or foreign corporations, societies or organizations engaged in activities substantially similar to those of the dissolving corporation, pursuant to a plan of distribution adopted as provided in section 33-1175; (iv) other assets, if any, shall be distributed to the Member except to the extent that the certificate of incorporation provides for distribution to others; and (v) any remaining assets may be distributed to such persons, societies, organizations or domestic or foreign corporations, whether for

profit or nonprofit, as may be specified in a plan of distribution adopted as provided in section 33-1175.

8. The personal liability of a Director of the Corporation to the Corporation for breach of duty as a Director of the Corporation shall be limited to the fullest extent permitted by the Act and as set forth in Section 1104 or any other applicable laws presently or hereafter in effect.

9. The Corporation shall indemnify its Directors and officers as follows:

   a. The Corporation shall, to the fullest extent permitted by law, indemnify its Directors or officers from and against any and all of the liabilities, expenses and other matters referenced in or covered by the Act or any other applicable laws presently or hereafter in effect. In furtherance and not in limitation thereof, the Corporation shall indemnify a Director for a liability, as defined in Section 33-1116 of the Act, to any person for any action taken, or any failure to take any action, as a Director, except a liability that (i) involved a knowing and culpable violation of law by the Director; (ii) enabled the Director or an associate, as defined in Section 33-840 of the Connecticut General Statutes, to receive an improper personal gain; (iii) showed a lack of good faith and a conscious disregard for the duty of the Director to the Corporation under circumstances in which the Director was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the Corporation; or (iv) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the Director's duty to the Corporation.

   b. In addition to the foregoing, the Corporation shall provide to its Directors and officers the full amount of indemnification that the Corporation is permitted to provide to such Directors and officers pursuant to Sections 33-1116 to 33-1125, inclusive, of the Act or any other applicable laws presently or hereafter in effect. Expenses (including attorneys' fees) incurred by a Director or officer in defending a civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of both (i) a written affirmation by such officer or Director of his or her good faith belief that he or she has met the relevant standard of conduct under the Act or that the proceeding involves conduct for which liability has been limited under Paragraph 8 of this Certificate of Incorporation; and (ii) an undertaking by or on behalf of such Director or officer to repay such amount if it shall ultimately be determined that such Director or officer is not entitled to be indemnified by the Corporation as authorized in this Paragraph 9.

Such expenses (including attorneys' fees) incurred by other employees and agents of the Corporation may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

c. The indemnification and advancement of expenses provided by, or granted pursuant to this Paragraph 9 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

d. No amendment to or repeal of this Paragraph 9 shall apply to or have any effect on the indemnification of any Director or officer for or with respect to any acts or omissions of such Director or officer occurring prior to such amendment or repeal, nor shall any such amendment or repeal apply to or have any effect on the obligations of the Corporation to pay for or reimburse in advance expenses incurred by a Director or officer in defending any action, suit or proceeding arising out of or with respect to any acts or omissions occurring prior to such amendment or repeal.

10. References in this Certificate of Incorporation to the Act shall be deemed to include amendments adopted from time to time to such Act.

11. The Corporation's registered agent shall be:

Name: C T Corporation System

Business Address: One Corporate Center, Hartford, CT 06103

Email address: NONE

12. The name and address of the incorporator is:

Name: Michele M. Volpe, Esq.

Address: Bershtein, Volpe & McKeon PC
105 Court Street, 3rd Floor
New Haven, CT 06511

September 29, 2016

Schedules to Asset Purchase Agreement

SCHEDULE

Schedule 1.01(6) List of Seller's Affiliates
Schedule 1.02(i) Persons with "Seller's Knowledge"
Schedule 2.01(a) Owned Real Property
Schedule 2.01(b) Leased Real Property
Schedule 2.01(c) Leased Personal Property
Schedule 2.01(f) Assumed Contracts
Schedule 2.01(g) Material Permits
Schedule 2.01(h) Intellectual Properties
Schedule 2.02(j) Excluded Contracts
Schedule 2.02(l) Excluded Corporate or Trade Names
Schedule 2.02(n) ECHN Community Healthcare Foundation Assets and Properties
Schedule 2.02(p) Claims of Seller against Third Parties
Schedule 2.02(q) Other Excluded Assets
Schedule 2.03 Assumed Liabilities
Schedule 2.05 Examples of Implementation of Section 2.05
Schedule 2.05(a) Joint Venture Valuations
Schedule 3.02 Consents
Schedule 3.04 Subsidiaries and Third Party Rights
Schedule 3.05 Legal and Regulatory Compliance
Schedule 3.06 Audited and Unaudited Financial Statements
Schedule 3.08 Recent Activities
Schedule 3.08(b) Compensation and Personnel Changes
Schedule 3.08(d) Sold Assets
Schedule 3.10 Equipment Depreciation Schedule
Schedule 3.11 Permitted Personal Property Encumbrances
Schedule 3.12(a) Permitted Real Property Encumbrances
Schedule 3.12(c) Buildings Not Structurally Sound or in Need of Material Repairs
Schedule 3.12(g) Rent Roll
Schedule 3.12(i) Tenant Lease Encumbrances
Schedule 3.13(a) Environmental Claims
Schedule 3.13(b) Materials of Environmental Concern Storage Locations/Underground Storage Tanks
Schedule 3.14 Intellectual Properties and Information Systems
Schedule 3.15 Insurance
Schedule 3.17 Unexpected Occurrences
Schedule 3.18 Contracts Related to the Hospital Businesses
Schedule 3.19(d) Prohibition on Competition
Schedule 3.19(e) Contract Change of Control Provisions
Schedule 3.21(c) Claims Involving Legal requirements of Employment
Schedule 3.21(e) Non-Competition Agreements
Schedule 3.21(f) Pending Labor Disputes

Schedule 3.21(g) Pending Immigration Proceedings
Schedule 3.22 Employee Benefit Plans
Schedule 3.22(f) Employee Pension Benefit Plan Reportable Event
Schedule 3.22(g) Employee Welfare Benefit Plan
Schedule 3.23 Proceedings and Claims
Schedule 3.25(a) Medical Staff
Schedule 3.25(b) Material Medical Staff Disputes
Schedule 3.26 Restricted Assets
Schedule 3.30(a) Outstanding Capital Stock of Seller's Subsidiaries
Schedule 3.30(b) Outstanding Capital Stock of Joint Ventures
Schedule 3.30(c) Outstanding Membership Interests
Schedule 3.31 Ten Largest Non-Governmental Payors of Hospital Businesses
Schedule 5.01 Material Hospital Business Changes
Schedule 5.01(b) Asset Expenditures
Schedule 5.02(c) Compensation Increases
Schedule 5.03(b) Written Severance Agreements
Schedule 5.16 Charity Care and Community Obligations
Schedule 5.25(b) ECHN – Extended Reporting Period Options
Schedule 5.30 Tax Claim
Schedule 7.04(d) Consents to Assignment of Assumed Contracts
Schedule 10.03 Certain Subsidiaries of Seller

Schedule 1.01(6)

List of Seller's Affiliates

The Manchester Memorial Hospital
The Rockville General Hospital, Incorporated
ECHN ElderCare Services, Inc.
Eastern Connecticut Medical Professionals Foundation, Inc.
Visiting Nurse and Health Services of Connecticut, Inc.
A Caring Hand, LLC
Clinically Integrated Network of Eastern Connecticut, LLC
ECHN Community Healthcare Foundation, Inc.
Connecticut Healthcare Insurance Company
ECHN Corporate Services, Inc.
Medical Practice Partners, LLC
ECHN Enterprises, Inc.
Haynes Street Property Management, LLC

Schedule 1.02(i)

Persons with "Seller's Knowledge"

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]

Schedule 2.01(a)

Owned Real Property

Owned Real Property Address	City	State	Zipcode	Property Description	Owner
11 South Alton Street	Manchester	CT	06040	Residential	The Manchester Memorial Hospital
17 Armory Street	Manchester	CT	06040	Residential	The Manchester Memorial Hospital
19 Armory Street	Manchester	CT	06040	Residential	The Manchester Memorial Hospital
72 Russell Street	Manchester	CT	06040	Residential	The Manchester Memorial Hospital
110 Russell Street	Manchester	CT	06040	Residential	The Manchester Memorial Hospital
70 West Middle Turnpike	Manchester	CT	06040	Residential	The Manchester Memorial Hospital
74 West Middle Turnpike	Manchester	CT	06040	Residential	The Manchester Memorial Hospital
94 West Middle Turnpike	Manchester	CT	06040	Residential	The Manchester Memorial Hospital
98 West Middle Turnpike	Manchester	CT	06040	Residential	The Manchester Memorial Hospital
104 West Middle Turnpike	Manchester	CT	06040	Residential	The Manchester Memorial Hospital
108 West Middle Turnpike	Manchester	CT	06040	Residential	The Manchester Memorial Hospital
114 West Middle Turnpike	Manchester	CT	06040	Residential	The Manchester Memorial Hospital
18 Haynes Street	Manchester	CT	06040	Office Building/Commercial	The Manchester Memorial Hospital
26 Haynes Street	Manchester	CT	06040	Office Building/Commercial	The Manchester Memorial Hospital
36 Haynes Street	Manchester	CT	06040	Office Building/Commercial	The Manchester Memorial Hospital
44 Haynes Street	Manchester	CT	06040	Office Building/Commercial	ECHN Enterprises, Inc.
56 Haynes Street	Manchester	CT	06040	Vacant Lot	The Manchester Memorial Hospital
71-80 Haynes Street	Manchester	CT	06040	Hospital	The Manchester Memorial Hospital
310-312 Main Street	Manchester	CT	06040	Mixed Use	ECHN Enterprises, Inc.
320 Main Street	Manchester	CT	06040	Office Building/Commercial	The Manchester Memorial Hospital
353 Main Street	Manchester	CT	06040	Office Building/Commercial	The Manchester Memorial Hospital

Owned Real Property Address	City	State	Zipcode	Property Description	Owner
945 Main Street	Manchester	CT	06040	Office Condominium	ECHN Enterprieses, Inc.
150 North Main Street	Manchester	CT	06040	Office Building	The Manchester Memorial Hospital
319 Broad Street	Manchester	CT	06040	Thrift Shop/Commercial	The Manchester Memorial Hospital
37-97 Hemlock Street	Manchester	CT	06040	Vacant Lot	The Manchester Memorial Hospital
62 So. Hawthorne Street	Manchester	CT	06040	Vacant Lot	The Manchester Memorial Hospital
66 So. Hawthorne Street	Manchester	CT	06040	Vacant Lot	The Manchester Memorial Hospital
77 South Alton Street	Manchester	CT	06040	Vacant Lot	The Manchester Memorial Hospital
26 Shenipsit Lake Road	Tolland	CT	06084	Elder Care/Commercial	ECHN Eldercare Services, Inc.
8-11-12 Ward Street	Vernon	CT	06066	Vacant Lot	Rockville General Hospital Incorporated
35 Village Street	Vernon	CT	06066	Vacant Lot	Rockville General Hospital Incorporated
22-25-26 Village Street	Vernon	CT	06066	Vacant Building	Rockville General Hospital Incorporated
88 West Main Street	Vernon	CT	06066	Parking Lot	Rockville General Hospital Incorporated
31 Union Street	Vernon	CT	06066	Hospital	Rockville General Hospital Incorporated
460 Hartford Turnpike	Vernon	CT	06066	Commercial	Rockville General Hospital Incorporated
190 Meadow Street	Lee	MA	01260	Time Share	Rockville General Hospital Incorporated
8 Keynote Drive	Vernon	CT	06066	Office Building (VNHSC)	Visiting Nurse and Health Services of CT, Inc.

Schedule 2.01(b)

Leased Real Property

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 2.01(c)

Leased Personal Property

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 2.01(f)

Assumed Contracts

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 2.01(f) Addendum

Resident Agreements for Residents of ECHN Eldercare Services, Inc. d/b/a Woodlake at Tolland Rehabilitation & Nursing Center

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 2.01(g)

Material Permits

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
VNHSC	DPH	Home Health License # HHC.0C81791	12/31/2016
WAT	DPH	Chronic & Convalescent Nursing Home License # CCNH.002099C	12/31/2016
WBC	DPH	Mental Health Day Treatment Facility License# MHDT.0000057	6/30/2016
WBC	DPH	Psychiatric Outpatient Clinic for Adults License# POCA.0000529	6/30/2016
MMH	NRC	Materials License # 06-03413-01	3/31/2024
RGH	NRC	Materials License # 06-13001-02	11/30/2021
MMH	FCC	Radio Service Call Sign KNEK381 FRN: 0007050370 IG - Industrial/Business Pool, Conventional Regulatory Status - PRMS	5/25/2024
MMH	FCC	Radio Service Call Sign WNZF398 FRN: 0007050370 IG - Industrial/Business Pool, Conventional Regulatory Status - PRMS	5/18/2022
RGH	FCC	Radio Service Call Sign WPVZ223 FRN: 0005942677 PW - Public Safety Pool, Conventional Regulatory Status - PRMS	9/17/2022

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
RGH	FCC	Radio Service Call Sign WPYL558 FRN: 0005942677 IG - Industrial/Business Pool, Conventional Regulatory Status - PRMS	9/3/2023
ECMPF	AG	Notice of acquisition of group practice	N/A
ECHN	AG	Notice of Affiliation of hospital/hospital system	N/A
WAT	Eastern Highlands Health District	Food Service License # 1425	3/31/2017
RGH	North Central District Health Department	Food Service License # 959	10/31/2016
MMH	Town of Manchester Health Department	Food Service Establishment License Permit# 108	3/9/2017
MMH	CMS	CLIA Certificate of Accreditation (Hartford Campus) # 07D0644553 Lab Director: Dennis G. O'Neill, MD	8/9/2017
MMH	CMS	CLIA Certificate of Accreditation (Main Campus) # 07D0092869 Lab Director: Dennis G. O'Neill, MD	2/27/2017
RGH	CMS	CLIA Certificate of Accreditation (Main Campus) # 07D0093263 Lab Director: Dennis G. O'Neill, MD	2/27/2017
MMH	CMS	CLIA Certificate of Accreditation (MMH Cancer Center) # 07D2010712 Lab Director: Dennis G. O'Neill, MD	3/6/2018
Women's Center for Wellness	CMS	CLIA Certificate of PPMP # 07D0866056 Lab Director: David Neuhaus, MD	8/31/2016

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
MMH	CMS	CLIA Certificate of Waiver (Coventry) # 07D2037531 Lab Director: Dennis G. O'Neill, MD	2/28/2018
WAT	CMS	CLIA Certificate of Waiver # 07D0859878 Lab Director: Faria Mahmood, MD	8/31/2016
CorpCare	CMS	CLIA Certificate of Waiver (CorpCare Occ. Health) # 07D0917545 Lab Director: Katherine B. Tracy, MD	6/6/2017
MMH	CMS	CLIA Certificate of Waiver (MMH Nursing) # 07D0873944 Lab Director: Dennis G. O'Neill, MD	8/1/2017
RGH	CMS	CLIA Certificate of Waiver (RGH Nursing) # 07D0681314 Lab Director: Dennis G. O'Neill, MD	8/31/2016
RGH	CMS	CLIA Certificate of Waiver (ECHN Urgent Care at South Windsor) # 07D2044241 Lab Director: Dennis G. O'Neill, MD[1]	7/18/2016
MMH	CMS	CLIA Certificate of Waiver (Vernon) # 07D2039385 Lab Director: Dennis G. O'Neill, MD	4/8/2018
VNHSC	CMS	CLIA Certificate of Waiver # 07D0093271 Lab Director: Rosemary Harding, MD	8/31/2016
MMH	College of American Pathologists	Lab Accreditation (Coventry)	1/18/2018

[1] Please note that the CLIA Certificate of Waiver issued with this identification number is labeled "ECHN Urgent Care at South Windsor." The relevant location operates as a department of The Rockville General Hospital, Incorporated and is referred to internally as "Urgent Care at South Windsor."

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
MMH	College of American Pathologists	Lab Accreditation (Eastern CT Cancer Center Lab)	1/18/2018
MMH	College of American Pathologists	Lab Accreditation (Hartford Campus)	1/18/2018
MMH	College of American Pathologists	Lab Accreditation (Main Campus)	1/18/2018
RGH	College of American Pathologists	Lab Accreditation (Main Campus)	1/18/2018
MMH	College of American Pathologists	Lab Accreditation (Vernon)	1/18/2018
ECHN	DPH	Approved Blood Collection Facility (ECHN) License # DS-729 Director: Dennis O'Neill, MD	No expiration date Approval dated 2/28/2006
MMH	DPH	Approved Blood Collection Facility (Evergreen I Patient Service Center) License # DS-737 Director: Dennis O'Neill, MD	No expiration date Approval dated 7/22/2014
ECHN	DPH	Approved Blood Collection Facility (Evergreen II Patient Service Center) License # DS-882 Director: Dennis O'Neill, MD	No expiration date Approval dated 2/1/2011
MMH	DPH	Approved Blood Collection Facility (Glastonbury Diagnostic Center Patient Facility) License # DS-562 Director: Dennis O'Neill, MD	No expiration date Approval dated 7/31/2015
RGH	DPH	Approved Blood Collection Facility (Manchester Medical Patient Service Center) License # DS-808 Director: Dennis O'Neill, MD	No expiration date Approval dated 6/13/2008

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
MMH	DPH	Approved Blood Collection Facility (MMH Patient Service Center) License # DS-725 Director: Dennis O'Neill, MD	No expiration date Approval dated 5/31/2012
RGH	DPH	Approved Blood Collection Facility (RGH Patient Service Center - Ellington) License # DS-749 Director: Dennis O'Neill, MD	No expiration date Approval dated 6/1/2010
RGH	DPH	Approved Blood Collection Facility (RGH Patient Service Center) License # DS-757 Director: Dennis O'Neill, MD	No expiration date Approval dated 1/4/2007
MMH	DPH	Approved Blood Collection Facility (Tolland Turnpike Patient Service Center) License # DS-391 Director: Dennis O'Neill, MD	No expiration date Approval dated 1/2/2013
MMH	DPH	Approved Public Health Lab (Blood Bank) License # BB-1009	3/31/2018
RGH	DPH	Approved Public Health Lab (Blood Bank) License # BB-1039	3/31/2018
MMH	DPH	Approved Public Health Lab (Main Campus) License # HP-0216	3/31/2018
ECHN	DPH	Approved Public Health Lab (RGH) License # HP-0234	3/31/2016
ECHN	DPH	Clinical Laboratory License (Hartford) License# CL-0751	3/31/2018
ECHN	DPH	Clinical Laboratory License (MMH Cancer Center) License# CLPOL-0502	9/30/2017

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
A Caring Hand, LLC	DCP	Registered as homemaker companion agency License# HCA - 0000138	10/31/2016
RGH	DPH (Rose)	General Hospital License License # 0036	12/31/2017
MMH	DPH (Rose)	General Hospital License License # 0048	12/31/2017
MMH	FDA	Accreditation (Main Campus - Mammography) Facility ID# 121897	1/4/2019
RGH	FDA	Accreditation (Main Campus - Mammography) Facility ID# 162099	2/28/2017
MMH	FDA	Accreditation as Certified Mammography Center (Glastonbury - Mammography) Facility ID# 217646	2/21/2019
WCW	FDA	Accreditation as Certified Mammography Center Facility ID# 179259	9/12/2018
TIC	FDA	Accreditation as Certified Mammography Center Facility ID# 238393	3/9/2018
EEC	DPH	Ambulatory Surgical Center License # ASC.0000324	12/31/2016
NRRON	DPH	Outpatient Clinic (100 Haynes Street) License# OPC.0000317	3/31/2017
NRRON	DPH	Outpatient Clinic (142 Hazard Ave.) License# OPC.0000306	9/30/2016
MMH	American College of Radiology	Accreditation (Glastonbury - Mammography)	2/21/2019

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
MMH	American College of Radiology	Accreditation (Main Campus - Mammography)	1/4/2019
RGH	American College of Radiology	Accreditation (Main Campus - Mammography)	2/28/2017
TIC	American College of Radiology	Accreditation (Mammography)	3/9/2018
WCW	American College of Radiology	Accreditation (WCW - Mammography, Rooms 1 & 2)	9/12/2018
NRRON	American College of Radiology	Accreditation	11/30/2017
TIC	American College of Radiology	Accreditation - CT (Adult & Pediatric Head/Neck, Chest, Abdomen)	5/14/2018
TIC	American College of Radiology	Accreditation - MRI (Head, Spine, MSK)	3/10/2018
WCW	American College of Radiology	Accreditation (Breast Ultrasound & U/S-Guided Biopsy)	9/11/2018
RGH	American College of Radiology	Accreditation (Evergreen - Breast MR)	3/15/2018
RGH	American College of Radiology	Accreditation (Evergreen - CT)	3/12/2019
RGH	American College of Radiology	Accreditation (Evergreen - MRI)	2/2/2019
RGH	American College of Radiology	Accreditation (Evergreen - Ultrasound)	3/8/2019
MMH	American College of Radiology	Accreditation (Main Campus - CT)	9/18/2016
RGH	American College of Radiology	Accreditation (Main Campus - CT)	1/17/2019

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
MMH	American College of Radiology	Accreditation (Main Campus - CT/PET)	2/15/2017
MMH	American College of Radiology	Accreditation (Main Campus - MRI)	6/17/2018
RGH	American College of Radiology	Accreditation (Main Campus - MRI)	7/17/2018
MMH	American College of Radiology	Accreditation (Main Campus - Nuclear Medicine - Oncology)	2/15/2017
MMH	American College of Radiology	Accreditation (Main Campus - Nuclear Medicine, Rooms 1 & 2)	6/13/2017
RGH	American College of Radiology	Accreditation (Main Campus - Nuclear Medicine, Rooms 1 & 2)	6/13/2017
MMH	American College of Radiology	Accreditation (Main Campus - Ultrasound)	9/2/2017
RGH	American College of Radiology	Accreditation (Nuclear Medicine - Planar)	12/15/2017
RGH	American College of Radiology	Accreditation (Nuclear Medicine - Planar, SPECT, Nuc. Cardiology)	12/15/2017
TIC	American College of Radiology	Accreditation (Ultrasound - ob, gyn, & general)	5/21/2018
WCW	American College of Radiology	Accreditation (WCW - Breast Imaging Center of Excellence)	N/A
WCW	American College of Radiology	Accreditation (WCW - Stereotactic Biopsy)	1/11/2019
MMH	American Osteopathic Association	Residency Accreditation - Family Medicine	N/A

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
MMH	American Osteopathic Association	Residency Accreditation - Transitional Internship	N/A
MMH	The Joint Commission	Behavioral Health Care Accreditation Program ID# 5670	8/5/2018
MMH	The Joint Commission	Hospital Accreditation ID# 5670	8/8/2018
RGH	The Joint Commission	Hospital Accreditation ID# 5689	4/10/2018
ECHN	American Academy of Sleep Medicine	Accreditation - Sleep Disorder Center # 175892 (For center and home sleep apnea testing)	1/15/2020
Aetna Ambulance Service, Inc.	OEMS	License# L. 0L064P2	12/31/2016
Ambulance Service of Manchester, LLC	OEMS	License# L. 0L077P2	12/31/2016
MMH	DCP	Controlled Substance Registration # CSP-0001185-HOSP	2/28/2017
RGH	DCP	Controlled Substance Registration # CSP-0001829-HOSP	2/28/2017
ECMPF	DPH	Notice of acquisition of group practice	N/A
MMH	Town of Manchester Sanitation Department	Sanitation Permit Permit# 365	12/31/2016

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
RGH	DEA	DEA Registration # AR1562532	4/30/2019
MMH	DEA	DEA Registration # AT2631934	1/31/2018
MMH	American College of Surgeons, Commission on Cancer	Accreditation FIN#6160280	12/31/2015
MMH	American Association of Cardiovascular and Pulmonary Rehabilitation	Cardiac Rehabilitation Accreditation	8/31/2008
RGH	American Association of Cardiovascular and Pulmonary Rehabilitation	Cardiac Rehabilitation Accreditation	8/31/2008
ECHN	American Heart Association	Certificate designation ECHN as a Participating Hospital in "Get with the Guidelines - Stroke" program	N/A
ECHN	American Hospital Association	Membership - Institutional	N/A
ECHN	CT State Medical Society	CME Accreditation	10/5/2016
MMH	Intersocietal Accreditation Commission Echocardiography	Adult Transthoracic Echocardiography Accreditation	7/31/2008
MMH	Town of Manchester Water & Sewer Department	Permit for Discharge of Waste Water Associated with Food Prep Permit# 11132015-0900	10/4/2025
Multiple	CMS	Medicare - **CHOW** CMS Form 855A	N/A
Multiple	CMS	Medicare - **Change of Information** CMS Form 855A or 855B	N/A

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
Multiple	DSS	Medicaid Provider Agreements	N/A
ECHN	Association for Healthcare Philanthropy	Membership	N/A
MMH	DEEP	Air Quality Permit Registration# 097-0004-GPLPE	4/26/2016
RGH	DEEP	Air Quality Permit Registration# 187-0039-GPLPE	4/26/2011
MMH	DEEP	Certificate of Use for Diagnostic and Therapeutic X-Ray Devices Certificate#?	
RGH	DEEP	Certificate of Use for Diagnostic and Therapeutic X-Ray Devices Certificate#?	
MMH	DEEP	Underground Storage Tank Reg.# 77-1276	N/A
RGH	DEEP	Underground Storage Tank Reg.#146-3014	N/A
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0011 Location - 71 Haynes Street (car 2); North Bldg. Center Elev Classification: Passenger	7/13/2016
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0012 Location - 71 Haynes Street (car 1); North Bldg. Right Elev Classification: Passenger	7/13/2016

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0045 Location - 150 N Main Street Classification: Passenger	7/13/2016
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0081 Location - 71 Haynes Street (car 5) Classification: Passenger	7/13/2016
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0086 Location - 71 Haynes Street (car 6) Classification: Passenger	7/13/2016
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0103 Location - 71 Haynes Street (car A); Decontamination - Clean Classification: Special Freight	7/13/2016
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0104 Location - 71 Haynes Street (car B); Decontamination - Dirty Classification: Special Freight	7/13/2016
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0105 Location - 71 Haynes Street (car C) Classification: Special Freight	7/13/2016
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0108 Location - 71 Haynes Street (car 3) Classification: Dumbwaiter	2/1/2018

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0109 Location - 71 Haynes Street (car 3); North Bldg. Service Elev Classification: Passenger	7/13/2016
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0117 Location - 71 Haynes Street (car 2); Medical Records Classification: Passenger	7/13/2016
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0118 Location - 71 Haynes Street (car 1); Mental Health Elevator Classification: Passenger	7/13/2016
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0123 Location - 71 Haynes Street (car 1); West Elev Main Lobby Classification: Passenger	10/25/2017
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0129 Location - 71 Haynes Street (car 7) Classification: Passenger	2/25/2018
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0152 Location - 36 Haynes Street (car 1); Classification: Passenger	10/4/2017
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0189 Location - 71 Haynes Street (car 1); Parking Garage Classification: Passenger	10/2/2017

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0200 Location - 71 Haynes Street (car 1); Ambulatory Ctr Lobby Classification: Passenger	4/6/2018
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0201 Location - 71 Haynes Street (car 2); Ambulatory Ctr Lobby Classification: Passenger	4/8/2018
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0202 Location - 71 Haynes Street (car 3); Ambulatory Center Classification: Passenger	4/8/2018
MMH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #077-0231 Location - 320 Main Street (car 1) Classification: Passenger	7/30/2016
RGH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #146-0017 Location - 31 Union Street (car 1); Belding BLDG Classification: Passenger	7/25/2016
RGH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #146-0020 Location - 31 Union Street (car 3); Maxwell Section-otis Classification: Passenger	7/25/2016
RGH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #146-0023 Location - 31 Union Street (car 1); Bissel East otis Classification: Passenger	7/25/2016

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
RGH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #146-0025 Location - 31 Union Street (DW); Pharmacy Classification: Dumbwaiter	2/1/2018
RGH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #146-0038 Location - 31 Union Street (car 2); Bissel West otis Classification: Passenger	7/25/2016
RGH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #146-0062 Location - 31 Union Street (car 1); Bissel West - meco Classification: Passenger	7/25/2016
RGH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #146-0079 Location - 460 Hartford Tpke (car 1); Outpatient Dialysis Center Classification: Passenger	4/20/2018
RGH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #146-0083 Location - 31 Union Street (car 4 (4a)); Bissel East -otis Classification: Passenger	7/12/2016
RGH	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #146-0085 Location - 31 Union Street (car 1); Mason bldg Classification: Passenger	8/22/2017
VNHSC	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #146-0064 Location - 8 Keynote Drive (car1); Visiting Nurse Comm Ca... Classification: Passenger	3/14/2018

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
WAT	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #142-0004 Location - 26 Shenipsit Lake Road (car 1); Tolland County Health Classification: Passenger	11/13/2017
WAT	DAS/ Department of Construction Services/ Bureau of Elevators	Elevator Certificate of Operation Elevator #142-0005 Location - 26 Shenipsit Lake Road (car 2) Classification: Passenger	11/13/2017
ECHN	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #081461 Type - High Pressure/ Firetube	12/16/2016 (Date of Next Inspection)
ECHN	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #081462 Type - High Pressure/ Firetube	12/16/2016 (Date of Next Inspection)
ECHN	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #081463 Type - Low Pressure/ Water Tube Boiler	12/16/2016 (Date of Next Inspection)
ECHN	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #089683 Type - Low Pressure/ Cast Iron	12/15/2017 (Date of Next Inspection)
ECHN	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #089684 Type - Low Pressure/ Cast Iron	12/15/2017 (Date of Next Inspection)
MMH	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #105775 Type - High Pressure/ Firetube Boiler	9/17/2016 (Date of Next Inspection)

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
MMH	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #105776 Type - High Pressure/ Firetube Boiler	9/15/2016 (Date of Next Inspection)
MMH	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #105777 Type - High Pressure/ Firetube Boiler	11/19/2016 (Date of Next Inspection)
MMH	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #105778 Type - High Pressure/ Firetube Boiler	11/19/2016 (Date of Next Inspection)
RGH	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #018505 Type - High Pressure/ Firetube Boiler	10/16/2016 (Date of Next Inspection)
RGH	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #095961 Type - High Pressure/ Firetube Boiler	10/9/2016 (Date of Next Inspection)
VNHSC	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #063277 Type -- Low Pressure/Firetube Boiler	6/12/2018 (Date of Next Inspection)
WAT	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #076980 Type - Low Pressure/ Booster Water Heater	4/4/2017 (Date of Next Inspection)
WAT	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #076981 Type - Low Pressure/ Steam Cooker	3/13/2017 (Date of Next Inspection)
WAT	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #099908 Type - Low Pressure/ Cast Iron Boiler	3/26/2017 (Date of Next Inspection)
WAT	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #099975 Type - Low Pressure/ Cast Iron Boiler	3/3/2017 (Date of Next Inspection)

Entity	Agency from Which Approval or to Which Notice is Required	Approval / License Type & Number	Expiration Date
WAT	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #104184 Type - Low Pressure/Water Tube Boiler	4/5/2017 (Date of Next Inspection)
WAT	DAS/ Department of Construction Services/ Bureau of Boilers	Boiler Operating Certificate State Boiler #104185 Type - Low Pressure/Water Tube Boiler	4/5/2017 (Date of Next Inspection)

Schedule 2.01(h)

Intellectual Properties

Copyrights

Copyright Title	Registration No./Date	Owner
Healthy choices	TX0002992408 – February 2, 1991	Rockville General Hospital
Rockville General Hospital ESRD Unit patient classification/authors, Denise Kessler, Dianne Kessler	TXu000435332 – May 17, 1990	Rockville General Hospital
Renal rehabilitation program	TXu000736487 – March 25, 1996	Rockville General Hospital
Eastern Connecticut Health Network Patient Education Joint Camp (Power Point Presentation)	TX0007272289 – July 3, 2008	Eastern Connecticut Health Network
Eastern Connecticut Health Network Total Joint Replacement Handbook	TX0007172601 – July 3, 2008	Eastern Connecticut Health Network

Trademarks

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO. STATE/FEDERAL	GOODS/SERVICES	STATUS
A CARING HAND LLC and Design 	Eastern Connecticut Health Network, Inc.	0039463944 Connecticut	Class 42 – Referral services for in-home and onsite facility care providers; providing non-medical in-home and onsite facility personal care services for individuals, namely, assistance with daily living activities, personal hygiene, housekeeping, meal preparations, scheduling appointments, running errands, transportation, and companionship services.	Registered: May 29, 2014 Renewal Due: May 29, 2019
BETTER BEING	Eastern Connecticut Health Network, Inc.	23455 Connecticut	International Class 16 - Publications, namely, magazines in the fields of health, nutrition and wellness.	Registered: August 14, 2009 Renewal due August 14, 2019
BETTER BEING	Eastern Connecticut Health Network, Inc.	3,766,988 USPTO	International Class 16 - Publications, namely, magazines in the fields of health, nutrition and wellness.	Registered: March 30, 2010 Renewal due March 30, 2020

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO. STATE/FEDERAL	GOODS/SERVICES	STATUS
BUCKLAND IMAGING and Design 	Eastern Connecticut Health Network, Inc.	0039463941 Connecticut	Class 42 – Medical imaging services.	Registered: May 29, 2014 Renewal Due: May 29, 2019

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO. STATE/FEDERAL	GOODS/SERVICES	STATUS
BUSINESS ALLIANCE FOR COMMUNITY HEALTH and Design 	Eastern Connecticut Health Network, Inc.	4,028,210 USPTO	International Class 41 – Education services, namely, providing presentation and lectures in the field of healthcare, safety and wellness to members. International Class 45 – Providing social networking services in the fields of healthcare, safety and wellness.	Registered: September 20, 2011 Sections 8 & 15 due between September 20, 2016 and September 20, 2017
CARING NEVER CHANGES	Eastern Connecticut Health Network, Inc.	4,591,953 USPTO	International Class 44 – Medical and healthcare services, namely, providing medical services; urgent medical care centers; providing medical information, consultancy advisory, and treatment services; providing medical testing for diagnostic or treatment purposes; providing integrated healthcare services with a network of healthcare providers.	Registered: August 26, 2014 Sections 8 & 15 due between August 26, 2019 and August 26, 2020

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO. STATE/FEDERAL	GOODS/SERVICES	STATUS
CORPCARE OCCUPATIONAL HEALTH	Eastern Connecticut Health Network, Inc.	21110 Connecticut	International Class 42 – Employee health care program consisting of on-the-job injury care, pre-placement physical examinations.	Registered: December 7, 2000 Renewal due December 7, 2020
CORPCARE OCCUPATIONAL HEALTH	Eastern Connecticut Health Network, Inc.	3,950,366 USPTO	International Class 44 – Health care featuring on-the-job injury care, pre-placement physical examinations, physical therapy, OSHA required and Federal Department of Transportation examinations, injury management tracking, employee assistance, wellness programs, work-site health evaluation and on-site physical and nursing services.	Registered: April 26, 2011 Sections 8 & 15 due between April 26, 2016 and April 26, 2017
ECHN	Eastern Connecticut Health Network, Inc.	21285 Connecticut	International Class 42 – Community-based health care system.	Registered: July 20, 2011 Renewal due July 30, 2016

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO. STATE/FEDERAL	GOODS/SERVICES	STATUS
ECHN	Eastern Connecticut Health Network, Inc.	3,969,396 USPTO	International Class 42 - Providing health care and hospital services through a network of comprehensive health care providers.	Registered: May 31, 2011 Sections 8 & 15 due between May 31, 2016 and May 31, 2017
ECHN BREAST CARE COLLABORATIVE and Design 	Eastern Connecticut Health Network, Inc.	4,587,810 USPTO	International Class 41 – Educational services, namely, providing classes pertaining to treatment for diseases; providing a website featuring non-downloadable instructional videos in the field of treatment for diseases. International Class 44 – Medical and healthcare services, namely, medical screenings, testing, and diagnostic services.	Registered: August 19, 2014 Sections 8 & 15 due between August 19, 2019 and August 19, 2020

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO. STATE/FEDERAL	GOODS/SERVICES	STATUS
ECHNCORPCARE OCCUPATIONAL HEALTH and Design 	Eastern Connecticut Health Network, Inc.	4,680,979 USPTO	International Class 44 – Providing physician services; drug and alcohol testing services for substance abuse; medical diagnostic testing, monitoring and reporting services; healthcare services, namely, wellness programs, physical therapy services, and physical rehabilitation patient care services.	Registered: February 3, 2015 Sections 8 & 15 due between February 3, 2020 and February 3, 2021

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO. STATE/FEDERAL	GOODS/SERVICES	STATUS
ECHN EASTERN CONNECTICUT CANCER INSTITUTE and Design 	Eastern Connecticut Health Network, Inc.	4,050,028 USPTO	International Class 44 - Providing medical information on medical diagnosis, treatments and screening for cancer; providing medical services in the nature of treatment, diagnosis and screening for cancer.	Registered: November 1, 2011 Sections 8 & 15 due between November 1, 2016 and November 1, 2017
ECHN EASTERN CONNECTICUT FAMILY MEDICINE RESIDENCY PROGRAM AT MANCHESTER MEMORIAL HOSPITAL and Design 	Eastern Connecticut Health Network, Inc.	4,683,996 USPTO	International Class 41 – Educational services, namely, providing residency programs, internships, clinics, and providing courses of instruction at the graduate level for master degree programs in the field of healthcare, medicine, and hospital services; teaching in the field of healthcare, medicine and hospital services.	Registered: February 10, 2015 Sections 8 & 15 due between February 10, 2020 and February 10, 2021

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO. STATE/FEDERAL	GOODS/SERVICES	STATUS
ECHN EASTERN CONNECTICUT HEALTH NETWORK HEALTHIER TOGETHER. and Design 	Eastern Connecticut Health Network, Inc.	4,680,978 USPTO	International Class 42 – Providing health care and hospital services through a network of comprehensive health care providers.	Registered: February 3, 2015 Sections 8 & 15 due between February 3, 2020 and February 3, 2021
ECHN JOINT EFFORT and Design 	Eastern Connecticut Health Network, Inc.	4,691,146 USPTO	International Class 41 – Educational services, namely, providing workshops, presentations, and lectures in the field of joint replacement surgery, healthcare and wellness.	Registered: January 24, 2015 Sections 8 & 15 due between February 24, 2020 and February 24, 2021
ECHN EASTERN CONNECTICUT MEDICAL PROFESSIONALS and Design 	Eastern Connecticut Health Network, Inc.	4,677,852 USPTO	International Class 44 – Providing healthcare and hospital services; physician services.	Registered: January 27, 2015 Sections 8 & 15 due between January 27, 2020 and January 27, 2021

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO. STATE/FEDERAL	GOODS/SERVICES	STATUS
ECHN SBM CHARITABLE FOUNDATION FAMILY BIRTHING CENTER AT MANCHESTER MEMORIAL HOSPITAL and Design ECHN SBM Charitable Foundation Family Birthing Center at Manchester Memorial Hospital	Eastern Connecticut Health Network, Inc.	4,684,006 USPTO	International Class 16 – Printed materials in the nature of brochures and booklets in the field of childbirth, infant and child care and wellness, and parenting. International Class 41 – Educational services, namely, providing classes, workshops, presentations, and lectures in the field of childbirth, infant and child care and wellness, and parenting. International Class 44 – Medical services; doulas services for birth and postpartum, namely, experienced labor companion who provides families both emotional and physical support throughout the entire labor and delivery; birthing center services; home healthcare services.	Registered: February 10, 2015 Sections 8 & 15 due between February 10, 2020 and February 10, 2021

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO. STATE/FEDERAL	GOODS/SERVICES	STATUS
ECHN URGENT CARE and Design 	Eastern Connecticut Health Network, Inc.	4,587,809 USPTO	International Class 44 – Medical and healthcare services, namely, providing medical services; urgent medical care centers; providing medical information, consultancy advisory, and treatment services; providing medical testing for diagnostic or treatment purposes.	Registered: August 19, 2014 Sections 8 & 15 due between August 19, 2019 and August 19, 2020
ECHN WOMEN'S CENTER FOR WELLNESS and Design 	Eastern Connecticut Health Network, Inc.	4,587,808 USPTO	International Class 41 – Educational services, namely, offering classes providing a website featuring non-downloadable instructional videos in the field of health and wellness; providing online newsletters in the field of health and wellness. International Class 44 – Medical and healthcare services, namely, medical screening, testing, and diagnostic services; alternative medical services; wellness programs.	Registered: August 19, 2014 Sections 8 & 15 due between August 19, 2019 and August 19, 2020

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO. STATE/FEDERAL	GOODS/SERVICES	STATUS
ECHN WOODLAKE AT TOLLAND and Design 	Eastern Connecticut Health Network, Inc.	0039463943 Connecticut	Class 42 – Medical services, nursing home care.	Registered: May 29, 2014 Renewal Due: May 29, 2019
EASTERN CONNECTICUT HEALTH NETWORK	Eastern Connecticut Health Network, Inc.	3,950,350 USPTO	International Class 44 - Providing health care and hospital services through a network of comprehensive health care providers.	Registered: April 26, 2011 Sections 8 & 15 due between April 26, 2016 and April 26, 2017
EVERGREEN IMAGING and Design  EVERGREENIMAGING	Eastern Connecticut Health Network, Inc.	0039463942 Connecticut	Class 42 – Medical imaging services.	Registered: May 29, 2014 Renewal Due: May 29, 2019
THE COMMUNITIES' CHOICE	Eastern Connecticut Health Network, Inc.	3,950,349 USPTO	International Class 44 - Providing health care and hospital services through a network of comprehensive health care providers.	Registered: April 26, 2011 Sections 8 & 15 due between April 26, 2016 and April 26, 2017

TRADEMARK	OWNER	APPLICATION/ REGISTRATION NO. STATE/FEDERAL	GOODS/SERVICES	STATUS
TREE OF CARING	Eastern Connecticut Health Network, Inc.	22264 Connecticut	International Class 36 – Fund raising services.	Registered: January 28, 2005 Renewal due January 28, 2020

Domain Names

Domain Name
echn.org
ECPHO.org
vnhsc.org
acaringhand.com
evergreenendoscopy.com
tollandimaging.com
tollandimaging.org

Common Law Trademarks

The Manchester Memorial Hospital

CorpCare Occupational Medicine

ECHN Family Development Center

SBM Charitable Foundation Family Birthing Center

John A. DeQuattro Cancer Center

ECHN Diagnostics Blood Draw Center

ECHN Diagnostics Laboratory

Center For Wound Healing

Glastonbury Diagnostics (Imaging)

ECHN Medical Imaging

Manchester Hospital Physical Therapy

Evergreen Walk Physical Therapy

Glastonbury Wellness Center Physical Therapy

ECHN Center for Weight Loss

The Rockville General Hospital Incorporated

ECHN Urgent Care

Evergreen Imaging Center

Women's Center for Wellness

Breast Care Collaborative

ECHN – Walden Eating Disorders Center

Rockville Hospital Physical Therapy

Big Sky Fitness ECHN Physical Therapy

Ellington Y – ECHN Physical Therapy

ECHN Eldercare Services

Woodlake at Tolland Rehabilitation & Nursing Center

Visiting Nurse and Health Services of Connecticut

Lifeline

A Caring Hand

Eastern Connecticut Medical Professionals Foundation

ECHN Corporate Servcies

Medical Practice Partners

Haynes Street Property Management

ECHN

Eastern Connecticut Health Network

ECHN Eastern Connecticut Cancer Institute

ECHN Enterprises

Schedule 2.02(j)

Excluded Contracts

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 2.02(l)

Excluded Corporate or Trade Names

ECHN Community Healthcare Foundation, Inc.

Legacy ECHN, Inc.

Legacy MMH, Inc.

Legacy RGH, Inc.

Legacy ECMPF, Inc.

Legacy Corporate Services, Inc.

Legacy Enterprises, Inc.

Legacy ACH, LLC

Schedule 2.02(n)

ECHN Community Healthcare Foundation Assets and Properties

All assets and properties of the ECHN Community Healthcare Foundation, Inc. are excluded from the sale. Below is a balance sheet for the ECHN Community Healthcare Foundation, Inc. as of April 30, 2016. Please note that all assets listed below other than those assets marked as "permanently restricted" are available to Seller to satisfy liabilities at and after the Closing.

ASSETS	**ECHN Community Healthcare Foundation, Inc.**
CURRENT ASSETS:	
Cash and cash equivalents	$ 1,117,459
Due from affiliated entities	-
Prepaid expenses	7,486
Pledges Receivable	38,731
Total current assets	1,163,676
ASSETS WHOSE USE IS LIMITED:	
Donor restricted investments	1,873,644
Board designated investments	15,408,530
Total assets whose use is limited, net of current portion	17,282,174
TOTAL ASSETS	**$ 18,445,850**
LIABILITIES, EQUITY AND NET ASSETS	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	$ 17,554
Due to affiliated entities	192,532
Total current liabilities	210,086
OTHER LIABILITIES:	
Charitable Gift Annuity (expected future payments)	2,589
Total long-term liabilities	2,589
Total liabilities	212,675
TOTAL NET ASSETS "	**$ 18,233,175**
* NET ASSETS:	
Unrestricted	-
Temporarily restricted	16,665,863
Permanently restricted	1,567,312

Total net assets	$ 18,233,175

Schedule 2.02(p)

Claims of Seller against Third Parties

1. Any payments due from third-party payors and Government Payment Programs that relate to the payment of claims pertaining to periods ending on or before the Closing Date to the extent such payments are not included in the calculation of Net Working Capital, such as in the case in which a claim was underpaid by a third-party payor or Government Payment Program. To the extent that any monies in respect of such claims are paid to Buyer, Buyer shall remit such monies to Seller pursuant to the procedure described in Section 10.15 of the Agreement for payment of funds in respect of the Excluded Assets.

Schedule 2.02(q)

Other Excluded Assets

Eastern Connecticut Health Network, Inc.'s ownership interest in the Eastern Connecticut Physician Hospital Organization, Inc.

Schedule 2.03

Assumed Liabilities

Please note that these scheduled liabilities are in addition to those included in the definition of Assumed Liabilities in Section 1.01(12) of the Asset Purchase Agreement.

Workers' Compensation Liability

Eastern Connecticut Health Network, Inc. Pension Plan (most recently amended as of December 23, 2015 and as it may be amended to reflect Buyer's assumption of sponsorship)

All liabilities pertaining to Seller's 2016 health care and dependent care flexible spending account arrangements established pursuant to Sections 125 and 129 of the Code

Schedule 2.05

Examples of Implementation of Section 2.05

REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 2.05(a)

Joint Venture Valuations

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.02

Consents

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.04

Subsidiaries and Third Party Rights

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.05

Legal and Regulatory Compliance

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.06

Audited and Unaudited Financial Statements

Eastern Connecticut Health Network, Inc. and Subsidiaries Consolidated Financial Statements, September 30, 2015 and 2014 (attached hereto)

Eastern Connecticut Health Network, Inc. and Subsidiaries Independent Auditors Report, Consolidated Financial Statements and Supplemental Information As of and for the Years Ended September 30, 2014 and 2013 (attached hereto)

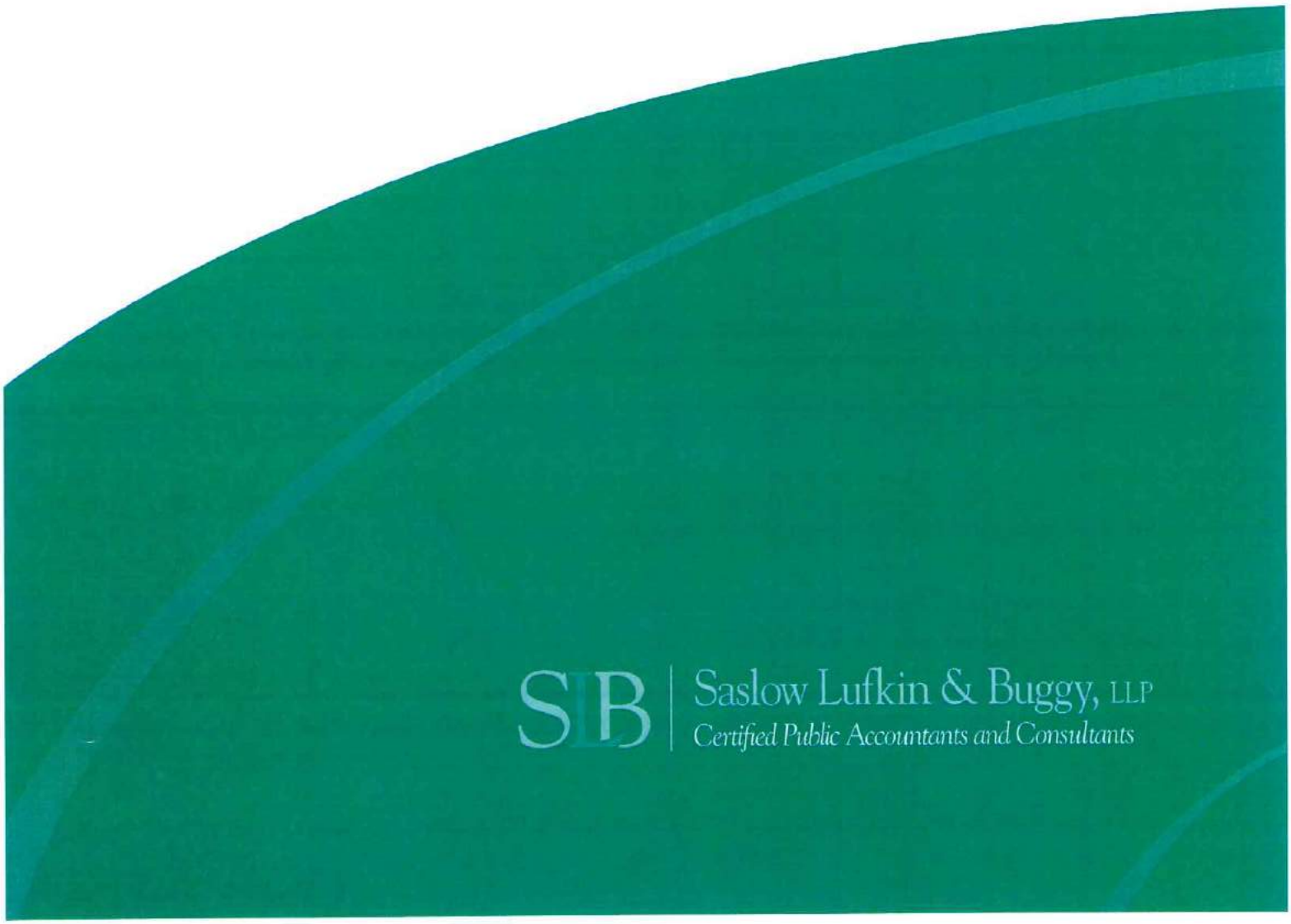
Eastern Connecticut Health Network, Inc. and Subsidiaries Independent Auditors' Report, Consolidated Financial Statements and Supplemental Information As of and for the Years Ended September 30, 2013 and 2012 (attached hereto)

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Eastern Connecticut Health Network, Inc. and Subsidiaries

Independent Auditors' Report,
Consolidated Financial Statements and
Supplemental Information

As of and for the Years Ended
September 30, 2013 and 2012



Eastern Connecticut Health Network, Inc. and Subsidiaries
Independent Auditors' Report, Consolidated Financial Statements and Supplemental Information
As of and for the Years Ended September 30, 2013 and 2012

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- Consolidated Statements of Operations and Changes in Net Assets 4
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SLB | Saslow Lufkin & Buggy, LLP
Certified Public Accountants and Consultants

Independent Auditors' Report

To the Board of Trustees of
Eastern Connecticut Health Network, Inc. and Subsidiaries:

We have audited the accompanying consolidated financial statements of Eastern Connecticut Health Network, Inc. and Subsidiaries (the Network), a not-for-profit, non-stock corporation, which comprise the consolidated balance sheets as of September 30, 2013 and 2012 and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

The Network's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Connecticut Healthcare Insurance Company, a wholly owned subsidiary, whose statements reflect total assets of $5,220,598 and $10,802,509, as of September 30, 2013 and 2012, respectively, and total revenues of $2,440,340 and $2,299,700, respectively, for the years then ended. These statements were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for Connecticut Healthcare Insurance Company, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Network's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Network's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant account estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Eastern Connecticut Health Network, Inc. and Subsidiaries as of September 30, 2013 and 2012, and the results of its consolidated operations and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Avon, Connecticut 06001
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Phone 802.865.9300

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Network has elected to change its method of accounting for its defined benefit pension plan costs in 2013. Such changes are reflected in the accompanying September 30, 2013 and 2012 statements of operations and changes in net assets and cash flows for the years then ended. Our opinion was not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information listed within the Table of Contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and changes in net assets of the individual entities and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Saslow Lufkin & Buggy, LLP

December 17, 2013

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidated Balance Sheets
For the Years Ended September 30, 2013 and 2012

	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	$ 22,439,356	$ 20,052,067
Current portion of investments held under bond indentures	1,850,531	5,435,445
Accounts receivable, less allowance for bad debts of $10,060,009 in 2013 and $10,509,985 in 2012	46,524,143	46,711,255
Inventory	5,065,716	4,253,600
Current portion of estimated settlements due from third-party payers	3,463,096	4,402,920
Prepaid expenses and other current assets	5,046,865	5,020,607
Total current assets	84,389,707	85,875,894
Assets whose use is limited, net of current portion:		
Donor restricted investments	6,534,923	6,971,970
Board designated investments	33,138,323	26,269,872
Investments held in trust for estimated self-insurance liabilities	2,465,931	8,844,698
Beneficial interest in trust assets	7,882,372	7,400,782
Investments held under bond indentures	4,942,057	4,941,820
Total assets whose use is limited, net of current portion	54,963,606	54,429,142
Investments	13,009,540	21,510,816
Investments in joint ventures	13,731,843	13,500,324
Property, plant and equipment - net	96,188,497	96,295,455
Other assets:		
Estimated settlements due from third-party payers, net of current portion	6,804,542	-
Goodwill and intangible assets, net	7,145,869	6,463,106
Other assets	6,233,132	5,215,388
Total other assets	20,183,543	11,678,494
Total assets	$ 282,466,736	$ 283,290,125
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 34,874,835	$ 30,730,676
Line of credit	6,500,000	6,500,000
Current portion of long-term debt and capital lease obligations	6,832,322	6,904,354
Current portion of estimated settlements due to third-party payers	4,512,361	2,793,775
Current portion of accrued pension and other postretirement benefits	6,085,518	3,897,164
Other current liabilities	5,540,481	8,153,373
Total current liabilities	64,345,517	58,979,342
Long-term debt and capital lease obligations, net of current portion	84,416,006	87,541,749
Estimated self-insurance liabilities	9,024,493	9,521,697
Accrued pension and other postretirement benefits	38,111,463	74,618,608
Estimated settlements due to third-party payers, net of current portion	122,921	82,500
Other liabilities	597,187	944,968
Total liabilities	196,617,587	231,688,864
Net assets:		
Unrestricted	70,965,928	36,549,384
Temporarily restricted	2,587,301	3,243,522
Permanently restricted	12,295,920	11,808,355
Total net assets	85,849,149	51,601,261
Total liabilities and net assets	$ 282,466,736	$ 283,290,125

The accompanying notes are an integral part of these consolidated financial statements.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets
For the Years Ended September 30, 2013 and 2012

	2013	2012
Revenues:		
Net patient service revenues	$ 310,122,159	$ 277,042,997
Provision for bad debts	(11,142,202)	(11,285,210)
Net patient service revenues less provision for bad debts	298,979,957	265,757,787
Contributions	1,614,319	2,243,112
Other revenues	22,871,370	17,532,328
EHR incentive payment revenue	2,630,820	3,833,172
Contribution of VNHSC	-	4,592,459
Net assets released from restrictions used for operations	1,871,227	638,113
Total revenues	327,967,693	294,596,971
Expenses:		
Salaries and wages	163,729,402	139,915,729
Fringe benefits	47,592,094	40,920,325
Supplies and other expenses	100,335,115	93,818,377
Depreciation and amortization	12,290,822	11,811,633
Interest and financing costs	3,907,765	3,981,831
Total expenses	327,855,198	290,447,895
Income from operations	112,495	4,149,076
Non-operating losses	(2,138,589)	(1,200,536)
Excess of revenues (under) over expenses	$ (2,026,094)	$ 2,948,540

The accompanying notes are an integral part of these consolidated financial statements.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets (continued)
For the Years Ended September 30, 2013 and 2012

	2013	2012
Unrestricted net assets:		
Excess of revenues (under) over expenses	$ (2,026,094)	$ 2,948,540
Change in unrealized appreciation on investments	1,235,494	7,974,260
Net change in interest rate swap agreements	110,862	(123,039)
Net assets released from restrictions for capital acquisitions	468,174	336,077
Pension and postretirement related adjustments	34,634,083	(16,402,410)
Other	(5,975)	-
Change in unrestricted net assets	34,416,544	(5,266,572)
Temporarily restricted net assets:		
Contributions	1,262,993	1,327,278
Investment income	200,796	37,322
Net assets released from restrictions used for operations	(1,871,227)	(638,113)
Net assets released from restrictions for capital acquisitions	(468,174)	(336,077)
Contribution of VNHSC	-	72,586
Change in unrealized appreciation on investments	219,391	530,563
Change in temporarily restricted net assets	(656,221)	993,559
Permanently restricted net assets:		
Change in beneficial interest in trust assets	481,590	712,617
Other	5,975	-
Change in permanently restricted net assets	487,565	712,617
Change in net assets	34,247,888	(3,560,396)
Net assets, beginning of year	51,601,261	55,161,657
Net assets, end of year	$ 85,849,149	$ 51,601,261

The accompanying notes are an integral part of these consolidated financial statements.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended September 30, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Change in net assets	$ 34,247,888	$ (3,560,396)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	12,290,822	11,811,633
Contribution of VNHSC	-	(4,665,045)
Provision for bad debts	11,142,202	11,285,210
Change in unrealized appreciation on investments	(1,454,885)	(8,504,823)
Change in unrealized appreciation on joint venture	-	(343,398)
Realized gains on sales of investments	(5,584,750)	-
Change in beneficial interest in trust assets	(481,590)	(712,617)
Income on investments in joint ventures	(2,113,663)	(2,588,091)
Pension and postretirement related adjustments	(34,634,083)	16,402,410
Change in pledges receivable	311,968	(402,218)
Change in interest rate swap agreements	(358,754)	(47,331)
Changes in assets and liabilities:		
Accounts receivable	(10,955,090)	(14,476,440)
Inventory	(812,116)	(25,032)
Prepaid expenses and other current assets	(26,258)	(112,771)
Amortization of intangible assets	(682,763)	(903)
Other assets	(1,310,364)	880,133
Accounts payable and accrued expenses	4,144,159	5,564,691
Accrued pension and other postretirement benefits	315,292	(5,988,289)
Estimated settlements (to)/from third-party payers	(4,105,711)	(452,979)
Other current liabilities	(509,424)	1,522,469
Estimated self-insurance liabilities	(2,600,672)	3,210,359
Other liabilities	10,973	141,087
Net cash (used in) provided by operating activities	(3,166,819)	8,937,659
Cash flows from investing activities:		
Purchases of property and equipment	(12,104,527)	(7,498,197)
Sales (purchases) of investments, net	19,072,951	(3,244,502)
Investment in joint ventures	-	(244,600)
Acquisition of Evergreen Imaging Center	-	(1,450,000)
Cash received from contribution of VNHSC	-	2,917,808
Distributions from joint ventures	1,802,805	1,654,409
Net cash provided by (used in) investing activities	8,771,229	(7,865,082)
Cash flows from financing activities:		
Principal payments on long-term debt	(7,079,140)	(5,217,439)
Net payments on line of credit	-	(1,772,642)
Payments for bond issuance costs	(19,346)	(154,649)
Proceeds from borrowings	3,881,365	5,133,040
Net cash used in financing activities	(3,217,121)	(2,011,690)
Change in cash and cash equivalents	2,387,289	(939,113)
Cash and cash equivalents at beginning of year	20,052,067	20,991,180
Cash and cash equivalents at end of year	$ 22,439,356	$ 20,052,067
Cash paid for interest	$ 4,095,398	$ 4,240,359
Equipment acquisitions under capital lease arrangements	$ 2,351,850	$ 1,742,149

The accompanying notes are an integral part of these consolidated financial statements.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
As of and for the Years Ended September 30, 2013 and 2012

Note 1 - Organization

Eastern Connecticut Health Network, Inc. (ECHN) and Subsidiaries (collectively the Network) is a not-for-profit, locally governed health system created on September 12, 1995, through the merger of the corporate parents of Manchester Memorial Hospital and Rockville General Hospital, Inc. Its purpose is to provide a health care system for the communities it serves, with quality medical care at a reasonable cost; to foster an environment conducive to health and well-being, whether in the home or in the community; and to enable the health care system to expand to meet the future needs of its communities. ECHN, through its subsidiaries (or members), provides health care, health education, and community services to residents of more than 19 towns in eastern Connecticut, regardless of their ability to pay.

ECHN is the sole member or shareholder of the following subsidiaries:

The Manchester Memorial Hospital (MMH) - MMH is a not-for-profit hospital with 249 licensed beds, located in Manchester, Connecticut. MMH, which admitted its first patient in 1920, is a short-term, acute-care general hospital, which provides inpatient, outpatient, and emergency care services to the residents of Manchester and 19 nearby towns.

The Rockville General Hospital, Inc. (RGH) - RGH is a not-for-profit hospital with 102 licensed beds, located in the Rockville section of Vernon, Connecticut. RGH, which admitted its first patient in 1921, is a short-term, acute-care general hospital, which provides inpatient, outpatient, and emergency care services for residents of Tolland County and nearby towns, for a total service area of 19 towns.

ECHN ElderCare Services, Inc. (EES) - EES is a not-for-profit, skilled nursing facility with 130 licensed beds and physical, occupational and speech rehabilitation services located in Tolland, Connecticut.

ECHN Community Healthcare Foundation, Inc. (ECHF) - ECHF is a not-for-profit organization whose purpose is to raise funds on behalf of ECHN and its not-for-profit subsidiaries. It was established in 2000, when the fund-raising efforts of ECHN were consolidated into a single not-for-profit foundation. ECHF focuses primarily on the capital and program needs of ECHN and its not-for-profit subsidiaries.

Eastern Connecticut Medical Professionals Foundation, Inc. (ECMPF) - ECMPF is a not-for-profit organization that currently operates physician office practices in the Network's service area and a hospitalist program that serves MMH and RGH. Its mission allows it to operate other not-for-profit, separately incorporated allied health ventures.

ECHN Enterprises, Inc. (Enterprises) - Enterprises is a for-profit organization formed under the laws of the State of Connecticut, with ECHN as the sole shareholder. Enterprises owns, leases and has an interest in real estate to support the mission and vision for ECHN. It is also the parent corporation of Haynes Street Property Management, LLC (HSPM). HSPM is a for-profit, limited liability company formed under the laws of the State of Connecticut, which manages the Glastonbury Wellness Center and sublets space to various MMH departments and physician offices, as well as to ECMPF.

Visiting Nurse and Health Services of Connecticut, Inc. (VNHSC) - VNHSC is a not-for-profit, nonstock Connecticut corporation that provides and administers a comprehensive, multi-disciplinary home health program, hospice program and wellness programs to promote the health of individuals, families and groups in the Greater Northern Central Connecticut area. In addition, VNHSC is the sole member of A Caring Hand, LLC, which is a for-profit Connecticut limited liability company providing and administering homemaker, companion, live-in and personal care assistance services to individuals and families in the Greater Northern Central Connecticut area.

Note 1 - Organization (continued)

Connecticut Healthcare Insurance Company (CHIC) - CHIC, a captive insurance company, provides hospital and physician professional and general liability coverage to MMH, RGH, EES, and all other subsidiaries.

ECHN Corporate Services (ECHNCS) - ECHNCS is a for-profit stock corporation formed under the laws of the State of Connecticut, with ECHN as the sole shareholder. ECHNCS provides billing and other practice management services to the Network and other customers. It is also the parent corporation of Medical Practice Partners, LLC (MPP). MPP is a for-profit, limited liability company formed under the laws of the State of Connecticut, which provides practice management services to medical group practices throughout Connecticut.

ECHN and each of its subsidiaries, except for Enterprises and CHIC, are separate Connecticut not-for-profit corporations, qualified as exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC) and governed by separate Boards of Trustees (the Board) - although the membership of the ECHN, MMH and RGH boards are currently identical. ECHN, acting through its Board of Trustees, is the sole member of each of its members. ECHN has various powers with regard to each of its members, which include approving all operating and capital budgets; controlling the investment of funds, location of services, agreements and transactions, and affiliations; controlling changes, amendments, or restatements of certificates of incorporation and bylaws; electing trustees and officers; appointing committees; adopting a system-wide vision and strategic plans; and approving debt borrowings.

In August, the ECHN Board of Trustees announced that it had signed a non-binding letter of intent to negotiate the sale of ECHN to a newly formed joint partnership between Tenet Healthcare Corporation (Tenet) and Yale New Haven Health System (YNHHS). Since signing the letter of intent, ECHN, Tenet and YNHHS have been reviewing the opportunity in greater detail, conducting additional due diligence and negotiating a definitive agreement. A definitive agreement is expected to be reached by sometime in early calendar year 2014.

As of September 30, 2013, management has not finalized a purchase agreement and the Trustees believe that the Network will continue with its normal operations and as a going concern for the foreseeable future.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation - The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The consolidated financial statements include the accounts of ECHN and its subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation. The assets of any member of the consolidated group may not be available to meet the obligations of other members in the group.

Change in Accounting Principle - In 2013, the Network retrospectively changed its method of accounting for pension benefits. The Network has elected to immediately recognize actuarial gains and losses in its operating results in the year in which the gains and losses occur and no longer calculates expected return on plan assets using an averaging technique permitted under GAAP for market-related value of plan assets but instead uses actual fair value of plan assets. The effect of this change was to restate the 2012 consolidated statement of operations and changes in net assets, whereby the pension expense was increased by $778,615 and the accumulated pension liability recognized within net assets was reduced by $778,615. The 2012 excess of revenues over expenses of $3,727,155, as previously reported, was restated to $2,948,540. This change in accounting method had no effect on the 2012 Network's net assets.

Note 2 - Summary of Significant Accounting Policies (continued)

Use of Estimates - The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Network's significant estimates relate to the valuation of investments and interest rate swap agreements, allowance for doubtful patient accounts receivable, contractual allowances on patient accounts receivable, self-insurance liabilities, estimated settlements due to and from third parties, conditional asset retirement obligations, postretirement and pension benefit costs and the related obligations.

Cash and Cash Equivalents - The Network considers all highly liquid investments with original maturities of three months or less at date of purchase to be cash equivalents, excluding amounts whose use is limited or restricted by Board designation or other arrangements under trust agreements. Cash equivalents include money market funds. Cash balances maintained at banks are insured by the Federal Deposit Insurance Corporation (FDIC). At times, the Network maintains cash balances that are in excess of the $250,000 insured FDIC limits. The Network maintains its cash at various banks and it is the Network's policy to monitor the banks' financial strength on an ongoing basis.

Money market funds are not insured by the FDIC and are not a risk-free investment. Money market funds invest in a variety of instruments including mortgage-backed and asset-backed securities. Although a money market fund seeks to preserve its $1 per share value, it is possible that a money market fund's value can decrease below $1 per share.

Net Assets - Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined as follows:

> ***Permanently Restricted*** - Net assets subject to explicit donor imposed stipulations that they be maintained by the Network in perpetuity are classified as permanently restricted. Such permanently restricted net assets include endowment funds and MMH's and RGH's share of their beneficial interest in trust assets held by third parties. Generally, the donors of these assets permit the members of ECHN to use all or part of the investment return on these assets for operating purposes.
>
> ***Temporarily Restricted*** - Net assets whose use by the Network is subject to explicit donor imposed stipulations that can be fulfilled upon incurrence of expenditures by the Network pursuant to those stipulations or that expire by the passage of time are classified as temporarily restricted.
>
> ***Unrestricted*** - Net assets that are not subject to explicit donor-imposed stipulations are classified as unrestricted. Unrestricted net assets may be designated for specific purposes by action of the Board or may otherwise be limited by contractual agreements with outside parties; such designated assets are classified as assets whose use is limited in the accompanying consolidated balance sheets.

Note 2 - Summary of Significant Accounting Policies (continued)

Revenues are reported as increases in unrestricted net assets, unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions on net assets, that is, the donor imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues at the date the promise is received. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at a rate commensurate with the risks involved. Amortization of the discount is included in other revenue. Contributions restricted for the acquisition of land, buildings, and equipment are reported as temporarily restricted support. These contributions are reclassified to unrestricted net assets when the capital asset is acquired or constructed and placed in service.

Assets Whose Use is Limited - Assets whose use is limited primarily include cash and investments held by trustees under indenture agreements, cash and investments held for estimated self-insurance liabilities, Board designated investments, which include endowments, cash and investments set aside by the Board for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes; and, beneficial interests in trust assets, which are donor restricted and other restricted investments. Amounts required to meet current liabilities of the Network have been classified as current assets in the consolidated balance sheets as of September 30, 2013 and 2012.

The income earned on restricted funds is generally available for operations of the Network and is recorded as revenue in unrestricted net assets, unless restricted by the donor or to pay future annuity obligations, at which time the income is added to the appropriate restricted net asset balance. However, if a specific gift instrument explicitly requires the permanent reinvestment of appreciation, or a portion thereof, such reinvested amounts are classified within permanently restricted net assets. There were no gifts with reinvestment restrictions for the years ended September 30, 2013 and 2012.

Assets received as donations or bequests are recorded as contributions on the date received at the estimated fair value. The average cost method is used to determine realized gains or losses on sales of marketable equity securities.

Beneficial Interest in Trust Assets - MMH and RGH have been named sole or participating beneficiaries in several perpetual trusts, for which third parties act as the trustee. Under the terms of these trusts, MMH and RGH have the irrevocable right to receive the income earned on the trust assets held in perpetuity. The estimated present value of the future payments to MMH and RGH is recorded at the fair value of the assets held in the trust as beneficial interest in trust assets in the respective balance sheets of MMH and RGH and are permanently restricted as to use.

The income from the trusts is included in the change in interest in net assets of ECHF as unrestricted and temporarily restricted support. Fluctuations in the fair value of the trust assets are recognized as changes in permanently restricted net assets. MMH and RGH record their beneficial interest in trust assets when they are notified of the existence of the trust or when information becomes available to record the fair value of the trust assets.

Investments - The Network's investment portfolio is classified as available for sale, with unrealized gains and losses excluded from excess of revenues over expenses, unless the losses are deemed to be other than temporary. Investments with readily determinable fair values are measured at fair value in the consolidated balance sheets.

Note 2 - Summary of Significant Accounting Policies (continued)

Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses, unless the income or loss is restricted by donor or law.

Other-Than-Temporary Impairments on Investments - The Network accounts for other than temporary impairments in accordance with FASB ASC 320, "*Investments - Debt and Equity Securities*" and continually reviews its securities for impairment conditions, which could indicate that an other than temporary decline in market value has occurred. In conducting this review, numerous factors are considered, which include specific information pertaining to an individual company or a particular industry, general market conditions that reflect prospects for the economy as a whole, and the ability and intent to hold securities until recovery. The carrying value of investments is reduced to its estimated realizable value if a decline in fair value is considered to be other-than-temporary. There were no impairments recorded for the years ended September 30, 2013 and 2012.

Property, Plant and Equipment - Property, plant and equipment are stated at cost or, in the case of donated property, at fair value at the date of the gift, less accumulated depreciation and amortization. Major improvements and betterments to existing plant and equipment are capitalized. Expenditures for maintenance and repairs that do not extend the lives of the applicable assets are charged to expense as incurred. Upon disposition or retirement of property, plant and equipment, the cost and related accumulated depreciation and amortization are eliminated from the respective accounts and any resulting gain or loss is included in the results of consolidated operations.

Depreciation expense is computed on a straight-line basis over the following estimated useful lives:

Buildings	10-40 years
Building improvements	5-40 years
Machinery and equipment	3-15 years
Furniture and fixtures	5-20 years

Equipment under capital leases is amortized utilizing the straight-line method over the shorter of the lease term or the estimated useful life of the equipment. Depreciation and amortization expense was $12,137,690 and $12,058,197 for the years ended September 30, 2013 and 2012, respectively.

Interest cost incurred on borrowed funds during the construction period of capital assets is capitalized as a component of the cost of acquiring those assets.

Physician loan amortization totaling $153,132 and $79,493 for the years ended September 30, 2013 and 2012, respectively, is included within depreciation and amortization in the accompanying consolidated statements of operations and changes in net assets.

Gifts of property and equipment are reported as unrestricted support, and are excluded from the excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of property and equipment with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire property and equipment are reported as restricted support. Absent explicit donor stipulations about how long the property and equipment must be maintained, expirations of donor restrictions are reported as released from restrictions when the donated or acquired property and equipment assets are placed in service.

Note 2 - Summary of Significant Accounting Policies (continued)

Investments in Joint Ventures - The Network has invested in several joint ventures with other area hospitals, which are accounted for under the equity method of accounting. These joint ventures as of September 30, 2013 and 2012 include the Network's investments in the following:

	2013	Ownership Percentage	2012	Ownership Percentage
Northeast Regional Radiation Oncology Network, Inc.	$ 6,216,646	50 %	$ 6,110,316	50 %
Tolland Imaging Center	201,010	70 %	144,789	70 %
Medical Practice Partners, LLC	-	-	41,269	50 %
Metro Wheelchair Service Inc.	54,224	50 %	84,681	50 %
Ambulance Service of Manchester, LLC	3,772,317	50 %	3,675,104	50 %
Aetna Ambulance Service Inc.	1,772,500	50 %	1,562,298	50 %
Evergreen Endoscopy Center, LLC	292,807	50 %	397,153	50 %
Haynes Street Medical Associates	150,193	23 %	146,676	23 %
Haynes Street Medical Associates II	236,834	15 %	252,365	15 %
Evergreen Medical Associates, LLC	258,137	20 %	258,818	20 %
Evergreen Medical Associates II, LLC	559,585	20 %	605,854	20 %
Walden Behavioral Health	197,590	16 %	200,000	16 %
Total joint venture assets	13,711,843		13,479,323	
Other miscellaneous assets	20,000		21,001	
Total investments in joint ventures	$ 13,731,843		$ 13,500,324	

Distributions from these joint ventures totaled $1,802,805 and $1,654,409 for the years ended September 30, 2013 and 2012, respectively. ECHN's share of the earnings of the joint ventures is reported within other revenues and are $2,113,663 and $2,931,489 for the years ended September 30, 2013 and 2012, respectively.

Note 2 - Summary of Significant Accounting Policies (continued)

Summarized financial information from the financial statements of these organizations as of September 30, 2013 and 2012 and for the years then ended, is as follows:

2013	Total Assets	Net Assets	Change in Net Assets	Excess of Revenues (Under) Over Expenses
Northeast Regional Radiation Oncology Network, Inc.	$ 12,490,586	$ 12,433,293	$ 212,661	$ 295,288
Metro Wheelchair Service Inc.	$ 221,853	$ 108,449	$ (60,913)	$ (60,914)
Ambulance Service of Manchester, LLC	$ 8,782,743	$ 7,544,633	$ 194,425	$ 2,494,426
Aetna Ambulance Service Inc.	$ 4,269,492	$ 3,544,999	$ 420,403	$ 420,404
Haynes Street Medical Associates	$ 2,542,951	$ 663,153	$ 23,205	$ 79,920
Haynes Street Medical Associates II	$ 8,435,369	$ 1,569,706	$ (112,714)	$ 181,272
Evergreen Endoscopy Center, LLC	$ 1,746,503	$ 585,614	$ (208,332)	$ 370,077
Evergreen Medical Associates, LLC	$ 6,484,054	$ 1,339,457	$ 45,367	$ 239,569
Evergreen Medical Associates II, LLC	$ 11,906,047	$ 2,929,989	$ (99,281)	$ 394,554
Tolland Imaging Center	$ 934,135	$ 287,155	$ 72,449	$ 650,448
Walden Behavioral Health	$ 1,651,417	$ 1,205,183	$ 53,023	$ (16,006)

2012	Total Assets	Net Assets	Change in Net Assets	Excess of Revenues (Under) Over Expenses
Northeast Regional Radiation Oncology Network, Inc.	$ 12,257,336	$ 12,220,632	$ (24,696)	$ 961,990
Metro Wheelchair Service Inc.	$ 289,879	$ 169,362	$ (143,075)	$ (83,559)
Ambulance Service of Manchester, LLC	$ 8,473,110	$ 7,350,208	$ (438,482)	$ 2,434,208
Aetna Ambulance Service Inc.	$ 3,886,956	$ 3,124,596	$ 222,786	$ 354,322
Haynes Street Medical Associates	$ 2,576,327	$ 639,948	$ 179,777	$ 65,951
Haynes Street Medical Associates II	$ 8,380,885	$ 1,682,420	$ (355,210)	$ 205,180
Evergreen Endoscopy Center, LLC	$ 2,199,308	$ 793,946	$ (396,530)	$ 731,378
Evergreen Medical Associates, LLC	$ 6,698,447	$ 1,294,090	$ (47,090)	$ 140,755
Evergreen Medical Associates II, LLC	$ 11,934,962	$ 3,029,270	$ 40,300	$ 440,655
Tolland Imaging Center	$ 1,258,554	$ 214,706	$ 28,745	$ 100,840
Walden Behavioral Health	$ 1,363,512	$ 1,152,160	$ 1,512,160	$ (203,705)
Medical Practice Partners, LLC	$ 1,569,742	$ 185,290	$ 64,960	$ (127,183)

Note 2 - Summary of Significant Accounting Policies (continued)

Unamortized Bond Issue Costs - Financing costs associated with the issuance of long-term debt are amortized over the term of the bonds using the effective interest method. Amortization is included in interest and financing costs in the accompanying consolidated statements of operations and changes in net assets, and the unamortized carrying value is recorded within other - net in the accompanying consolidated balance sheets.

Intangible Assets - Intangible assets, principally license enhancements and goodwill, are amortized over the life of the respective intangible property. On average, this amortization period for license enhancements and goodwill is 18 and 5 years, respectively. Amortization is included in depreciation and amortization in the accompanying consolidated statements of operations and changes in net assets and the unamortized carrying value is recorded within goodwill and intangible assets - net in the accompanying consolidated balance sheets. Any residual value remaining after the amortization period is considered insignificant.

Deferred Revenue - Deferred revenue represents payments received for services to be rendered in the next fiscal year and is recorded within other current liabilities in the accompanying consolidated balance sheets.

Excess of Revenues (Under) Over Expenses - The consolidated statements of operations and changes in net assets include excess of revenues (under) over expenses. Changes in unrestricted net assets, which are excluded from the excess of revenues (under) over expenses, consistent with industry practice, include the changes in unrealized appreciation (depreciation) on investments; net change in fair value of interest rate swap agreements that qualifies for hedge accounting; net assets released from restrictions used for capital acquisitions; pension and postretirement-related adjustments; and other changes in net assets.

For purposes of display, transactions deemed by management to be ongoing, major or central to providing of health care services are reported as operating revenues and operating expenses. Operating revenues include net patient service revenue, grant income and investment income. Peripheral or incidental transactions are reported as non-operating gains and losses. Non-operating gains and losses include investment income and expenses related to property management, losses recognized on investments representing declines in value considered to be other-than-temporary in nature, changes in the fair values of interest rate swaps that do not qualify for hedge accounting (net interest expense) and the costs associated with pursuing business combinations.

Charity Care - MMH and RGH provide care to patients who meet certain criteria under their charity care policies without charge or at amounts less than its established and contractual rates. The hospitals do not pursue collection of amounts determined to qualify as charity care; as such, these amounts are not reported as revenue.

Net Patient Service Revenues - Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Contracts, laws, and regulations governing Medicare, Medicaid, Blue Cross, and the uncompensated care pool programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Network records adjustments in amounts accrued for estimated settlements related to prior years.

A portion of the accrual for estimated settlements with third-party payers has been classified as long-term because such amounts, by their nature or by virtue of regulation or legislation, are not expected to be paid within one year.

Note 2 - Summary of Significant Accounting Policies (continued)

MMH and RGH have agreements with third-party payers that provide for payments at amounts different from their established rates. A summary of the payment agreements with major third-party payers is as follows:

Medicare - Acute care hospitals are subject to a federal prospective payment system for most Medicare inpatient hospital services and for certain outpatient services. Under this prospective payment methodology, Medicare pays a prospectively determined per-discharge or per-visit rate for non-physician services. These rates vary according to the Diagnosis Related Group or Ambulatory Payment Classification of each patient.

Inpatient rehabilitation and mental health services, outpatient services, capital and medical education costs related to Medicare beneficiaries are paid based on a prospective payment system, subject to certain limitations. The Hospital is reimbursed for cost-reimbursement for certain items at a tentative rate, with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. Certain other outpatient services are reimbursed according to fee screens.

Medicaid - Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost-reimbursement methodology. The hospitals are reimbursed at a tentative rate, with final settlement determined after submission of annual cost reports by the hospitals.

Other Payers - The Network has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes rates per discharge, discounts from established charges, per diem rates, and fee schedule payments.

Health Care Industry - The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management believes that the Network is in compliance with fraud and abuse regulations, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to further governmental review and interpretation, as well as regulatory actions unknown or unasserted at this time.

EHR Incentive Payment Revenue - The American Recovery and Reinvestment Act of 2009 authorized the Centers for Medicare and Medicaid Services (CMS) to award incentive payments to eligible health care providers who demonstrate Meaningful Use of certified electronic health records (EHR). These incentive programs are designed to support providers in this period of health information technology transition and instill the use of EHRs in meaningful ways to help our nation to improve the quality, safety, and efficiency of patient health care. Total received for Medicare amounted to $2,630,820 and $3,507,760, respectively, and the total received for Medicaid amounted to $0 and $325,412, respectively, for the years ended September 30, 2013 and 2012.

Note 2 - Summary of Significant Accounting Policies (continued)

Future Operations - Current trends in the health care industry include mergers and other forms of affiliations among providers, increasing shifts to managed care, overall reduction in inpatient average length of stay, increasingly restrictive reimbursement policies by governmental and private payers, and the prospect of significant changes in legislation at the state and national level. Management cannot assess or project the ultimate effect of these or other items on the future operations of the Network.

Interest in Net Assets of ECHF - ECHF was formed as a not-for-profit organization to supervise the development activities and engage in investment activities for the benefit of all of the ECHN subsidiaries. ECHN is the sole member of ECHF and the ECHF's Board of Directors is appointed by ECHN. ECHN subsidiaries follow the provisions of FASB ASC 958 *"Not-for-Profit Entities"*. Accordingly, the separate ECHN members record their interest in the net assets of ECHF in their separate financial statements. These amounts have been eliminated in consolidation.

Income Taxes - ECHN and its subsidiaries, except for Enterprises and CHIC, are in compliance with the provisions of Internal Revenue Code (the Code) Sec. 501(c)(3) and are exempt from federal tax under IRC Sec. 501(a). At times, the Network is involved with activities that subject minor amounts of unrelated business federal income tax, which are paid as they come due in accordance with the Code and the regulations there under. Such amounts are insignificant to the Network's consolidated financial statements.

The Network accounts for uncertain tax positions in accordance with provisions of FASB ASC 740, *"Income Taxes"*, which provides a framework for how companies should recognize, measure, present and disclose uncertain tax positions in their consolidated financial statements. The Network may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Network does not have any uncertain tax positions as of September 30, 2013 and 2012. As of September 30, 2013 and 2012, the Network did not record any penalties or interest associated with uncertain tax positions. Generally, the Network's prior three tax years are open and subject to examination by the Internal Revenue Service.

Enterprise and its subsidiaries are for-profit entities subject to federal and state taxes. For these entities, ECHN applies the provisions of FASB ASC 740. The tax provisions, and related tax assets and liabilities, are not material. CHIC has received an undertaking from the Cayman Islands government exempting it from all local income, profits, and capital gains taxes until January 3, 2026. No such taxes are currently levied in the Cayman Islands. Accordingly, no provision for federal income taxes has been recorded in the accompanying consolidated financial statements.

Asset Retirement Obligations - The Network recognizes a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Uncertainty about the timing and/or method of settlement of a conditional asset retirement obligation is factored into the measurement of the liability when sufficient information exists. The types of asset retirement obligations that the Network recognizes are those for which the Network has a legal obligation to perform an asset retirement activity, however, the timing and/or method of settling the obligation are conditional on a future event that may or may not be within its control.

The fair value of a liability for the legal obligation associated with an asset retirement is recorded in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement is capitalized. As of September 30, 2013 and 2012, the Network has recognized $412,007 and $400,687, respectively, as an obligation to remove asbestos from various buildings upon retirement. This total is included in the consolidated balance sheets within other liabilities.

Note 2 - Summary of Significant Accounting Policies (continued)

Accounting for Defined Benefit Pension and Other Postretirement Plans - The Network recognizes the overfunded or underfunded status of their defined benefit pension and other postretirement benefit plans (collectively, postretirement benefit plans) in the consolidated balance sheets as an asset or liability. The Network recognizes changes in the funded status of the plans in the year in which the changes occur as an operating expense and as a change in unrestricted net assets presented below the excess of revenues over expenses in its consolidated statements of operations and changes in net assets.

Inventory - The Network records inventory at cost using the average cost method.

Impairment of Long-Lived Assets - Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less cost to sell.

Estimated Self-Insurance Liabilities - The liabilities for outstanding losses and loss related expenses, and the related provision for losses and loss related expenses include estimates for malpractice losses, general liability, and workers' compensation incurred but not reported claims, as well as losses pending settlement. Such liabilities are necessarily based on estimates and, while management believes the amounts provided are adequate, the ultimate liability may be in excess of or less than the amounts provided. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The methods for making such estimates and the resulting liability are actuarially reviewed on an annual basis, and any adjustments required are reflected in operations in the current period. The current portion of estimated self-insurance liabilities is recorded within other current liabilities in the accompanying consolidated balance sheets.

Concentration of Credit Risk - Financial instruments, which potentially subject the Network to concentration of credit risk, consist of accounts receivable, investments, including temporary cash investments, marketable equity and debt securities, mutual funds, government securities and interest rate swap agreements. The Network receives a significant portion of its payments for services rendered from a limited number of government and commercial third-party payers, including Medicare (a federal program), Medicaid (a State of Connecticut program), and various health insurance companies.

Interest Rate Swap Agreements - Interest rate swap agreements are recognized as either assets or liabilities in the consolidated balance sheet at fair value regardless of the purpose or intent for holding them. Changes in the fair value of interest rate swap agreements are recognized in non-operating losses or if designated and effective as hedge transactions, as changes in unrestricted net assets.

Advertising Costs - The Network expenses advertising costs the first time the advertising takes place. The total amount charged to advertising expense was $1,842,135 and $1,596,878 for the years ended September 30, 2013 and 2012, respectively, and is recorded in supplies and other expenses in the accompanying consolidated statements of operations and changes in net assets.

Accounting Pronouncements Adopted - In May 2011, FASB issued Accounting Standards Update (ASU) 2011-04, "*Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in US. GAAP and IFRSs,*" which amends ASC 820, *Fair Value Measurements and Disclosures.* ASU 2011-04 amends the fair value disclosure requirements regarding transfers between Level 1 and Level 2 of the fair value hierarchy and the categorization by level of the fair value hierarchy for items that are not measured at fair value in the financial statements, but for which the fair value is required to be disclosed. This guidance became effective for the Network beginning on October 1, 2012. The adoption of this guidance had no impact on the Network's consolidated financial statements.

Note 2 - Summary of Significant Accounting Policies (continued)

In July 2011, the FASB issued ASU 2011-07, "*Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision of Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities.*" This guidance establishes accounting and disclosure requirements for health care entities that recognize significant amounts of patient service revenue at the time services are rendered even though the entity does not assess a patient's ability to pay. Specifically, the guidance requires that health care entities present bad debt expense associated with net patient service revenue as an offset to net patient service revenue within the consolidated statements of operations and changes in net assets. Additionally, the guidance requires enhanced disclosure of the policies for recognizing revenue and assessing bad debts, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The guidance requires retrospective application to all prior periods presented. This guidance became effective for the Network beginning on October 1, 2012. The adoption of this guidance had no impact on the Hospital"s operating income in the statements of operations and changes in net assets, but resulted in additional disclosures in Note 14. All years included have been presented in accordance with the provisions of ASU 2011-07.

Accounting Pronouncements Pending Adoption - In December 2011, the FASB issued ASU 2011-11, "*Disclosures about Offsetting Assets and Liabilities.*" This guidance contains new disclosure requirements regarding the nature of an entity's rights of setoff and related arrangements associated with its financial instruments and derivative instruments. This guidance is effective for the Network beginning October 1, 2013, and retrospective application is required. The Network does not expect this guidance to have an impact on its consolidated financial statements.

In October 2012, the FASB issued ASU 2012-05, "*Statement of Cash Flows (Topic 230): Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows.*" This guidance provides clarification on how entities classify cash receipts arising from the sale of certain donated financial assets in the statement of cash flows. This guidance is effective for the Network beginning October 1, 2013, with early adoption permitted. The Network has not yet evaluated the impact this guidance may have on its consolidated financial statements.

In January 2013, the FASB issued ASU 2013-01, "*Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities.*" This guidance provides clarification on the scope of the offsetting disclosure requirements in ASU 2011-11. This guidance is effective for the Network beginning October 1, 2013, with early adoption permitted. The Network does not expect this guidance to have a material impact on its consolidated balance sheets.

In February 2013, the FASB issued ASU 2013-04, "*Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date.*" This guidance requires entities to measure obligations resulting from the joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at the reporting date. This guidance is effective for the Network beginning October 1, 2014, with early adoption permitted. The Network has not yet evaluated the impact this guidance may have on its consolidated financial statements.

Reclassification - Certain amounts in the 2012 consolidated financial statements have been reclassified to conform to the 2013 presentation. These reclassifications had no material effect on the 2012 consolidated financial statements.

Subsequent Events - Subsequent events have been evaluated through December 17, 2013, the date through which procedures were performed to prepare the consolidated financial statements for issuance. Management believes that there are no subsequent events having a material impact on the consolidated financial statements.

Note 3 - Assets Whose Use is Limited and Investments

Assets whose use is limited and investments as of September 30, 2013 and 2012, include the following:

	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Board designated and donor-restricted:				
Money market funds	$ 507,386	$ 507,386	$ 265,287	$ 265,287
U.S. equities	215,775	206,426	150,241	163,427
Mutual funds:				
U.S. small/mid cap	2,887,193	3,203,837	196,636	252,510
Investment grade taxable	413,221	403,449	264,483	278,626
Short-term bond fund	2,027,248	2,006,817	4,486,385	4,523,908
Large value fund	11,535,567	12,161,104	6,349,959	6,952,883
Moderate allocation funds	11,605,313	12,765,022	15,795,794	17,344,909
Foreign growth fund	6,058,560	7,104,073	2,838,789	3,151,684
Other	1,038,597	1,315,132	291,414	308,608
Total	$ 36,288,860	$ 39,673,246	$ 30,638,988	$ 33,241,842
Investments held in trust for estimated self-insurance liabilities:				
Money market funds	$ 326,811	$ 326,811	$ 120,455	$ 120,455
U.S. government securities	-	-	2,265,438	2,352,152
Corporate bonds	-	-	1,822,751	1,946,269
U.S. equities	30,000	48,325	539,532	789,253
Mutual funds:				
Bond fund	1,090,954	1,075,321	700,417	720,276
Short-term government fund	-	-	355,932	353,901
Emerging markets fund	86,840	90,905	138,872	152,650
Midcap stock fund	25,000	27,609	103,788	131,765
International stock fund	23,648	30,292	88,053	102,075
Moderate allocation fund	803,904	866,668	1,439,996	1,736,180
Other investments	-	-	379,893	439,722
Total	$ 2,387,157	$ 2,465,931	$ 7,955,127	$ 8,844,698
Investments held under bond indenture:				
Money market funds	$ 5,994,581	$ 5,994,581	$ 9,085,534	$ 9,085,534
U.S. government securities	797,747	798,007	1,292,701	1,291,731
Total	$ 6,792,328	$ 6,792,588	$ 10,378,235	$ 10,377,265
Beneficial interest in trust assets	$ 6,579,883	$ 7,882,372	$ 6,650,295	$ 7,400,782

Note 3 - Assets Whose Use is Limited and Investments (continued)

	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Investments:				
Money market funds	$ 455,766	$ 455,766	$ 468,063	$ 468,063
U.S. equities	239,278	273,569	175,201	196,112
Corporate bonds	15,389	15,427	-	-
Certificates of deposit	100,000	100,751	115,000	116,065
Mutual funds:				
U.S. small/mid cap	933,236	1,042,212	128,060	138,105
Investment grade taxable	399,749	396,103	272,165	283,621
Global high yield taxable	81,205	81,489	94,450	96,902
Emerging markets fund	-	-	47,200	49,593
Short-term bond	5,715,771	5,688,229	1,711,777	1,743,074
Large value fund	1,243,896	1,509,882	7,750,713	8,067,571
Moderate allocation funds	1,694,843	2,017,532	1,786,976	2,030,778
Foreign large fund	1,169,563	1,428,580	7,864,153	8,320,932
Total	$ 12,048,696	$ 13,009,540	$ 20,413,758	$ 21,510,816
Total assets whose use is limited and investments	$ 64,096,924	$ 69,823,677	$ 76,036,403	$ 81,375,403

Fair values and gross unrealized losses for all investment categories whose fair value is below its cost as of September 30, 2013 and 2012, and the length of time that the securities have been in an unrealized loss position as of September 30, 2013 and 2012, are as follows:

2013	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. equities	$ 206,426	$ (9,349)	$ -	$ -	$ 206,426	$ (9,349)
Foreign growth fund	-	-	1,375,560	(102,856)	1,375,560	(102,856)
Investment grade taxable	799,552	(13,418)	-	-	799,552	(13,418)
Short-term bond fund	2,367,489	(52,696)	-	-	2,367,489	(52,696)
Bond fund	1,075,321	(15,633)	-	-	1,075,321	(15,633)
U.S. government securities	-	-	798,803	(900)	798,803	(900)
	$ 4,448,788	$ (91,096)	$ 2,174,363	$ (103,756)	$ 6,623,151	$ (194,852)

2012	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Large value fund	$ -	$ -	$ 4,106,546	$ (216,359)	$ 4,106,546	$ (216,359)
Foreign growth fund	-	-	400,220	(23,711)	400,220	(23,711)
Short-term government fund	353,901	(2,031)	-	-	353,901	(2,031)
U.S. government fund	-	-	1,291,731	(970)	1,291,731	(970)
	$ 353,901	$ (2,031)	$ 5,798,497	$ (241,040)	$ 6,152,398	$ (243,071)

Note 3 - Assets Whose Use is Limited and Investments (continued)

Based on that evaluation and the Network's ability and intent to hold those investments for a reasonable period of time sufficient for a forecasted recovery of fair value, the Network does not consider those investments to be other-than-temporarily impaired as of September 30, 2013 and 2012.

Interest and dividend income, which is included in other operating revenue, on the assets whose use is limited and investments totaled $1,529,821 and $1,326,767 for the years ended September 30, 2013 and 2012, respectively. There were realized gains of $5,584,750 and $0 for the years ended September 30, 2013 and 2012, respectively.

Note 4 - Fair Value Measurements

FASB ASC 820 provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Network has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has specified (contractual) terms, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Note 4 - Fair Value Measurements (continued)

The following table presents the financial instruments carried at fair value as of September 30, 2013 and 2012, by the valuation hierarchy.

2013	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 7,284,544	$ -	$ -	$ 7,284,544
U.S. government securities	798,007	-	-	798,007
Corporate bonds	15,427	-	-	15,427
Certificates of deposit	100,751	-	-	100,751
U.S. equities	528,320	-	-	528,320
Mutual funds:				
U.S. small/mid cap	4,246,049	-	-	4,246,049
Investment grade taxable	799,552	-	-	799,552
Global high yield taxable	81,489	-	-	81,489
Bond fund	1,075,321	-	-	1,075,321
Short-term bond fund	7,695,046	-	-	7,695,046
Large value fund	13,670,986	-	-	13,670,986
Moderate allocation fund	15,649,222	-	-	15,649,222
Foreign growth fund	7,104,073	-	-	7,104,073
Emerging markets fund	90,905	-	-	90,905
Midcap stock fund	27,609	-	-	27,609
International stock fund	30,292	-	-	30,292
Foreign large fund	1,428,580	-	-	1,428,580
Other	1,315,132	-	-	1,315,132
Beneficial interest in trusts	-	-	7,882,372	7,882,372
Total assets at fair value	$ 61,941,305	$ -	$ 7,882,372	$ 69,823,677
Liabilities:				
Obligations under interest rate swap agreements	$ -	$ 181,635	$ -	$ 181,635
Total liabilities at fair value	$ -	$ 181,635	$ -	$ 181,635

Note 4 - Fair Value Measurements (continued)

2012	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 9,939,339	$ -	$ -	$ 9,939,339
U.S. government securities	3,643,883	-	-	3,643,883
Corporate bonds	-	1,946,269	-	1,946,269
Certificates of deposit	116,065	-	-	116,065
U.S. equities	1,148,792	-	-	1,148,792
Mutual funds:				
U.S. small/mid cap	390,615	-	-	390,615
Investment grade taxable	562,247	-	-	562,247
International developed bonds	21,302	-	-	21,302
Global high yield taxable	159,419	-	-	159,419
Other	96,383	-	-	96,383
Bond fund	720,276	-	-	720,276
Short-term bond fund	6,266,982	-	-	6,266,982
Large value fund	15,020,454	-	-	15,020,454
Moderate allocation fund	21,111,867	-	-	21,111,867
Foreign growth fund	3,151,684	-	-	3,151,684
Short-term government fund	353,901	-	-	353,901
Emerging markets fund	330,649	-	-	330,649
Midcap stock fund	131,765	-	-	131,765
International stock fund	102,075	-	-	102,075
Foreign large fund	8,320,932	-	-	8,320,932
Other investments	439,722	-	-	439,722
Beneficial interest in trusts	-	-	7,400,782	7,400,782
Total assets at fair value	$ 72,028,352	$ 1,946,269	$ 7,400,782	$ 81,375,403
Liabilities:				
Obligations under interest rate swap agreements	$ -	$ 540,389	$ -	$ 540,389
Total liabilities at fair value	$ -	$ 540,389	$ -	$ 540,389

During the years ended September 30, 2013 and 2012, the value of the beneficial interest in trusts increased for a change in market value of $787,751 and $1,141,645, respectively. In addition, the Network received $306,161 and $429,028 in distributions from these trusts in 2013 and 2012, respectively.

The Network's valuation methodologies used to measure financial assets and liabilities at fair value are outlined below. Where applicable, the Network uses quoted prices in active markets for identical assets and liabilities to determine fair value (Level 1 inputs). This pricing methodology applies to money market funds, U.S. government securities, certificates of deposit, U.S. equities and mutual funds.

Note 4 - Fair Value Measurements (continued)

If quoted prices in active markets for identical assets and liabilities are not available, then quoted prices for similar assets and liabilities, quoted prices for identical assets or liabilities in inactive markets or inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, will be used to determine fair value (Level 2 inputs). The Level 2 classifications include the corporate bonds and interest rate swap agreements. The interest rate swap agreements are valued based on a determination of market expectations relating to the future cash flows associated with the swap contract using sophisticated modeling based on observable market-based inputs, such as interest rate curves.

Assets and liabilities that are valued using significant unobservable inputs, such as extrapolated data, proprietary models, or indicative quotes that cannot be corroborated with market data are classified in Level 3 within the fair value hierarchy. The Level 3 classification includes the Network's beneficial interest in trusts. The value of the Network's assets is based on total fund values and the Network's corresponding beneficiary percentage.

The fair value of the Network's Series A and C Bonds are based on current traded value. The fair value of the Series A and C Bonds as of September 30, 2013 and 2012, is approximately $41,854,230 and $44,721,911, respectively. The fair value of the Network's remaining long-term debt approximates its carrying value.

As of September 30, 2013 and 2012, the Network's other financial instruments included accounts receivable, accounts payable and accrued expenses and estimated settlements due to and from third-party payers. The carrying amounts reported in the consolidated balance sheets for these financial instruments approximate their fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Network believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 5 - Other Assets

Other assets as of September 30, 2013 and 2012 consist of the following:

	2013	2012
Pledges receivable, net	$ 210,112	$ 376,165
Other receivables	887,661	916,543
Notes receivable	307,040	326,935
Unamortized bond issuance costs	2,580,484	2,728,593
Losses recoverable	2,247,835	867,152
Total	$ 6,233,132	$ 5,215,388

As of September 30, 2013 and 2012, $687,146 and $833,061 of pledges receivables have been included within prepaid expenses and other current assets as management anticipates them to be collected within the next year.

Note 5 - Other Assets (continued)

Pledges receivable are expected to be realized as follows:

	2013	2012
In one year or less	$ 688,276	$ 834,922
Between one and five years	213,662	384,003
Greater than five years	-	4,313
Less: discount for present value	(4,680)	(14,012)
Pledges receivable - net	$ 897,258	$ 1,209,226

Pledges receivable are reported at their net present value, discounted at rates from .10% to 4.90%. There was no allowance for uncollectible amounts recorded as of September 30, 2013 and 2012.

As of September 30, 2013 and 2012, unamortized bond issuance costs, which are included within other assets, consist of the following:

	2013	2012
Deferred financing costs	$ 3,735,675	$ 4,162,046
Less accumulated amortization	(1,155,191)	(1,433,453)
Total	$ 2,580,484	$ 2,728,593

Note 6 - Property, Plant and Equipment

Property, plant and equipment as of September 30, 2013 and 2012, consist of the following:

	2013	2012
Land and land improvements	$ 5,333,743	$ 5,311,030
Buildings and building improvements	160,660,529	157,921,015
Fixed equipment	31,817,532	25,744,837
Movable equipment	104,373,295	124,349,089
	302,185,099	313,325,971
Less: accumulated depreciation and amortization	(206,928,185)	(219,601,455)
	95,256,914	93,724,516
Construction in progress	931,583	2,570,939
Total	$ 96,188,497	$ 96,295,455

Note 6 - Property, Plant and Equipment (continued)

For the years ended September 30, 2013 and 2012, the Network capitalized interest related to construction financed with tax-exempt debt of $126,000 and $68,838, respectively. The cost to complete the construction in progress is approximately $2,981,000 and $4,225,000 as of September 30, 2013 and 2012, respectively.

For the years ended September 30, 2013 and 2012, the Network disposed of property, plant and equipment in the amounts of $24,086,313 and $615,306, respectively, all disposals were of fully depreciated assets.

Note 7 - Intangible Assets

The gross carrying amount and accumulated amortization, by class of intangible assets, as of September 30, 2013 and 2012, consisted of the following:

2013	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
License enhancements	$ 1,898,684	$ (1,349,202)	$ 549,482
Other intangible assets	101,000	-	101,000
Goodwill	7,252,932	(757,545)	6,495,387
Total	$ 9,252,616	$ (2,106,747)	$ 7,145,869

2012	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
License enhancements	$ 1,898,684	$ (1,319,877)	$ 578,807
Goodwill	6,461,402	(577,103)	5,884,299
Total	$ 8,360,086	$ (1,896,980)	$ 6,463,106

Amortization expense related to intangible assets was $149,767 and $224,027 for the years ended September 30, 2013 and 2012, respectively.

The estimated amortization expense in each of the succeeding five fiscal years and thereafter, as of September 30, 2013, is as follows:

2014	$ 228,222
2015	197,589
2016	189,456
2017	174,913
2018	80,197
Thereafter	402,852
Total	$ 1,273,229

Note 8 - Estimated Self-Insurance Liabilities

The Network is self-insured for workers' compensation insurance coverage. The Network participates in Workers' Compensation Trust, a revocable trust, for the purpose of setting aside assets based on actuarial funding recommendations.

The Network has a $350,000 limit per occurrence for workers' compensation claims. The Network has employed independent actuaries to estimate the ultimate costs, if any, of workers' compensation claims. Accrued workers' compensation reserves have been discounted at 5% as of September 30, 2013 and 2012, and in management's opinion provide an adequate reserve for loss contingencies.

In fiscal year 2007, ECHN established a single-parent captive, CHIC, which covers all of its subsidiaries. The captive provides malpractice and general insurance coverage for ECHN and its subsidiaries at $3,000,000 per occurrence and $9,000,000 in the aggregate for the years ended September 30, 2013 and 2012.

Effective October 1, 2009, CHIC also provided an excess healthcare professional liability and umbrella liability insurance policy on a claims-made basis covering healthcare professional liability, general care liability, automobile liability, employers liability, helipad liability and non-owned aircraft liability. The limit provided is $30,000,000 for each loss event and in the annual aggregate excess of the primary coverage layers described above. This coverage is fully reinsured.

ECHN does not self-insure any malpractice risks other than exposures greater than its excess coverages, however, as of September 30, 2013 and 2012, ECHN has recorded a liability for estimated incurred but not reported claims, as it currently has a claims-made policy with CHIC.

Note 8 - Estimated Self-Insurance Liabilities (continued)

The activity in the reserve for outstanding losses and loss related expenses at ECHN for workers' compensation and malpractice claims, as of September 30, 2013 and 2012, is as follows:

	2013	2012
Balance at beginning of year	$ 14,873,830	$ 9,016,338
Workers' compensation:		
Losses incurred related to:		
Current year	697,778	941,403
Prior year	3,200,111	1,456,175
Total incurred	3,897,889	2,397,578
Paid losses related to:		
Current year	(414,370)	(412,068)
Prior year	(1,732,496)	(1,482,261)
Total paid	(2,146,866)	(1,894,329)
Professional and general:		
Losses incurred related to:		
Current year	997,781	1,062,024
Prior year	6,950,980	4,997,849
Total incurred	7,948,761	6,059,873
Paid losses related to:		
Current year	(45,727)	(11,458)
Prior year	(13,231,777)	(694,172)
Total paid	(13,277,504)	(705,630)
Balance at end of year	$ 11,296,110	$ 14,873,830

Workers' Compensation - The development on prior-year incurred losses increased by approximately $5,185,000 and $1,456,000 as of September 30, 2013 and 2012, respectively.

Professional and General - The development on prior-year incurred losses increased by approximately $6,950,980 and $4,998,000 as of September 30, 2013 and 2012, respectively.

The reserve for losses, which was determined with the assistance of an actuarial consultant, included estimates of claims incurred but not reported. Approximately $2,272,000 and $5,352,000 of the reserve as of September 30, 2013 and 2012, respectively, are included in other current liabilities with the remaining balance of the reserve included in estimated self-insurance liabilities in the accompanying consolidated balance sheets.

Note 9 - Pension and Other Postretirement Benefits

ECHN has a defined benefit pension plan covering substantially all of the employees of MMH and RGH. The benefits are based upon years of service and compensation for the five highest years during the employee's last 10 years of service. The hospitals make contributions in amounts sufficient to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974, as well as such additional amounts as deemed appropriate.

Effective December 31, 2008, ECHN implemented a soft freeze on the defined benefit pension plan. All employees with age and service credits greater than 65 were given the option to stay in the defined benefit pension plan or freeze their defined benefits and enter into a defined contribution plan. All other employees were required to enter into the defined contribution plan. Under the defined contribution plan, ECHN contributes 3% of eligible employees' salaries. This match is non-guaranteed for all employees except certain union workers. During September 2013 the Trustees passed a resolution to freeze all benefits related to the defined-benefit pension plan. During fiscal year 2013 and 2012, the Network incurred expenses of $2,076,122 and $1,815,351, respectively, related to this plan.

MMH and RGH also sponsor a postretirement benefit plan that provides health care benefits to those employees who retire. The criterion to receive this benefit is to be vested in the pension plan, attain age 55 or older and start collecting under the defined benefit plan described above once retired. The retiree must be enrolled into the medical plan on the date of retirement to be eligible for the continuation. MMH full time registered nurse retirees (retired prior to October 1, 2005 and were eligible per the Union contract) are grandfathered and required to pay at least 50% of the total cost of the medical and dental coverage they elect for themselves under the plan. Grandfathered eligible retirees are required to pay 100% of the total cost of the medical and dental coverage they elect for an eligible spouse. For non-grandfathered retirees, the postretirement health care plan is contributory and the retiree pays 100% of the premium.

The Network, as of September 30, 2013 and 2012, has no unrecognized actuarial losses related to the defined benefit pension plan.

The effects of Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the Act) were reflected as of September 30, 2013 and 2012, assuming that ECHN will continue to provide a prescription drug benefit to retirees that is at least actuarially equivalent to Medicare Part D and that ECHN will receive the federal subsidy. This reduced plan liabilities by approximately $900,000 and $1,100,000 for the years ended September 30, 2013 and 2012, respectively. Subsidies of $90,769 and $95,241 were received in the years ended September 30, 2013 and 2012, respectively. Future benefits of $385,518 are expected to be paid and future subsidies of $63,055 are expected to be received related to the year ended September 30, 2014.

Note 9 - Pension and Other Postretirement Benefits (continued)

The pension and postretirement plans' change in benefit obligation and change in plan assets for the years ended September 30, 2013 and 2012, are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Change in benefit obligation:				
Benefit obligation, beginning of year	$ 223,101,495	$ 188,714,944	$ 4,633,005	$ 4,680,687
Service cost	2,709,867	2,233,145	72,548	63,127
Interest cost	9,475,222	10,105,635	162,852	226,498
Plan curtailments	(7,795,069)	-	-	-
Plan participants' contributions	-	-	296,951	507,918
Receipt of Medicare Part D reimbursement	-	-	90,769	95,241
Actuarial loss (gain)	(26,124,678)	30,013,892	(499,239)	(140,180)
Benefits paid	(9,072,578)	(7,966,121)	(563,314)	(800,286)
Benefit obligation, end of year	$ 192,294,259	$ 223,101,495	$ 4,193,572	$ 4,633,005
Change in plan assets:				
Fair value of plan assets, beginning of year	$ 149,218,728	$ 125,293,980	$ -	$ -
Actual return on plan assets	9,144,700	20,980,869	-	-
Employer contributions	3,000,000	10,910,000	175,594	197,127
Plan participants' contributions	-	-	296,951	507,918
Receipt of Medicare Part D reimbursement	-	-	90,769	95,241
Benefits paid	(9,072,578)	(7,966,121)	(563,314)	(800,286)
Fair value of plan assets, end of year	$ 152,290,850	$ 149,218,728	$ -	$ -
Accrued pension and other postretirement benefits	$ (40,003,409)	$ (73,882,767)	$ (4,193,572)	$ (4,633,005)
Accumulated benefit obligation	$ (192,294,259)	$ (213,696,232)	$ -	$ -

The amount recognized in the Network's consolidated balance sheets as of September 30, 2013 and 2012, are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Current liabilities	$ 5,700,000	$ 3,500,000	$ 385,518	$ 397,164
Noncurrent liabilities	34,303,409	70,382,767	3,808,054	4,235,841
Net amount recognized	$ 40,003,409	$ 73,882,767	$ 4,193,572	$ 4,633,005

Note 9 - Pension and Other Postretirement Benefits (continued)

The allocation of the accrued pension and postretirement benefits for the years ended September 30, 2013 and 2012 is as follows:

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
MMH	$ 30,733,610	$ 56,594,968	$ 3,206,427	$ 3,608,963
RGH	9,269,799	17,287,799	987,145	1,024,042
Total	$ 40,003,409	$ 73,882,767	$ 4,193,572	$ 4,633,005

The plans' components of net periodic benefit cost for the years ended September 30, 2013 and 2012, are as follows (pension benefits information presented is for MMH and RGH combined):

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Service cost	$ 2,709,867	$ 2,233,145	$ 72,548	$ 63,127
Interest cost	9,475,222	10,105,635	162,852	226,498
Expected return on plan assets	(11,692,676)	(10,242,476)	-	-
Amortization of prior service (credits) costs	(234,992)	(234,992)	77,724	77,724
Recognized actuarial (gain) loss	4,123,868	2,933,877	(55,153)	(43,699)
Curtailment actuarial (gain) loss	(1,148,330)	-	-	-
Net periodic benefit cost	$ 3,232,959	$ 4,795,189	$ 257,971	$ 323,650

The allocation of the net periodic benefit cost for the years ended September 30, 2013 and 2012, is as follows:

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
MMH	$ 2,475,143	$ 3,658,275	$ 197,246	$ 252,113
RGH	757,816	1,136,914	60,725	71,537
Total	$ 3,232,959	$ 4,795,189	$ 257,971	$ 323,650

Note 9 - Pension and Other Postretirement Benefits (continued)

The assumptions used to determine net periodic benefit cost of the pension and postretirement plans for the years ended September 30, 2013 and 2012, were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Discount rate	5.27%	4.32%	4.54%	3.64%
Expected long-term rate of return	8.00%	8.00%	N/A	N/A
Rate of compensation increase	3.00%	2.75%	N/A	N/A
Initial medical trend rate	N/A	N/A	7.62%	7.91%
Ultimate medical trend rate	N/A	N/A	4.50%	4.50%
Number of years to ultimate medical trend rate	N/A	N/A	17 years	17 years

The assumptions used to determine pension and postretirement benefit obligations as of September 30, 2013 and 2012, are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Discount rate	4.32%	5.47%	3.64%	5.03%
Expected long-term rate of return	8.00%	8.00%	N/A	N/A
Rate of compensation increase	3.00%	2.75%	N/A	N/A
Initial medical trend rate	N/A	N/A	7.62%	7.91%
Ultimate medical trend rate	N/A	N/A	4.50%	4.50%
Number of years to ultimate medical trend rate	N/A	N/A	14 years	15 years

The medical trend rate has a significant effect on the amounts reported. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	One Percentage Point Increase	One Percentage Point Decrease
Effect on year-end postretirement benefit obligation	$ 324,552	$ (289,352)
Effect on total of service and interest cost components	$ 20,058	$ (17,776)

Note 9 - Pension and Other Postretirement Benefits (continued)

The pension plan's weighted-average asset allocations as of September 30, 2013 and 2012, by asset category, are as follows:

	Pension Benefits	
	2013	2012
Asset category:		
Equity securities	56%	51%
Debt securities	43%	48%
Cash and cash equivalents	1%	1%
	100%	100%

The investment objective of ECHN is to invest the plan assets in a manner that, together with contributions, will provide for sufficient resources to pay current and projected obligations over the life of the plan. The plan shall be diversified across asset classes to achieve an optimal balance between risk and return and between income and growth of assets through capital appreciation.

Consistent with funding requirements, a secondary objective of the plan is to source benefit payments primarily through existing plan assets and anticipated future returns thereby minimizing future cash contributions. The investment objectives shall be implemented in a de-risking framework designed to manage the plan's funded status volatility and minimize future cash contributions. The funded status of the plan shall be measured by the ratio of plan assets to the projected benefit obligation. To reduce the volatility as much as possible, the goal is to attain and/or maintain a funded status of at least a 105% funding level and allocate its assets as outlined below.

The plan has approved an asset allocation strategy that shall change over time in response to future changes in the plan's funded status. Such changes in asset allocation strategy are intended to allocate additional assets to the fixed income asset class should the plan's funded status improve. Accordingly, the fixed income asset class shall be invested in such a manner that its interest rate sensitivity correlates highly with that of the plan's liabilities. Other asset classes are intended to provide additional return with associated higher levels of risk. If the plan's funded status deteriorates beyond stated thresholds, the strategy dictates that additional assets will not be re-allocated to the return-seeking assets.

Note 9 - Pension and Other Postretirement Benefits (continued)

Fair value methodologies used to assign plan assets to levels in accordance with ASC 820 are consistent with the inputs described in Note 4. The following table presents the investments of the defined benefit plan carried at fair value as of September 30, 2013 and 2012, by the valuation hierarchy.

2013	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 633,333	$ -	$ -	$ 633,333
Fixed income mutual funds:				
Long duration	64,833,809	-	-	64,833,809
US Core Opportunistic	13,328,905	-	-	13,328,905
US Passive	2,935,983	-	-	2,935,983
Guaranteed investment contract	-	-	3,230,137	3,230,137
Equities:				
Small/mid cap	8,925,030	-	-	8,925,030
Large cap	31,678,381	-	-	31,678,381
International	26,725,272	-	-	26,725,272
Total plan assets at fair value	$ 149,060,713	$ -	$ 3,230,137	$ 152,290,850

2012	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 944,555	$ -	$ -	$ 944,555
Fixed income mutual funds:				
Long duration	53,025,749	-	-	53,025,749
US Core Opportunistic	12,088,551	-	-	12,088,551
US Passive	2,983,658	-	-	2,983,658
Guaranteed investment contract	183,256	-	3,195,313	3,378,569
Equities:				
Small/mid cap	8,232,969	-	-	8,232,969
Active long corp	11,917,531	-	-	11,917,531
Large cap	30,277,740	-	-	30,277,740
International	26,369,406	-	-	26,369,406
Total plan assets at fair value	$ 146,023,415	$ -	$ 3,195,313	$ 149,218,728

Note 9 - Pension and Other Postretirement Benefits (continued)

The changes within the Level 3 investments as of September 30, 2013 and 2012, are as follows:

2013	Guaranteed Investment Contract
Balance as of October 1, 2012	$ 3,195,313
Investment income	326,682
Expenditures	(291,858)
Balance as of September 30, 2013	$ 3,230,137

2012	Guaranteed Investment Contract
Balance as of October 1, 2011	$ 3,374,535
Investment income	194,239
Expenditures	(373,461)
Balance as of September 30, 2012	$ 3,195,313

During fiscal year 2013, ECHN anticipates contributing $5,700,000 to the defined benefit pension plan.

The benefit payments, which reflect estimated future service, expected to be paid from the plans for the year ended September 30, 2013, are as follows:

	Pension Benefits	Other Postretirement Benefits
2014	$ 7,839,728	$ 397,164
2015	$ 8,177,609	$ 409,051
2016	$ 8,613,029	$ 401,768
2017	$ 9,079,307	$ 405,187
2018	$ 9,773,496	$ 418,484
2019-2022	$ 58,816,410	$ 2,087,013

Note 9 - Pension and Other Postretirement Benefits (continued)

The Network also has a defined contribution employee savings plan covering substantially all employees. Eligible employees who contribute to the plan will have 20% - 50%, depending upon years of service, of contributions matched by the Network, up to a maximum of 6% of annual compensation. The Network incurred expenses related to the employee savings plan amounting to $2,199,235 and $1,203,448, for the years ended September 30, 2013 and 2012, respectively.

Note 10 - Long-term Debt and Lines of Credit

Long-term debt and capital lease obligations, as of September 30, 2013 and 2012, consist of the following:

	2013	2012
Connecticut Health and Educational Facilities Authority (CHEFA) Hospital Revenue Bonds, ECHN Series A Bonds, bearing interest at rates ranging from 5.625% to 6.375% - net of unamortized original issue discount of $46,505 and $53,729 for 2013 and 2012, respectively.	$ 9,093,495	$ 9,886,271
CHEFA Hospital Revenue Bonds, ECHN Series C Bonds, bearing interest ranging from 4.00% to 5.125% - net of unamortized original issue premium of $350,960 and $371,605 for 2013 and 2012, respectively.	33,760,059	34,506,605
CHEFA Hospital Revenue Bonds, ECHN Series D Bonds bearing interest at a variable rate, adjusted weekly.	14,049,000	14,342,000
CHEFA Hospital Demand Revenue Bonds, ECHN Series E Bonds, bearing interest at a variable rate, adjusted weekly.	17,580,000	18,070,000
Loan due to Sovereign Bank, face amount $5,200,000 due and payable in semi-annual principal and interest installments maturing on January 3, 2022 and bearing interest at 3.38%	4,674,222	5,194,222
Promissory note payable to Rockville Bank due and payable in monthly principal and interest installments maturing on January 15, 2015, bearing interest at a fixed rate of 3.75%.	883,270	1,595,192
Promissory note payable to Rockville Bank due and payable in monthly principal and interest installments maturing on July 1, 2025, bearing interest at 5.87%.	791,933	1,092,218
Promissory note payable to Webster Bank due and payable in monthly principal and interest installments with a balloon payment due on May 1, 2018, bearing interest at 4.22%	615,659	-
Promissory note payable to Webster Bank due and payable in monthly principal and interest installments with a balloon payment due on December 1, 2017, bearing interest at 4.11%	568,058	-

Note 10 - Long-term Debt and Lines of Credit (continued)

	2013	2012
Loan due to Chase Equipment Leasing Inc., face amount of $4,000,000 due and payable in monthly principal and interest installments maturing on March 20, 2013, and bearing interest at 3.24%.	-	429,743
Promissory note payable to 428 Hartford Turnpike Associates, LLP payable in monthly principal and interest installments, maturing September 1, 2021, bearing interest at 6%.	247,832	270,972
Debt of ECHN Corporate Services, various due dates and interest rates	210,556	-
Mortgage payable to Rockville Bank - 15 years, due April 1, 2022, bearing interest at 6.5% for the first five years, adjustable thereafter every five years.	160,955	176,605
Promissory note payable to Joseph Hanna MD, LLC due and payable in one principal payment due in December 2013. This is a non interest bearing note.	119,890	-
Mortgage payable to Rockville Bank - 20 years, due January 1, 2007 bearing interest at 6.6% for the first five years, adjustable thereafter, every five years.	138,019	145,836
Capital lease obligations (see Note 12)	8,355,380	8,736,439
Total long-term debt and capital lease obligations	91,248,328	94,446,103
Less: current maturities	(6,832,322)	(6,904,354)
Total long-term debt and capital lease obligations - net of current portion	$ 84,416,006	$ 87,541,749

Lines of credit as of September 30, 2013 and 2012 consist of the following:

	2013	2012
Revolving line of credit with TD Bank, bearing interest at a variable rate.	$ 6,500,000	$ 6,500,000

In February 2000, MMH, RGH and EES (collectively, the Series A Obligated Group) entered into an agreement and open-ended mortgage with Connecticut Health and Educational Facilities Authority (CHEFA) in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network, Issue Series 2000A (the Series A Bonds). A portion of the proceeds from the Series 2000A Bonds, net of the original issue discount and amounts used to establish required reserve accounts, was placed in an irrevocable trust from which the remaining debt service payments for defeased CHEFA bonds will be paid. The remainder was used to finance additions and renovations for various facilities. The Series A Obligated Group has been legally released from any future debt service on the defeased bonds. The Series A Bonds are due on various due dates through July 1, 2030.

In July 2004, MMH, RGH, EES, and ECHF (collectively, the Series B Obligated Group) entered into an agreement and open-ended mortgage with CHEFA in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network Issue, Series B (the Series B Bonds). A portion of the proceeds from the Series B Bonds, net of the original issue discount and amounts used to establish required reserve accounts, was used to finance additions, renovations, and purchases of equipment for RGH and MMH.

Note 10 - Long-term Debt and Lines of Credit (continued)

The additions and renovations financed by the Series B Bonds consist of improvements and expansion of the emergency department at RGH; the purchase, renovation, and equipping of the Dialysis Center at RGH; construction of the heliport at RGH, improvements to the Gastrointestinal and Rehabilitation Departments at RGH, and capital equipment purchases for MMH and RGH.

The Series B bonds were refinanced as part of the issuance of Series E bonds as described below.

On October 1, 2005, MMH, RGH, EES, and ECHF (collectively, the Series C Obligated Group) entered into an agreement and open-ended mortgage with CHEFA to borrow $37,065,000 in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network Issue, Series C (the Series C Bonds). The proceeds from the Series C Bonds, net of the original issue premium and amounts used to establish required reserve accounts, were placed in an irrevocable trust to advance refund and defease a portion of the Series 2000A Bonds. MMH, RGH, and EES have been legally released from any future debt service on the portion of defeased Series 2000A Bonds. The Series C Bonds are due on various due dates through July 1, 2034, bearing interest at rates ranging from 4.00% to 5.125%.

In May 2009, MMH, RGH, EES, and ECHF (collectively, the Series D Obligated Group) entered into an agreement and open-ended mortgage with CHEFA in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network, Issue Series D (the Series D Bonds). A portion of the proceeds from the Series D Bonds, net of amounts used to establish required reserve accounts, were used to finance renovations at MMH, an expansion at EES, and other campus improvements. The Series D Bonds are due on various due dates through May 14, 2039.

In December 2010, MMH, RGH, EES, and ECHF (collectively, the Series E Obligated Group) entered into an agreement and open-ended mortgage with CHEFA in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network, Issue Series E (the Series E Bonds). The proceeds from the Series E Bonds, net of amounts used to establish required reserve accounts, were used to redeem the Series B Bonds and fund interest rate swap agreement termination payments relating to the Series B Bonds. The Series E Bonds are due on various due dates through July 1, 2034.

Under the terms of the Series A, Series B, Series C, Series D, and Series E Bonds, the Series A Obligated Group, Series B Obligated Group, Series C Obligated Group, Series D Obligated Group, and Series E Obligated Group (the Obligated Groups) are required to maintain certain deposits with a trustee. Such deposits are included in assets whose use is limited. The indenture also places limits on the incurrence of additional borrowings and dispositions of property and requires that the Obligated Groups satisfy certain measures of financial performance as long as the notes are outstanding.

Under the terms of the CHEFA agreements, each member of the Obligated Groups is jointly and severally liable for the full and prompt payment of the amounts owed by the Obligated Groups. Total debt of the Obligated Groups was $78,853,222 and $81,681,222 as of September 30, 2013 and 2012, respectively. The debt is also secured by the gross receipts of the Obligated Groups.

In June 2012, the Obligated Group entered into a loan agreement with Sovereign Bank, through CHEFA's Tax-Exempt Equipment Loan Program, for $5,200,000 in connection with purchase of equipment and renovation costs. The proceeds of the loan, net of disbursements, were included in the current portion of assets whose use is limited as of September 30, 2012. Semi-annual principal and interest payments are due through January 2022.

Note 10 - Long-term Debt and Lines of Credit (continued)

The loans due to Chase Equipment Leasing, Inc. were collateralized by the related equipment, accessories, attachments, software, and other property relating thereto.

The Hospital is party to various capital leases, which are described in Note 12.

The annual maturities of the long-term debt and capital lease obligations in each of the succeeding five years and thereafter, as of September 30, 2013, are as follows:

2014	$ 6,832,322
2015	6,043,234
2016	5,181,475
2017	4,360,978
2018	4,962,866
Thereafter	63,562,998
	90,943,873
Plus - premium	304,455
Total	$ 91,248,328

On November 11, 2010, ECHN entered into a $6,500,000 unsecured line of credit with TD Bank, N.A. This line of credit carries an interest rate of LIBOR plus 2.25% and expires one year after issuance date. Subsequent to year end, ECHN renewed this line of credit. As of September 30, 2013 and 2012, MMH had $6,500,000 outstanding.

The Network is subject to various financial covenants related to these debt agreements. The Network received a waiver for violating a debt service coverage ratio for 2013 and the Network was in compliance with these covenants in 2012.

Note 11 - Derivatives

The Network uses derivative instruments, specifically interest rate swap agreements, to manage its exposure to changes in the interest rate on its CHEFA bonds. The use of derivative instruments exposes the Network to additional risks related to the derivative instrument, including market risk, credit risk and termination risk as described below, and the Network has defined risk management practices to mitigate these risks, as appropriate.

Market risk represents the potential adverse effect on the fair value and cash flow of a derivative instrument due to changes in interest rates or rate spreads. Market risk is managed through ongoing monitoring of interest rate exposure based on set parameters regarding the type and degree of market risk that the Network will accept. Credit risk is the risk that the counterparty on a derivative instrument may be unable to perform its obligation during the term of the contract. When the fair value of a derivative contract is positive, the counterparty owes the Network, which creates credit risk.

Credit risk is managed by setting stringent requirements for qualified counterparties at the date of execution of a derivative transaction and requiring counterparties to post collateral in the event of a credit rating downgrade or if the fair value of the derivative contract exceeds a negotiated threshold.

Note 11 - Derivatives (continued)

Termination risk represents the risk that the Network may be required to make a significant payment to the counterparty, if the derivative contract is terminated early. Termination risk is assessed at onset by performing a statistical analysis of the potential for a significant termination payment under various scenarios designed to encompass expected interest rate changes over the life of the proposed contract. The test measures the ability to make a termination payment without a significant impairment to the Network's ability to meet its debt or liquidity covenants.

In May 2009, ECHN entered into an interest rate swap agreement to manage the interest cost and risk associated with $15,250,000 of its variable rate Series D Bonds. Under the terms of this agreement, ECHN pays a fixed rate of 3.89%. Changes in the fair value of this swap are recorded in the consolidated statements of operations and changes in net assets. The Network's portion of the swap agreement in force related to this strategy as of September 30, 2013 and 2012, and the liability and interest expense recognized by the Network are as follows:

	2013	2012
Notional amount of contract	$ **14,049,000**	$ 14,342,000
Fair value of swap contract recognized in other liabilities	$ **170,000**	$ 417,000
Net interest income recognized in non-operating losses	$ **(248,000)**	$ (170,000)

In June 2012, ECHN entered into an interest rate swap agreement to manage the interest cost and risk associated with $5,200,000 of its debt with Sovereign Bank. Under the terms, ECHN pays a fixed rate of 3.38%. The swap is accounted for as a cash flow hedge in accordance with ASC 815 "*Accounting for Derivative Instruments and Hedging Activities*". This accounting treatment requires the effective portion of the gain or loss on a derivative instrument designated and qualifying as a cash flow hedging instrument to be reported as a component of other changes in unrestricted net assets and to be reclassified into operations in the same period or periods during which the hedged forecasted transaction affects earnings. The remaining gain or loss on the derivative instrument, if any, shall be recognized currently in non-operating losses.

The Network's portion of the swap agreement in force related to this strategy as of September 30, 2013 and 2012, and the liability and unrealized (gain) loss recognized by the Network are as follows:

	2013	2012
Notional amount of contract	$ **4,674,222**	$ 5,194,222
Fair value of swap contract recognized in other liabilities	$ **12,000**	$ 123,000
Unrealized (gain) loss recognized in unrestricted net assets	$ **(111,000)**	$ 123,000

The counterparty to the above swap transactions is a major financial institution that meets ECHN's criteria for financial stability and creditworthiness.

Note 12 - Lease Commitments

ECHN leases equipment under capital lease agreements, which begin to expire in 2015. The interest rates range from 4% to 8%. The net carrying value of equipment under the capital lease was $8,332,943 and $9,876,879 as of September 30, 2013 and 2012, respectively. ECHN leases various office space and certain equipment under operating leases that expire in various years through fiscal year 2024. Certain leases may be renewed at the end of their term.

Future minimum payments under capital leases and non-cancelable operating leases as of September 30, 2013, consisted of the following:

	Capital Leases	Operating Leases
2014	$ 3,205,332	$ 5,252,091
2015	2,706,145	4,952,239
2016	2,029,795	4,554,735
2017	821,597	3,641,042
2018	70,625	2,727,478
Thereafter	67,711	15,235,800
	8,901,205	$ 36,363,385
Less: interest on capital lease	545,825	
Principal amount of capital lease	$ 8,355,380	

Rent expense under operating and month-to-month leases was $6,264,706 and $6,009,478 for the years ended September 30, 2013 and 2012, respectively.

Note 13 - Concentrations of Credit Risk

ECHN grants credit without collateral to its patients, most of whom are insured under third-party payer agreements. The mix in patient accounts receivable as of September 30, 2013 and 2012, before allowances for doubtful accounts, consists of the following:

	2013	2012
Medicare	24%	29%
Self-pay	40%	28%
Managed care	17%	21%
Medicaid	4%	13%
Commercial insurance	9%	6%
Other	6%	3%
	100 %	100 %

Note 14 - Net Patient Service Revenues

Net patient service revenues for the years ended September 30, 2013 and 2012, consists of the following:

	2013	2012
Patient service revenues:		
Inpatient services	$ 328,063,718	$ 278,843,185
Outpatient services	572,644,188	476,021,456
Gross patient service revenues	900,707,906	754,864,641
Deductions - allowances	(590,585,747)	(477,821,644)
Net patient service revenues	$ 310,122,159	$ 277,042,997

In addition, the Network provides for a provision for bad debts. For receivables associated with services provided to patients who have third-party coverage, the Network analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and co-payment balances due for which third-party coverage exists for part of the bill), the Network records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible.

For uninsured patients that do not qualify for financial assistance, the Network offers a discount off its standard rates for services provided. The difference between the discounted rates and the amounts actually collected after all reasonable collection efforts have been exhausted is written off against the allowance for doubtful accounts in the period they are determined uncollectible. The Network's allowance for doubtful accounts covers all accounts greater than 6 months for both self-pay accounts receivable and third party payors as of September 30, 2013. The Network's self-pay and third-party payors write-offs totaled $11,403,046 and $10,998,492 for 2013 and 2012, respectively. The Network did not change its charity care or financial assistance policy during 2013 or 2012.

At September 30, 2013 and 2012, 32.3% and 35.0% of net patient accounts receivable were from governmental payors (Medicare and Medicaid) and 67.7% and 65.0% were from nongovernmental payors, respectively. Nongovernmental payors are primarily insurance companies and self-pay payors. Management has recorded an allowance for doubtful accounts, as noted above, which, in its opinion, is sufficient to provide for risk of nonpayment.

Note 15 - Community Benefit

ECHN's mission is to improve the health of the people and the communities ECHN serves.

ECHN provides quality health care to all, regardless of their ability to pay. Charity care is provided to those who are eligible based on ECHN's policy. ECHN also incurs unpaid costs for government programs because reimbursement is not sufficient to cover costs associated with Medicare and Medicaid patients. In addition to the charity care responsibilities, ECHN provides numerous other community benefits. These community benefits include medical education and research, community health education, screenings, support groups, counseling services, and in-kind support. To address the need for health care providers, a number of programs are offered for young people who may be interested in a career in health care.

Note 15 - Community Benefit (continued)

ECHN utilizes guidelines developed by various organizations to quantify community benefit activities. ECHN defines community benefit activities as those that improve access to care, as well as the health of the broader community. In addition to charity care and the unpaid costs of government sponsored health care (Medicare and/or Medicaid shortfalls), community benefit activities will normally fall into one of the following categories: nonbilled community health services / community health improvement services, health professions education, subsidized health services, research, financial and in-kind contributions, community building activities, and community benefit operations.

MMH and RGH provide care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because MMH and RGH do not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The amount of traditional charity care provided, determined on the basis of cost, was $2,591,214 and $3,398,899 for the years ended September 30, 2013 and 2012, respectively.

Note 16 - Functional Expenses

ECHN provides general health care services to residents within its geographical location. For the years ended September 30, 2013 and 2012, expenses relating to providing these services are as follows:

	2013	2012
Health care services	$ 272,099,247	$ 239,552,240
Fund raising	544,391	396,574
General and administrative	55,211,560	50,499,081
Total	$ 327,855,198	$ 290,447,895

Note 17 - Temporarily and Permanently Restricted Net Assets

The temporarily restricted net assets available, as of September 30, 2013 and 2012, are available for the following purposes:

	2013	2012
Departmental and endowment purposes	$ 2,114,039	$ 2,565,533
Capital campaign and pledges	473,262	677,989
Total	$ 2,587,301	$ 3,243,522

Note 17 - Temporarily and Permanently Restricted Net Assets (continued)

As of September 30, 2013 and 2012, permanently restricted net assets consist of the following:

	2013	2012
Beneficial interest in trust assets	$ 7,882,372	$ 7,400,782
Endowments restricted for:		
Other departmental purposes	3,709,665	3,709,665
Charity care	546,180	540,205
Special needs	151,579	151,579
Cancer research	6,124	6,124
Total	$ 12,295,920	$ 11,808,355

The composition of the Network's endowment by net asset class as of September 30, 2013 and 2012, was as follows:

2013	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 2,121,375	$ 4,413,548	$ 6,534,923
Board-designated endowment funds	33,138,323	-	-	33,138,323
Net assets, September 30, 2013	$ 33,138,323	$ 2,121,375	$ 4,413,548	$ 39,673,246

2012	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 2,564,396	$ 4,407,574	$ 6,971,970
Board-designated endowment funds	26,269,872	-	-	26,269,872
Net assets, September 30, 2012	$ 26,269,872	$ 2,564,396	$ 4,407,574	$ 33,241,842

The Network's endowments consist of multiple funds established for a variety of purposes. The endowments include both donor-restricted endowment funds, funds designated by the Board of Trustees to function as endowments and assets held in trust by others. As required by GAAP, endowments, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor restrictions.

The Network has interpreted the relevant laws as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Network.

Note 17 - Temporarily and Permanently Restricted Net Assets (continued)

The Network considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the Network and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Network; and (7) the investment policies of the Network.

The Network has adopted investment and spending policies for endowment assets that attempt to provide a reasonably stable and predictable stream of earnings to support the operations of the endowments and to preserve and enhance over time the real value of the endowment assets. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment and management costs, over the long-term. Actual returns in any given year may vary from this amount.

The Investment Committee of the Board is responsible for defining and reviewing the investment policy to determine an appropriate long-term asset allocation policy. The asset allocation policy reflects the objective with allocations structured for capital growth and inflation protection over the long-term.

To satisfy its long-term rate-of-return objectives, the Network relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Network targets a diversified asset allocation that places a greater emphasis on equity based investments to achieve its long-term return objectives within prudent risk constraints.

The Network has not appropriated funds for expenditure from its endowment funds for the years ending September 30, 2013 and 2012.

Changes in endowment net assets for the fiscal year ended September 30, 2013 were as follows:

2013	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, October 1, 2012	$ 26,269,872	$ 2,564,396	$ 4,407,574	$ 33,241,842
Interest income and dividends	808,111	55,220	-	863,331
Realized gains	2,082,211	145,575	-	2,227,786
Unrealized appreciation on investments	2,118,875	219,391	-	2,338,266
Released from restrictions	780,616	(2,339,401)	-	(1,558,785)
Contributions	183,500	1,473,843	-	1,657,343
Distributions	(1,500,000)	-	-	(1,500,000)
Transfers to (from) Endowment	2,395,138	2,351	5,974	2,403,463
Net assets, September 30, 2013	$ 33,138,323	$ 2,121,375	$ 4,413,548	$ 39,673,246

Note 17 - Temporarily and Permanently Restricted Net Assets (continued)

Changes in endowment net assets for the fiscal year ended September 30, 2012 were as follows:

2012	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, October 1, 2011	$ 19,558,790	$ 1,677,008	$ 4,407,574	$ 25,643,372
Interest income and dividends	174,204	37,521	-	211,725
Unrealized appreciation on investments	4,639,604	530,565	-	5,170,169
Contributions and releases from restrictions	2,146,543	70,033	-	2,216,576
Transfers to (from) Endowment	(249,269)	249,269	-	-
Net assets, September 30, 2012	$ 26,269,872	$ 2,564,396	$ 4,407,574	$ 33,241,842

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or relevant law requires the Network to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. As of September 30, 2013 and 2012, there were no funds that were below the level required by donor or law.

Note 18 - Commitments and Contingencies

The Network is involved in various legal actions arising from its activities. Although the ultimate outcome is not determinable at this time, management, after taking into consideration the advice of legal counsel, believes that the resolution of these pending matters will not have a material adverse effect, individually or in the aggregate, on the consolidated balance sheets or on the related consolidated statements of operations and changes in net assets, or consolidated cash flows of the Network.

The Network and the Network's defined benefit pension plans invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

Note 19 - Statutory Capital and Surplus

CHIC was incorporated in the Cayman Islands on September 15, 2006 and was granted an Unrestricted Class "B" insurance license under the Insurance Law of the Cayman Islands with an effective date of September 26, 2006. CHIC is regulated by the Cayman Islands Monetary Authority (CIMA) and related relations, and is obligated to comply with CIMA regulations regarding minimum levels of solvency and liquidity.

Statutory capital and surplus as of September 30, 2013 was ($856,588) with a minimum amount required to be maintained by CHIC of $120,000. CHIC's equity was below the minimum required capital amount as of September 30, 2013, which was primarily the result of adverse loss development experienced on a limited number of claims relating to prior years. Subsequent to September 30, 2013, ECHN contributed $1,200,000 of additional capital to ensure that the capital balance is in compliance with the CIMA's statutory regulations.

Note 19 - Statutory Capital and Surplus (continued)

ECHN reports all of CHIC's investments as investments held in trust for estimated self-insurance liabilities in the accompanying consolidated balance sheets.

CHIC's Board of Directors has recommended that equity of $973,000 be retained to pay claims in the event of adverse development. Distribution of dividends is subject to approval by the Board of Directors. No dividends were declared or paid during the years ended September 30, 2013 and 2012.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet
September 30, 2013

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Assets								
Current assets:								
Cash and cash equivalents	$ 12,239,488	$ 1,059,290	$ 887,544	$ -	$ 14,186,322	$ 1,936,006	$ -	$ 16,122,328
Current portion of investments held under bond indentures	1,300,096	364,771	185,664	-	1,850,531	-	-	1,850,531
Accounts receivable - net	27,182,276	10,269,970	1,772,700	-	39,224,946	-	-	39,224,946
Inventory	3,245,125	1,467,009	38,816	-	4,750,950	-	-	4,750,950
Due from affiliated entities	370,120	58,029	282,558	(79,590)	631,117	19,043	-	650,160
Current portion of estimated settlements due from third-party payers	3,078,822	384,274	-	-	3,463,096	-	-	3,463,096
Prepaid expenses and other current assets	2,316,130	276,211	4,671	-	2,597,012	720,233	-	3,317,245
Total current assets	49,732,057	13,879,554	3,171,953	(79,590)	66,703,974	2,675,282	-	69,379,256
Assets whose use is limited - net of current portion:								
Donor restricted investments	1,806,681	1,709,690	-	-	3,516,371	2,931,819	-	6,448,190
Board designated investments	8,595,367	9,895,326	-	-	18,490,693	12,031,955	-	30,522,648
Investments held in trust for estimated self-insurance liabilities	1,258,026	-	-	-	1,258,026	-	-	1,258,026
Beneficial interest in trust assets	5,700,200	2,182,172	-	-	7,882,372	-	-	7,882,372
Investments held under bond indentures	3,321,696	806,533	813,828	-	4,942,057	-	-	4,942,057
Total assets whose use is limited	20,681,970	14,593,721	813,828	-	36,089,519	14,963,774	-	51,053,293
Interest in net assets of ECHN CHF, Inc.	7,278,631	3,616,191	181,832	-	11,076,654	-	(11,076,654)	-
Investments	4,366,493	3,088,116	3,630,706	-	11,085,315	283,179	-	11,368,494
Investments in joint ventures	3,501,635	3,208,828	-	-	6,710,463	-	-	6,710,463
Property, plant and equipment - net	54,574,351	27,654,664	7,672,388	-	89,901,403	-	-	89,901,403
Other assets:								
Estimated settlements due from third-party payers - net of current portion	6,135,548	668,994	-	-	6,804,542	-	-	6,804,542
Due from affiliated entities - net of current portion	25,064,484	9,022,571	-	(7,220,571)	26,866,484	-	-	26,866,484
Goodwill and intangible assets - net	-	-	549,482	-	549,482	-	-	549,482
Other assets	2,819,605	811,215	454,422	-	4,085,242	210,111	-	4,295,353
Total other assets	34,019,637	10,502,780	1,003,904	(7,220,571)	38,305,750	210,111	-	38,515,861
Total assets	$ 174,154,774	$ 76,543,854	$ 16,474,611	$ (7,300,161)	$ 259,873,078	$ 18,132,346	$ (11,076,654)	$ 266,928,770

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2013

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Assets								
Current assets:								
Cash and cash equivalents	$ 93,515	$ 129,143	$ 101,334	$ 2,766,681	$ 243,530	$ 2,982,825	$ -	$ 22,439,356
Current portion of investments held under bond indentures	-	-	-	-	-	-	-	1,850,531
Accounts receivable - net	2,881,621	748,991	35	3,338,073	328,616	1,861	-	46,524,143
Inventory	15,926	298,840	-	-	-	-	-	5,065,716
Due from affiliated entities	-	-	-	-	847,173	-	(1,497,333)	-
Current portion of estimated settlements due from third-party payers	-	-	-	-	-	-	-	3,463,096
Prepaid expenses and other current assets	295,148	14,498	3,903	159,247	1,235,148	21,676	-	5,046,865
Total current assets	3,286,210	1,191,472	105,272	6,264,001	2,654,467	3,006,362	(1,497,333)	84,389,707
Assets whose use is limited - net of current portion:								
Donor restricted investments	-	-	-	86,733	-	-	-	6,534,923
Board designated investments	-	-	-	2,615,675	-	-	-	33,138,323
Investments held in trust for estimated self-insurance liabilities	-	-	-	-	-	1,207,905	-	2,465,931
Beneficial interest in trust assets	-	-	-	-	-	-	-	7,882,372
Investments held under bond indentures	-	-	-	-	-	-	-	4,942,057
Total assets whose use is limited	-	-	-	2,702,408	-	1,207,905	-	54,963,606
Interest in net assets of ECHN CHF, Inc.	-	-	-	-	4,015,385	-	(4,015,385)	-
Investments	-	-	-	1,641,046	(909,061)	-	909,061	13,009,540
Investments in joint ventures	-	-	1,204,749	-	5,816,631	-	-	13,731,843
Property, plant and equipment - net	2,847,719	212,916	1,190,334	1,734,534	301,591	-	-	96,188,497
Other assets:								
Estimated settlements due from third-party payers - net of current portion	-	-	-	-	-	-	-	6,804,542
Due from affiliated entities - net of current portion	-	-	-	-	-	-	(26,866,484)	-
Goodwill and intangible assets - net	517,746	206,000	-	-	5,872,641	-	-	7,145,869
Other assets	-	-	-	624,407	307,041	1,006,331	-	6,233,132
Total other assets	517,746	206,000	-	624,407	6,179,682	1,006,331	(26,866,484)	20,183,543
Total assets	$ 6,651,675	$ 1,610,388	$ 2,500,355	$ 12,966,396	$ 18,058,695	$ 5,220,598	$ (31,470,141)	$ 282,466,736

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2013

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Liabilities and Net Assets (Deficit)								
Current liabilities:								
Accounts payable and accrued expenses	$ 21,391,578	$ 6,096,840	$ 870,615	$ -	$ 28,359,033	$ 96,089	$ -	$ 28,455,122
Line of credit	6,500,000	-	-	-	6,500,000	-	-	6,500,000
Current portion of long-term debt	3,909,618	870,081	588,866	-	5,368,565	-	-	5,368,565
Current portion of due to affiliates	-	398,089	83,694	(79,590)	402,193	348,957	-	751,150
Current portion of estimated settlements due to third-party payers	2,943,941	1,040,198	408,222	-	4,392,361	-	-	4,392,361
Current portion of accrued pension and other postretirement benefits	4,683,769	1,401,749	-	-	6,085,518	-	-	6,085,518
Other current liabilities	2,482,951	754,403	389,999	-	3,627,353	-	-	3,627,353
Total current liabilities	41,911,857	10,561,360	2,341,396	(79,590)	54,735,023	445,046	-	55,180,069
Long-term debt and capital lease obligations, net of current portion	50,793,813	23,519,254	8,462,882	-	82,775,949	-	-	82,775,949
Estimated self-insurance liabilities	6,830,954	2,423,371	821,571	-	10,075,896	-	-	10,075,896
Accrued pension and postretirement benefits	29,256,268	8,855,195	-	-	38,111,463	-	-	38,111,463
Estimated settlements due to third-party payers, net of current portion	-	-	-	-	-	-	-	-
Due to affiliates	7,220,571	-	-	(7,220,571)	-	-	-	-
Other liabilities	409,571	132,211	51,860	-	593,642	3,545	-	597,187
Total liabilities	136,423,034	45,491,391	11,677,709	(7,300,161)	186,291,973	448,591	-	186,740,564
Net assets (deficit):								
Unrestricted	27,759,929	26,773,989	4,772,427	-	59,306,345	2,591,715	-	61,898,060
Temporarily restricted	1,392,902	561,463	24,475	-	1,978,840	13,524,728	(9,509,342)	5,994,226
Permanently restricted	8,578,909	3,717,011	-	-	12,295,920	1,567,312	(1,567,312)	12,295,920
Total net assets (deficit)	37,731,740	31,052,463	4,796,902	-	73,581,105	17,683,755	(11,076,654)	80,188,206
Total liabilities and net assets (deficit)	$ 174,154,774	$ 76,543,854	$ 16,474,611	$ (7,300,161)	$ 259,873,078	$ 18,132,346	$ (11,076,654)	$ 266,928,770

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2013

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Liabilities and Net Assets (Deficit)								
Current liabilities:								
Accounts payable and accrued expenses	$ 2,272,436	$ 923,287	$ 16,422	$ 1,834,866	$ 1,301,847	$ 70,855	$ -	$ 34,874,835
Lines of credit	-	-	-	-	-	-	-	6,500,000
Current portion of long-term debt	143,567	33,458	24,357	51,971	1,210,404	-	-	6,832,322
Current portion of due to affiliates	-	89,856	-	-	-	-	(841,006)	-
Current portion of estimated settlements due to third-party payers	-	-	-	120,000	-	-	-	4,512,361
Current portion of accrued pension and other postretirement benefits	-	-	-	-	-	-	-	6,085,518
Other current liabilities	-	-	-	861,394	-	1,051,734	-	5,540,481
Total current liabilities	2,416,003	1,046,601	40,779	2,868,231	2,512,251	1,122,589	(841,006)	64,345,517
Long-term debt and capital lease obligations, net of current portion	223,265	183,678	274,616	6,488	952,010	-	-	84,416,006
Estimated self-insurance liabilities	-	-	-	-	-	4,954,597	(6,006,000)	9,024,493
Accrued pension and postretirement benefits	-	-	-	-	-	-	-	38,111,463
Estimated settlements due to third-party payers, net of current portion	122,921	-	-	-	-	-	-	122,921
Due to affiliates	3,917,177	-	2,269,134	-	18,031,973	-	(24,218,284)	-
Other liabilities	-	-	-	-	-	-	-	597,187
Total liabilities	6,679,366	1,230,279	2,584,529	2,874,719	21,496,234	6,077,186	(31,065,290)	196,617,587
Net assets (deficit):								
Unrestricted	(27,691)	380,109	(84,174)	10,004,944	(3,959,262)	(856,588)	3,610,530	70,965,928
Temporarily restricted	-	-	-	86,733	521,723	-	(4,015,381)	2,587,301
Permanently restricted	-	-	-	-	-	-	-	12,295,920
Total net assets (deficit)	(27,691)	380,109	(84,174)	10,091,677	(3,437,539)	(856,588)	(404,851)	85,849,149
Total liabilities and net assets (deficit)	$ 6,651,675	$ 1,610,388	$ 2,500,355	$ 12,966,396	$ 18,058,695	$ 5,220,598	$ (31,470,141)	$ 282,466,736

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets
For the Year Ended September 30, 2013

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Revenues:								
Net patient service revenues	$ 175,818,082	$ 73,037,858	$ 14,748,717	$ -	$ 263,604,657	$ -	$ -	$ 263,604,657
Provision for bad debts	(5,518,461)	(4,127,214)	(110,000)	-	(9,755,675)	-	-	(9,755,675)
Net patient service revenues less provision for bad debts	170,299,621	68,910,644	14,638,717	-	253,848,982	-	-	253,848,982
Contributions	961,465	253,309	14,404	-	1,229,178	-	-	1,229,178
Other revenues	15,458,360	4,492,026	271,583	(141,268)	20,080,701	1,655,029	(832,862)	20,902,868
EHR incentive payment revenue	1,410,667	1,220,153	-	-	2,630,820	-	-	2,630,820
Net assets released from restrictions used in operations	1,458,982	112,828	3,500	-	1,575,310	288,075	-	1,863,385
Total revenues	189,589,095	74,988,960	14,928,204	(141,268)	279,364,991	1,943,104	(832,862)	280,475,233
Expenses:								
Salaries and wages	83,909,349	31,509,639	7,249,363	-	122,668,351	515,044	(376,115)	122,807,280
Fringe benefits	27,658,791	10,024,601	2,721,924	-	40,405,316	129,343	(94,462)	40,440,197
Supplies and other expenses	66,966,600	25,888,529	3,792,677	(141,268)	96,506,538	496,670	(362,285)	96,640,923
Depreciation and amortization	7,115,302	3,565,031	551,609	-	11,231,942	-	-	11,231,942
Interest and financing costs	2,685,044	682,298	485,961	-	3,853,303	-	-	3,853,303
Total expenses	188,335,086	71,670,098	14,801,534	(141,268)	274,665,450	1,141,057	(832,862)	274,973,645
Income (loss) from operations	1,254,009	3,318,862	126,670	-	4,699,541	802,047	-	5,501,588
Non-operating (losses) gains	(1,466,699)	(660,236)	52,019	-	(2,074,916)	-	-	(2,074,916)
Excess of revenues (under) over expenses	$ (212,690)	$ 2,658,626	$ 178,689	$ -	$ 2,624,625	$ 802,047	$ -	$ 3,426,672

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2013

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Revenues:								
Net patient service revenues	$ 21,949,662	$ -	$ -	$ 24,638,275	$ -	$ -	$ (70,435)	$ 310,122,159
Provision for bad debts	(1,249,472)	-	-	(137,055)	-	-	-	(11,142,202)
Net patient service revenues less provision for bad debts	20,700,190	-	-	24,501,220	-	-	(70,435)	298,979,957
Contributions	-	-	-	385,141	345,435	-	(345,435)	1,614,319
Other revenues	8,353,432	3,232,600	425,834	717,140	3,048,899	2,440,340	(16,249,743)	22,871,370
EHR incentive payment revenue	-	-	-	-	-	-	-	2,630,820
Net assets released from restrictions used in operations	-	-	-	2,353	5,489	-	-	1,871,227
Total revenues	29,053,622	3,232,600	425,834	25,605,854	3,399,823	2,440,340	(16,665,613)	327,967,693
Expenses:								
Salaries and wages	21,887,013	1,880,216	-	17,154,890	11,400,866	-	(11,400,863)	163,729,402
Fringe benefits	3,477,219	320,611	-	3,354,064	2,316,394	-	(2,316,391)	47,592,094
Supplies and other expenses	9,246,348	869,285	284,772	4,119,020	(12,524,809)	8,133,343	(6,433,767)	100,335,115
Depreciation and amortization	545,428	57,332	71,228	384,891	228,411	-	(228,410)	12,290,822
Interest and financing costs	15,629	22,498	11,681	4,654	138,065	-	(138,065)	3,907,765
Total expenses	35,171,637	3,149,942	367,681	25,017,519	1,558,927	8,133,343	(20,517,496)	327,855,198
Income (loss) from operations	(6,118,015)	82,658	58,153	588,335	1,840,896	(5,693,003)	3,851,883	112,495
Non-operating (losses) gains	-	-	(63,728)	55	(1,840,896)	-	1,840,896	(2,138,589)
Excess of revenues (under) over expenses	$ (6,118,015)	$ 82,658	$ (5,575)	$ 588,390	$ -	$ (5,693,003)	$ 5,692,779	$ (2,026,094)

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2013

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Unrestricted net assets:								
Excess of revenues (under) over expenses	$ (212,690)	$ 2,658,626	$ 178,689	$ -	$ 2,624,625	$ 802,047	$ -	$ 3,426,672
Change in unrealized appreciation on investments	430,760	696,651	205,847	-	1,333,258	-	-	1,333,258
Net change in interest rate swap agreement	110,862	-	-	-	110,862	-	-	110,862
Net assets released from restrictions for capital acquisitions	401,528	47,604	19,042	-	468,174	-	-	468,174
Equity transfer to ECHN	(4,282,611)	(1,835,404)	-	-	(6,118,015)	-	-	(6,118,015)
Equity transfer from ECHN	-	-	-	-	-	-	-	-
ECHN Corporate Services transfer	-	-	-	-	-	-	-	-
Transfers (to) from other affiliates - net	(94,598)	(6,530)	5,000	-	(96,128)	96,861	-	733
Pension and postretirement related adjustments	26,481,163	8,152,920	-	-	34,634,083	-	-	34,634,083
Other	-	(5,975)	-	-	(5,975)	-	-	(5,975)
Change in unrestricted net assets	22,834,414	9,707,892	408,578	-	32,950,884	898,908	-	33,849,792
Temporarily restricted net assets:								
Contributions	580,157	32,787	14,288	-	627,232	2,475,669	(1,573,241)	1,529,660
Investment income	178,208	16,725	-	-	194,933	32,862	(26,999)	200,796
Net assets released from restrictions for operations	(1,458,982)	(112,828)	(3,500)	-	(1,575,310)	(1,093,192)	799,630	(1,868,872)
Net assets released from restrictions for capital acquisitions	(401,528)	(47,604)	(19,042)	-	(468,174)	(468,173)	468,173	(468,174)
Change in unrealized appreciation on investments	39,846	47,603	1,388	-	88,837	1,041,967	(627,530)	503,274
Transfers (to) from affiliates	550,132	9,032	-	-	559,164	-	(497,634)	61,530
Change in temporarily restricted net assets	(512,167)	(54,285)	(6,866)	-	(573,318)	1,989,133	(1,457,601)	(41,786)
Permanently restricted net assets:								
Change in beneficial interest in trust assets	403,720	77,870	-	-	481,590	-	-	481,590
Other	-	5,975	-	-	5,975	-	-	5,975
Change in permanently restricted net assets	403,720	83,845	-	-	487,565	-	-	487,565
Change in net assets (deficit)	22,725,967	9,737,452	401,712	-	32,865,131	2,888,041	(1,457,601)	34,295,571
Net assets (deficit), beginning of year	15,005,773	21,315,011	4,395,190	-	40,715,974	14,795,714	(9,619,053)	45,892,635
Net assets (deficit), end of year	$ 37,731,740	$ 31,052,463	$ 4,796,902	$ -	$ 73,581,105	$ 17,683,755	$ (11,076,654)	$ 80,188,206

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2013

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Unrestricted net assets:								
Excess of revenues (under) over expenses	$ (6,118,015)	$ 82,658	$ (5,575)	$ 588,390	$ -	$ (5,693,003)	$ 5,692,779	$ (2,026,094)
Change in unrealized appreciation on investments	-	-	-	159,050	283,886	(540,700)	-	1,235,494
Net change in interest rate swap agreement	-	-	-	-	-	-	-	110,862
Net assets released from restrictions for capital acquisitions	-	-	-	-	-	-	-	468,174
Equity transfer to ECHN	-	-	-	-	6,118,015	-	-	-
Equity transfer from ECHN	6,118,015	-	-	-	(6,118,015)	-	-	-
ECHN Corporate Services transfer	-	297,451	-	-	(297,451)	-	-	-
Transfers (to) from other affiliates - net	-	-	-	-	(733)	5,373,092	(5,373,092)	-
Pension and postretirement related adjustments	-	-	-	-	-	-	-	34,634,083
Other	-	-	-	-	-	-	-	(5,975)
Change in unrestricted net assets	-	380,109	(5,575)	747,440	(14,298)	(860,611)	319,687	34,416,544
Temporarily restricted net assets:								
Contributions	-	-	-	16,500	432,285	-	(715,452)	1,262,993
Investment income	-	-	-	-	-	-	-	200,796
Net assets released from restrictions for operations	-	-	-	(2,353)	(5,489)	-	5,487	(1,871,227)
Net assets released from restrictions for capital acquisitions	-	-	-	-	-	-	-	(468,174)
Change in unrealized appreciation on investments	-	-	-	-	35,316	-	(319,199)	219,391
Transfers (to) from affiliates	-	-	-	-	(559,164)	-	497,634	-
Change in temporarily restricted net assets	-	-	-	14,147	(97,052)	-	(531,530)	(656,221)
Permanently restricted net assets:								
Change in beneficial interest in trust assets	-	-	-	-	-	-	-	481,590
Other	-	-	-	-	-	-	-	5,975
Change in permanently restricted net assets	-	-	-	-	-	-	-	487,565
Change in net assets (deficit)	-	380,109	(5,575)	761,587	(111,350)	(860,611)	(211,843)	34,247,888
Net assets (deficit), beginning of year	(27,691)	-	(78,599)	9,330,090	(3,326,189)	4,023	(193,008)	51,601,261
Net assets (deficit), end of year	$ (27,691)	$ 380,109	$ (84,174)	$ 10,091,677	$ (3,437,539)	$ (856,588)	$ (404,851)	$ 85,849,149

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet
September 30, 2012

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group	Eastern CT Medical Professionals Foundation, Inc.	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Assets															
Current assets:															
Cash and cash equivalents	$ 6,414,687	$ 1,463,823	$ 2,104,524	$ -	$ 9,983,034	$ 3,322,992	$ -	$ 13,306,026	$ 693,999	$ 140,014	$ 2,917,808	$ 115,453	$ 2,878,767	$ -	$ 20,052,067
Current portion of investments held under bond indentures	4,781,749	467,212	186,474	-	5,435,445	-	-	5,435,445	-	-	-	-	-	-	5,435,445
Accounts receivable - net	26,534,856	10,959,585	1,858,191	-	39,352,632	-	-	39,352,632	2,958,828	-	3,438,643	926,570	34,582	-	46,711,255
Inventory	2,660,785	1,519,666	57,223	-	4,237,674	-	-	4,237,674	15,926	-	-	-	-	-	4,253,600
Due from affiliated entities	484,258	781,899	138,837	(822,530)	582,464	29,255	-	611,719	-	-	-	3,631,838	-	(4,243,557)	-
Current portion of estimated settlements due from third-party payers	3,549,365	853,555	-	-	4,402,920	-	-	4,402,920	-	-	-	-	-	-	4,402,920
Prepaid expenses and other current assets	2,028,449	218,802	12,150	-	2,259,401	852,507	-	3,111,908	321,126	3,712	159,877	1,390,039	33,945	-	5,029,607
Total current assets	46,454,149	16,264,552	4,357,399	(822,530)	66,253,570	4,204,754	-	70,458,324	3,989,879	143,726	6,516,328	6,063,900	2,947,294	(4,243,557)	85,875,894
Assets whose use is limited - net of current portion:															
Donor restricted investments	2,312,582	1,696,049	-	-	4,008,631	2,893,106	-	6,901,737	-	-	70,233	-	-	-	6,971,970
Board designated investments	7,434,591	9,011,067	-	-	16,445,658	7,677,672	-	24,123,330	-	-	2,146,542	-	-	-	26,269,872
Investments held in trust for estimated self-insurance liabilities	1,856,635	-	-	-	1,856,635	-	-	1,856,635	-	-	-	-	6,988,063	-	8,844,698
Beneficial interest in trust assets	5,296,479	2,104,303	-	-	7,400,782	-	-	7,400,782	-	-	-	-	-	-	7,400,782
Investments held under bond indentures	3,258,804	931,965	751,053	-	4,941,820	-	-	4,941,820	-	-	-	-	-	-	4,941,820
Total assets whose use is limited	20,159,091	13,743,382	751,053	-	34,653,526	10,570,778	-	45,224,304	-	-	2,216,775	-	6,988,063	-	54,429,142
Interest in net assets of ECHN CHF, Inc.	6,199,191	3,254,582	165,279	-	9,619,053	-	(9,619,053)	-	-	-	-	3,483,853	-	(3,483,853)	-
Investments	8,547,933	9,554,811	2,021,333	-	20,123,577	259,390	-	20,382,967	-	-	1,127,849	(589,367)	-	589,367	21,510,816
Investments in joint ventures	3,565,975	3,127,558	-	-	6,693,528	-	-	6,693,528	-	1,263,713	-	5,543,083	-	-	13,500,324
Property, plant and equipment - net	51,317,622	30,472,774	7,868,327	-	89,658,723	-	-	89,658,723	3,213,132	1,261,561	1,785,171	376,868	-	-	96,295,455
Other assets:															
Due from affiliated entities - net of current portion	31,960,910	2,620,000	250,000	-	34,830,910	-	-	34,830,910	-	-	-	-	-	(34,830,910)	-
Goodwill and intangible assets - net	-	-	578,808	-	578,808	-	-	578,808	256,271	-	-	5,628,027	-	-	6,463,106
Other assets	1,866,512	831,619	355,605	-	3,053,736	376,164	-	3,429,900	-	-	591,402	326,934	867,152	-	5,215,388
Total other assets	33,827,422	3,451,619	1,184,413	-	38,463,454	376,164	-	38,839,618	256,271	-	591,402	5,954,961	867,152	(34,830,910)	11,678,494
Total assets	$ 170,071,384	$ 79,868,773	$ 16,347,804	$ (822,530)	$ 265,463,431	$ 15,411,086	$ (9,619,053)	$ 271,257,464	$ 7,459,282	$ 2,669,000	$ 12,237,525	$ 20,833,298	$ 10,802,509	$ (41,968,953)	$ 283,290,125

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2012

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group	Eastern CT Medical Professionals Foundation, Inc.	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Liabilities and Net Assets (Deficit)															
Current liabilities:															
Accounts payable and accrued expenses	$ 17,702,182	$ 5,969,615	$ 1,430,433	$ -	$ 25,102,230	$ 70,933	$ -	$ 25,173,163	$ 1,870,967	$ 16,376	$ 2,005,029	$ 1,572,926	$ 94,215	$ -	$ 30,730,676
Lines of credit	6,500,000	-	-	-	6,500,000	-	-	6,500,000	-	-	-	-	-	-	6,500,000
Current portion of long-term debt	3,398,759	1,271,671	524,668	-	5,695,098	-	-	5,695,098	23,160	23,469	-	1,162,697	-	-	6,904,354
Due to affiliates	818,589	3,297,172	3,947	(822,530)	3,297,172	540,547	-	3,837,719	5,345,034	2,403,282	-	19,489,410	-	(31,080,945)	-
Current portion of estimated settlements due to third-party payers	1,343,126	1,157,913	292,736	-	2,793,775	-	-	2,793,775	-	-	-	-	-	-	2,793,775
Current portion of accrued pension and other postretirement benefits	2,733,125	1,164,039	-	-	3,897,164	-	-	3,897,164	-	-	-	-	-	-	3,897,164
Other current liabilities	2,426,820	715,430	179,157	-	3,321,407	-	-	3,321,407	-	-	707,490	-	4,124,476	-	8,153,373
Total current liabilities	35,422,595	13,575,840	2,430,941	(822,530)	50,606,846	611,480	-	51,218,326	7,239,161	2,443,127	2,710,519	22,224,983	4,218,691	(31,080,945)	58,979,342
Long-term debt and capital lease obligations, net of current portion	51,672,633	24,394,084	8,879,308	-	84,946,025	-	-	84,946,025	247,832	298,972	114,416	1,954,504	-	-	87,561,749
Estimated self-insurance liabilities	9,814,802	3,307,458	514,642	-	13,636,902	-	-	13,636,902	-	-	-	-	6,579,795	(10,695,000)	9,521,697
Accrued pension and postretirement benefits	57,470,806	17,147,802	-	-	74,618,608	-	-	74,618,608	-	-	-	-	-	-	74,618,608
Estimated settlements due to third-party payers, net of current portion	-	-	-	-	-	-	-	-	-	-	82,500	-	-	-	82,500
Other liabilities	684,775	128,578	127,723	-	941,076	3,892	-	944,968	-	-	-	-	-	-	944,968
Total liabilities	155,065,611	58,553,762	11,952,614	(822,530)	224,749,457	615,372	-	225,364,829	7,486,993	2,742,099	2,907,435	24,179,487	10,798,486	(41,775,945)	231,688,864
Net assets (deficit):															
Unrestricted	4,925,515	17,066,097	4,368,849	-	26,360,461	1,692,807	-	28,053,268	(27,691)	(78,599)	9,257,504	(3,944,864)	4,023	5,290,843	36,549,384
Temporarily restricted	1,905,069	615,748	31,341	-	2,552,158	11,535,595	(8,051,741)	6,036,012	-	-	72,586	618,775	-	(3,483,851)	3,243,522
Permanently restricted	8,175,189	3,633,166	-	-	11,808,355	1,567,312	(1,567,312)	11,808,355	-	-	-	-	-	-	11,808,355
Total net assets (deficit)	15,005,773	21,315,011	4,395,190	-	40,715,974	14,795,714	(9,619,053)	45,892,635	(27,691)	(78,599)	9,330,090	(3,326,189)	4,023	(198,008)	51,601,261
Total liabilities and net assets (deficit)	$ 170,071,384	$ 79,868,773	$ 16,347,804	$ (822,530)	$ 265,465,431	$ 15,411,086	$ (9,619,053)	$ 271,257,464	$ 7,459,282	$ 2,663,000	$ 12,237,525	$ 20,853,298	$ 10,802,509	$ (41,968,953)	$ 283,290,125

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets
For the Year Ended September 30, 2012

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series B, Series C, and Series D Obligated Group	Eastern CT Medical Professionals Foundation, Inc.	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Revenues:															
Net patient service revenue	$ 175,217,566	$ 67,847,638	$ 14,598,768	$ -	$ 257,663,972	$ -	$ -	$ 257,663,972	$ 19,379,025	$ -	$ -	$ -	$ -	$ -	$ 277,042,997
Provision for bad debts	(6,382,307)	(3,309,948)	(162,851)	-	(9,855,106)	-	-	(9,855,106)	(1,430,104)	-	-	-	-	-	(11,285,210)
Net patient service revenue less provision for bad debts	168,835,259	64,537,690	14,435,917	-	247,808,866	-	-	247,808,866	17,948,921	-	-	-	-	-	265,757,787
Contributions	2,055,698	192,851	14,565	-	2,243,112	-	-	2,243,112	-	-	-	264,366	-	(264,366)	2,243,112
Other revenues	15,303,250	5,020,036	192,114	(780,629)	19,734,765	820,595	(814,140)	19,741,220	7,309,670	330,791	-	3,436,821	2,299,700	(16,085,874)	17,532,328
EHR initiative payment revenue	2,206,302	1,626,870	-	-	3,833,172	-	-	3,833,172	-	-	-	-	-	-	3,833,172
Contribution of VNHSC	-	-	-	-	-	-	-	-	-	-	-	4,592,459	-	-	4,592,459
Net assets released from restrictions used for operations	316,686	31,857	19	-	348,562	289,326	-	637,888	-	-	-	225	-	-	638,113
Total revenues	188,697,195	71,409,298	14,642,613	(780,629)	273,968,477	1,109,921	(814,140)	274,264,258	25,258,591	330,791	-	8,293,871	2,299,700	(16,350,240)	294,596,971
Expenses:															
Salaries and wages	81,549,825	30,268,391	7,011,831	-	118,830,047	477,716	(349,888)	118,957,875	20,957,854	-	-	11,551,692	-	(11,551,692)	139,915,729
Fringe benefits	25,465,287	10,225,293	2,219,761	-	37,908,341	116,129	(379,360)	37,645,210	3,275,112	-	-	2,287,709	-	(2,287,706)	40,920,325
Supplies and other expenses	62,035,761	25,886,843	4,320,634	(780,629)	91,462,609	516,076	(84,992)	91,893,693	7,327,377	353,981	-	(5,746,516)	6,134,132	(5,144,290)	99,818,377
Depreciation and amortization	6,896,812	3,811,952	539,694	-	11,248,458	-	-	11,248,458	477,564	85,611	-	150,759	-	(150,759)	11,811,633
Interest and financing costs	2,714,044	719,107	508,782	-	3,941,933	-	-	3,941,933	21,703	18,195	-	219,413	-	(219,413)	3,981,831
Total expenses	178,661,729	70,909,586	14,600,702	(780,629)	263,391,388	1,109,921	(814,140)	263,687,169	32,059,610	457,787	-	7,463,057	6,134,132	(19,353,860)	290,447,895
Income (loss) from operations	10,035,466	499,712	41,911	-	10,577,089	-	-	10,577,089	(6,301,019)	(126,996)	-	830,814	(3,834,432)	3,003,620	4,149,076
Non-operating (losses) gains	(868,637)	(179,961)	41,454	-	(1,007,144)	-	-	(1,007,144)	-	(193,392)	-	(830,814)	-	830,814	(1,200,536)
Excess of revenues over (under) expenses	$ 9,166,829	$ 319,751	$ 83,365	$ -	$ 9,569,945	$ -	$ -	$ 9,569,945	$ (6,301,019)	$ (320,388)	$ -	$ -	$ (3,834,432)	$ 3,834,434	$ 2,948,540

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2012

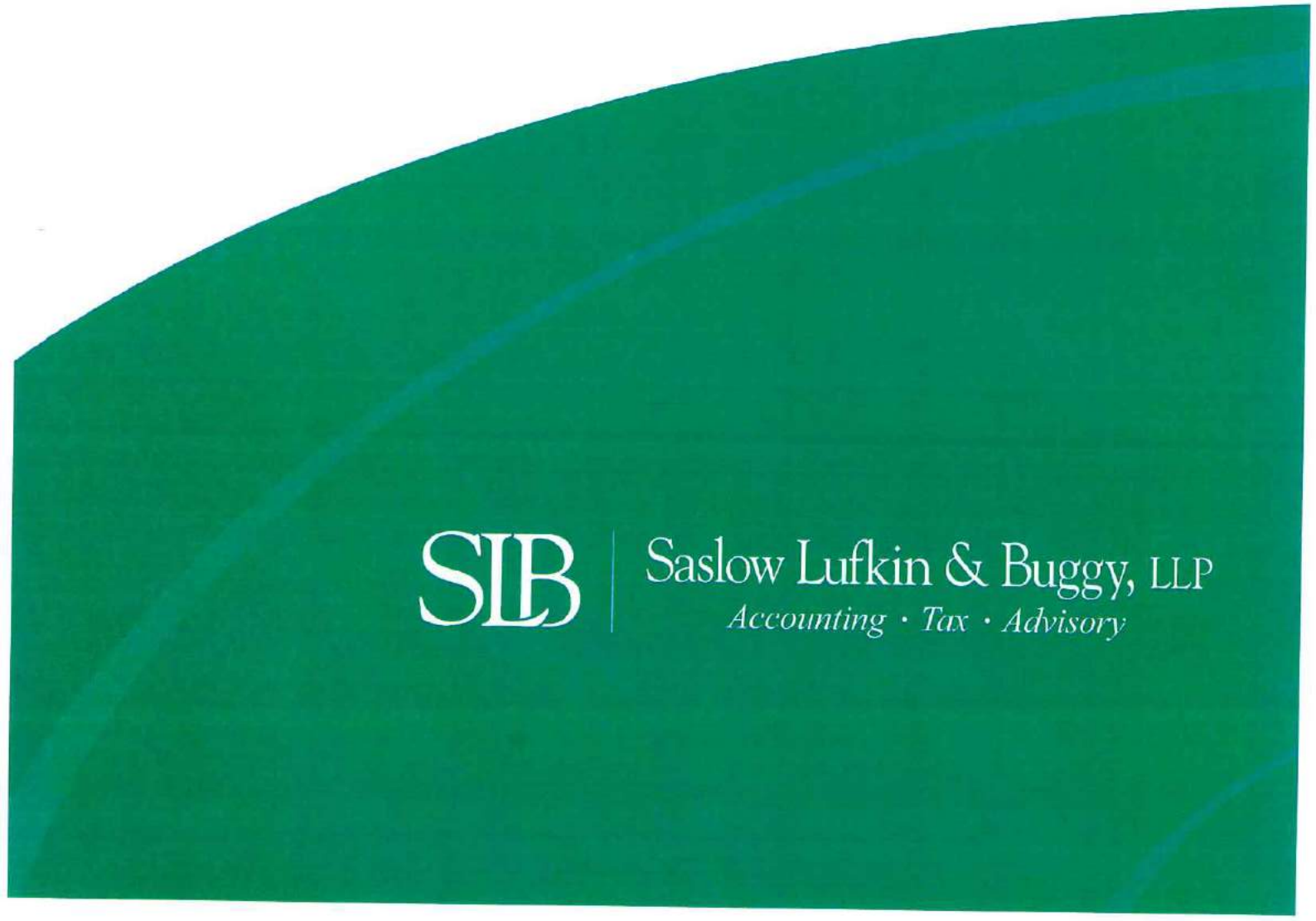
	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series B, Series C, and Series D Obligated Group	Eastern CT Medical Professionals Foundation, Inc.	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Unrestricted net assets:															
Excess of revenues over (under) expenses	$ 9,166,829	$ 319,751	$ 83,565	$ -	$ 9,569,945	$ -	$ -	$ 9,569,945	$ (6,301,019)	$ (320,388)	$ -	$ -	$ (3,834,432)	$ 3,834,434	$ 2,948,540
Change in unrealized appreciation on investments	3,361,907	3,413,298	224,010	-	6,999,215	-	-	6,999,215	-	-	-	646,773	328,272	-	7,974,260
Net change in interest rate swap agreements	(123,039)	-	-	-	(123,039)	-	-	(123,039)	-	-	-	-	-	-	(123,039)
Net assets released from restrictions for capital acquisitions	231,566	48,524	55,987	-	336,077	-	-	336,077	-	-	-	-	-	-	336,077
Equity transfer to ECHN	(4,095,662)	(8,205,357)	-	-	(12,301,019)	-	-	(12,301,019)	-	-	-	12,301,019	-	-	-
Equity transfer from ECHN	6,000,000	-	-	-	6,000,000	-	-	6,000,000	6,301,019	-	-	(12,301,019)	-	-	-
VNHSC transfer	-	-	-	-	-	-	-	-	-	-	9,257,504	(9,257,504)	-	-	-
Transfer (to) from other affiliates - net	(310,801)	424,971	2,654	-	116,824	(92,176)	-	24,648	-	-	-	(24,648)	-	-	-
Pension and postretirement-related adjustments	(12,778,592)	(3,623,818)	-	-	(16,402,410)	-	-	(16,402,410)	-	-	-	-	-	-	(16,402,410)
Change in unrestricted net assets	1,452,208	(7,622,031)	366,016	-	(5,804,407)	(92,176)	-	(5,896,583)	-	(320,388)	9,257,504	(8,635,379)	(3,506,160)	3,834,434	(5,266,572)
Temporarily restricted net assets:															
Contributions	450,324	54,836	3,902	-	509,062	3,570,388	(2,487,806)	1,591,644	-	-	-	528,889	-	(793,255)	1,327,278
Investment income	18,520	18,801	-	-	37,321	26,602	(26,601)	37,322	-	-	-	-	-	-	37,322
Net assets released from restrictions for operations	(316,686)	(31,857)	(19)	-	(348,562)	(1,098,260)	808,709	(638,113)	-	-	-	(225)	-	225	(638,113)
Net assets released from restrictions for capital acquisitions	(231,566)	(48,524)	(55,987)	-	(336,077)	(336,077)	336,077	(336,077)	-	-	-	-	-	-	(336,077)
Change in unrealized appreciation on investments	345,177	119,637	9,958	-	474,772	1,918,625	(1,511,167)	1,082,230	-	-	-	55,791	-	(607,458)	530,563
Contribution of VNHSC	-	-	-	-	-	-	-	-	-	-	72,586	-	-	-	72,586
Transfer (to) from affiliates	650,598	(409,676)	-	-	240,922	-	(265,570)	(24,648)	-	-	-	(240,922)	-	265,570	-
Change in temporarily restricted net assets	916,367	(296,783)	(42,146)	-	577,438	4,081,278	(2,946,358)	1,712,358	-	-	72,586	343,533	-	(1,134,918)	993,559
Permanently restricted net assets:															
Change in beneficial interest in trust assets	495,556	217,061	-	-	712,617	-	-	712,617	-	-	-	-	-	-	712,617
Change in permanently restricted net assets	495,556	217,061	-	-	712,617	-	-	712,617	-	-	-	-	-	-	712,617
Change in net assets (deficit)	2,864,131	(7,702,353)	323,870	-	(4,514,352)	3,989,102	(2,946,358)	(3,471,608)	-	(320,388)	9,330,090	(8,291,846)	(3,506,160)	2,699,516	(3,560,396)
Net assets (deficit), beginning of year	12,141,642	29,017,364	4,071,320	-	45,230,326	10,806,612	(6,672,695)	49,364,243	(27,691)	241,789	-	4,965,657	3,510,183	(2,892,524)	55,161,657
Net assets (deficit), end of year	$ 15,005,773	$ 21,315,011	$ 4,395,190	$ -	$ 40,715,974	$ 14,795,714	$ (9,619,053)	$ 45,892,635	$ (27,691)	$ (78,599)	$ 9,330,090	$ (3,326,189)	$ 4,023	$ (193,008)	$ 51,601,261

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries

Independent Auditors' Report,
Consolidated Financial Statements and
Supplemental Information

As of and for the Years Ended
September 30, 2014 and 2013



Eastern Connecticut Health Network, Inc. and Subsidiaries
Independent Auditors' Report, Consolidated Financial Statements and Supplemental Information
As of and for the Years Ended September 30, 2014 and 2013

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Independent Auditors' Report

To the Board of Trustees of
Eastern Connecticut Health Network, Inc. and Subsidiaries:

We have audited the accompanying consolidated financial statements of Eastern Connecticut Health Network, Inc. and Subsidiaries (the Network), a not-for-profit, non-stock corporation, which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

The Network's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Connecticut Healthcare Insurance Company, a wholly owned subsidiary, whose statements reflect total assets of $7,384,595 and $5,220,598, as of September 30, 2014 and 2013, respectively, and total revenues of $2,251,542 and $2,440,340, respectively, for the years then ended. These statements were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for Connecticut Healthcare Insurance Company, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Network's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Network's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant account estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Eastern Connecticut Health Network, Inc. and Subsidiaries as of September 30, 2014 and 2013, and the results of its consolidated operations and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information listed within the Table of Contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and changes in net assets of the individual entities and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Saslow Lufkin & Buggy, LLP

January 27, 2015

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidated Balance Sheets
September 30, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	$ 20,733,601	$ 22,439,356
Current portion of investments held under bond indentures	1,163,916	1,850,531
Accounts receivable, less allowance for bad debts of $8,915,132 in 2014 and $10,060,009 in 2013	44,610,272	46,524,143
Inventory	5,437,285	5,065,716
Current portion of estimated settlements due from third-party payers	3,602,585	3,463,096
Prepaid expenses and other current assets	5,686,236	5,046,865
Total current assets	81,233,895	84,389,707
Assets whose use is limited, net of current portion:		
Donor restricted investments	6,097,747	6,534,923
Board designated investments	37,980,275	33,138,323
Investments held in trust for estimated self-insurance liabilities	5,005,755	2,465,931
Beneficial interest in trust assets	11,809,221	7,882,372
Investments held under bond indentures	5,171,545	4,942,057
Total assets whose use is limited, net of current portion	66,064,543	54,963,606
Investments	7,138,341	13,009,540
Investments in joint ventures	14,562,738	13,731,843
Property, plant and equipment - net	94,065,559	96,188,497
Other assets:		
Estimated settlements due from third-party payers, net of current portion	685,669	6,804,542
Goodwill and intangible assets, net	6,967,353	7,145,869
Other assets	5,369,091	6,233,132
Total other assets	13,022,113	20,183,543
Total assets	$ 276,087,189	$ 282,466,736
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 35,964,615	$ 34,874,835
Line of credit	5,600,000	6,500,000
Current portion of long-term debt and capital lease obligations	6,489,656	6,832,322
Current portion of estimated settlements due to third-party payers	5,743,160	4,512,361
Current portion of accrued pension and other postretirement benefits	1,313,769	6,085,518
Other current liabilities	5,841,792	5,321,044
Total current liabilities	60,952,992	64,126,080
Long-term debt and capital lease obligations, net of current portion	82,595,414	84,416,006
Estimated self-insurance liabilities	9,683,668	9,243,930
Accrued pension and other postretirement benefits	44,676,486	38,111,463
Estimated settlements due to third-party payers, net of current portion	65,838	122,921
Other liabilities	419,002	597,187
Total liabilities	198,393,400	196,617,587
Net assets:		
Unrestricted	59,544,873	70,965,928
Temporarily restricted	2,096,313	2,587,301
Permanently restricted	16,052,603	12,295,920
Total net assets	77,693,789	85,849,149
Total liabilities and net assets	$ 276,087,189	$ 282,466,736

The accompanying notes are an integral part of these consolidated financial statements.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets
For the Years Ended September 30, 2014 and 2013

	2014	2013
Revenues:		
Net patient service revenues	$ 309,971,310	$ 310,122,159
Provision for bad debts	(10,216,094)	(11,142,202)
Net patient service revenues less provision for bad debts	299,755,216	298,979,957
Contributions	1,163,883	1,614,319
Other revenues	25,216,442	22,871,370
EHR incentive payment revenue	1,786,134	2,630,820
Net assets released from restrictions used for operations	833,650	1,871,227
Total revenues	328,755,325	327,967,693
Expenses:		
Salaries and wages	162,727,445	163,729,402
Fringe benefits	43,859,398	47,592,094
Supplies and other expenses	104,034,396	100,342,397
Depreciation and amortization	12,196,877	12,290,822
Interest and financing costs	3,764,488	3,900,483
Total expenses	326,582,604	327,855,198
Income from operations	2,172,721	112,495
Non-operating losses	(2,125,751)	(2,138,589)
Excess of revenues over (under) expenses	$ 46,970	$ (2,026,094)

The accompanying notes are an integral part of these consolidated financial statements.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets (continued)
For the Years Ended September 30, 2014 and 2013

	2014	2013
Unrestricted net assets:		
Excess of revenues over (under) expenses	$ 46,970	$ (2,026,094)
Unrealized (depreciation) appreciation on investments	(5,476,925)	1,235,494
Net change in interest rate swap agreements	8,379	110,862
Net assets released from restrictions for capital acquisitions	437,676	468,174
Pension and postretirement related adjustments	(6,438,240)	34,634,083
Other	1,085	(5,975)
Change in unrestricted net assets	(11,421,055)	34,416,544
Temporarily restricted net assets:		
Contributions	580,515	1,262,993
Investment income	533,939	200,796
Net assets released from restrictions used for operations	(833,650)	(1,871,227)
Net assets released from restrictions for capital acquisitions	(437,676)	(468,174)
Unrealized (depreciation) appreciation on investments	(334,116)	219,391
Change in temporarily restricted net assets	(490,988)	(656,221)
Permanently restricted net assets:		
Contributions - beneficial interest trust assets	3,751,750	-
Change in beneficial interest in trust assets	176,043	481,590
Reclassifications of donations	(171,110)	5,975
Change in permanently restricted net assets	3,756,683	487,565
Change in net assets	(8,155,360)	34,247,888
Net assets, beginning of year	85,849,149	51,601,261
Net assets, end of year	$ 77,693,789	$ 85,849,149

The accompanying notes are an integral part of these consolidated financial statements.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended September 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	$ (8,155,360)	$ 34,247,888
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	12,196,877	12,290,822
Provision for bad debts	10,216,094	11,142,202
Unrealized depreciation (appreciation) on investments	5,811,041	(1,454,885)
Realized gains on sales of investments	(8,307,110)	(5,584,750)
Change in beneficial interest in trust assets	(3,926,849)	(481,590)
Income on investments in joint ventures	(2,478,524)	(2,113,663)
Pension and postretirement related adjustments	6,438,240	(34,634,083)
Change in pledges receivable	668,567	311,968
Change in interest rate swap agreements	177,835	(358,754)
Changes in assets and liabilities:		
Accounts receivable	(8,302,223)	(10,955,090)
Inventory	(371,569)	(812,116)
Prepaid expenses and other current assets	(1,097,826)	(26,258)
Amortization of intangible assets	178,516	(682,763)
Other assets	653,929	(1,310,364)
Accounts payable and accrued expenses	1,089,780	4,144,159
Accrued pension and other postretirement benefits	(4,644,966)	315,292
Estimated settlements (to)/from third-party payers	7,153,100	(4,105,711)
Other current liabilities	301,311	(509,424)
Estimated self-insurance liabilities	659,175	(2,600,672)
Other liabilities	(356,020)	10,973
Net cash provided by (used in) operating activities	7,904,018	(3,166,819)
Cash flows from investing activities:		
Purchases of property and equipment	(10,073,939)	(12,104,527)
Sales of investments, net	1,879,795	19,072,951
Distributions from joint ventures	1,647,629	1,802,805
Net cash (used in) provided by investing activities	(6,546,515)	8,771,229
Cash flows from financing activities:		
Principal payments on long-term debt	(7,235,595)	(7,079,140)
Net payments on line of credit	(900,000)	-
Payments for bond issuance costs	-	(19,346)
Proceeds from borrowings	5,072,337	3,881,365
Net cash used in financing activities	(3,063,258)	(3,217,121)
Change in cash and cash equivalents	(1,705,755)	2,387,289
Cash and cash equivalents at beginning of year	22,439,356	20,052,067
Cash and cash equivalents at end of year	$ 20,733,601	$ 22,439,356
Cash paid for interest	$ 3,880,091	$ 4,095,398
Equipment acquisitions under capital lease arrangements	$ 2,266,700	$ 2,351,850

The accompanying notes are an integral part of these consolidated financial statements.

Note 1 - Organization

Eastern Connecticut Health Network, Inc. (ECHN) and Subsidiaries (collectively the Network) is a not-for-profit, locally governed health system created on September 12, 1995, through the merger of the corporate parents of Manchester Memorial Hospital and Rockville General Hospital, Inc. Its purpose is to provide a health care system for the communities it serves, with quality medical care at a reasonable cost; to foster an environment conducive to health and well-being, whether in the home or in the community; and to enable the health care system to expand to meet the future needs of its communities. ECHN, through its subsidiaries (or members), provides health care, health education, and community services to residents of more than 19 towns in eastern Connecticut, regardless of their ability to pay.

ECHN is the sole member or shareholder of the following subsidiaries:

The Manchester Memorial Hospital (MMH) - MMH is a not-for-profit hospital with 249 licensed beds, located in Manchester, Connecticut. MMH, which admitted its first patient in 1920, is a short-term, acute-care general hospital, which provides inpatient, outpatient, and emergency care services to the residents of Manchester and 19 nearby towns.

The Rockville General Hospital, Inc. (RGH) - RGH is a not-for-profit hospital with 102 licensed beds, located in the Rockville section of Vernon, Connecticut. RGH, which admitted its first patient in 1921, is a short-term, acute-care general hospital, which provides inpatient, outpatient, and emergency care services for residents of Tolland County and nearby towns, for a total service area of 19 towns.

ECHN ElderCare Services, Inc. (EES) - EES is a not-for-profit, skilled nursing facility with 130 licensed beds and physical, occupational and speech rehabilitation services located in Tolland, Connecticut.

ECHN Community Healthcare Foundation, Inc. (ECHF) - ECHF is a not-for-profit organization whose purpose is to raise funds on behalf of ECHN and its not-for-profit subsidiaries. It was established in 2000, when the fund-raising efforts of ECHN were consolidated into a single not-for-profit foundation. ECHF focuses primarily on the capital and program needs of ECHN and its not-for-profit subsidiaries.

Eastern Connecticut Medical Professionals Foundation, Inc. (ECMPF) - ECMPF is a not-for-profit organization that currently operates physician office practices in the Network's service area and a hospitalist program that serves MMH and RGH. Its mission allows it to operate other not-for-profit, separately incorporated allied health ventures.

ECHN Enterprises, Inc. (Enterprises) - Enterprises is a for-profit organization formed under the laws of the State of Connecticut, with ECHN as the sole shareholder. Enterprises owns, leases and has an interest in real estate to support the mission and vision for ECHN. It is also the parent corporation of Haynes Street Property Management, LLC (HSPM). HSPM is a for-profit, limited liability company formed under the laws of the State of Connecticut, which manages the Glastonbury Wellness Center and sublets space to various MMH departments and physician offices, as well as to ECMPF.

Visiting Nurse and Health Services of Connecticut, Inc. (VNHSC) - VNHSC is a not-for-profit, nonstock Connecticut corporation that provides and administers a comprehensive, multi-disciplinary home health program, hospice program and wellness programs to promote the health of individuals, families and groups in the Greater Northern Central Connecticut area. In addition, VNHSC is the sole member of A Caring Hand, LLC, which is a for-profit Connecticut limited liability company providing and administering homemaker, companion, live-in and personal care assistance services to individuals and families in the Greater Northern Central Connecticut area.

Note 1 - Organization (continued)

Connecticut Healthcare Insurance Company (CHIC) - CHIC, a captive insurance company, provides hospital and physician professional and general liability coverage to MMH, RGH, EES, and all other subsidiaries.

ECHN Corporate Services (ECHNCS) - ECHNCS is a for-profit stock corporation formed under the laws of the State of Connecticut, with ECHN as the sole shareholder. ECHNCS provides billing and other practice management services to the Network and other customers. It is also the parent corporation of Medical Practice Partners, LLC (MPP). MPP is a for-profit, limited liability company formed under the laws of the State of Connecticut, which provides practice management services to medical group practices throughout Connecticut.

CINECT - CINECT is a for-profit organization formed to develop a clinically integrated network of community providers that offers high-quality care, value, and an enhanced patient experience. CINECT's mission is to better manage the health of the communities that we serve. While formed during 2014 CINECT has not commenced operations as of September 30, 2014.

ECHN and each of its subsidiaries, except for Enterprises, CHIC, ECHNCS and CINECT, are separate Connecticut not-for-profit corporations, qualified as exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC) and governed by separate Boards of Trustees (the Board) - although the membership of the ECHN, MMH and RGH boards are currently identical. ECHN, acting through its Board of Trustees, is the sole member of each of its members. ECHN has various powers with regard to each of its members, which include approving all operating and capital budgets; controlling the investment of funds, location of services, agreements and transactions, and affiliations; controlling changes, amendments, or restatements of certificates of incorporation and bylaws; electing trustees and officers; appointing committees; adopting a system-wide vision and strategic plans; and approving debt borrowings.

In August 2013, the ECHN Board of Trustees announced that it had signed a non-binding letter of intent to negotiate the sale of ECHN to a newly formed joint partnership between Tenet Healthcare Corporation (Tenet) and Yale New Haven Health System (YNHHS). On May 12, 2014, Corporators of ECHN voted favorably on the health system's proposed Asset Purchase Agreement (APA) between ECHN and a historic joint venture between Tenet and YNHHS.

On October 24, 2014, ECHN filed its Certificate of Need (CON) application with the Connecticut State regulatory offices, including the Department of Public Health Office of Health Care Access (OCHA) and the Office of the Attorney General. This formal application process is part of the continued pursuit of the acquisition of ECHN by a joint venture between Tenet and YNHHS.

It is anticipated that the state government's review of the application will continue over the next few months and ECHN is working diligently with state and federal regulators to meet all criteria for final approval of the proposed transaction. A definitive agreement is expected to be reached by sometime in early calendar year 2015.

As of September 30, 2014, management has not finalized a purchase agreement and the Trustees believe that the Network will continue with its normal operations and as a going concern for the foreseeable future.

Basis of Presentation - The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The consolidated financial statements include the accounts of ECHN and its subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation. The assets of any member of the consolidated group may not be available to meet the obligations of other members in the group.

Note 2 - Summary of Significant Accounting Policies

Use of Estimates - The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Network's significant estimates relate to the valuation of investments and interest rate swap agreements, allowance for doubtful patient accounts receivable, contractual allowances on patient accounts receivable, self-insurance liabilities, estimated settlements due to and from third parties, conditional asset retirement obligations, postretirement and pension benefit costs and the related obligations.

Cash and Cash Equivalents - The Network considers all highly liquid investments with original maturities of three months or less at date of purchase to be cash equivalents, excluding amounts whose use is limited or restricted by Board designation or other arrangements under trust agreements. Cash equivalents include money market funds. Cash balances maintained at banks are insured by the Federal Deposit Insurance Corporation (FDIC). At times, the Network maintains cash balances that are in excess of the $250,000 insured FDIC limits. The Network maintains its cash at various banks and it is the Network's policy to monitor the banks' financial strength on an ongoing basis.

Money market funds are not insured by the FDIC and are not a risk-free investment. Money market funds invest in a variety of instruments including mortgage-backed and asset-backed securities. Although a money market fund seeks to preserve its $1 per share value, it is possible that a money market fund's value can decrease below $1 per share.

Net Assets - Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined as follows:

> ***Permanently Restricted*** - Net assets subject to explicit donor imposed stipulations that they be maintained by the Network in perpetuity are classified as permanently restricted. Such permanently restricted net assets include endowment funds and MMH's and RGH's share of their beneficial interest in trust assets held by third parties. Generally, the donors of these assets permit the members of ECHN to use all or part of the investment return on these assets for operating purposes.
>
> ***Temporarily Restricted*** - Net assets whose use by the Network is subject to explicit donor imposed stipulations that can be fulfilled upon incurrence of expenditures by the Network pursuant to those stipulations or that expire by the passage of time are classified as temporarily restricted.
>
> ***Unrestricted*** - Net assets that are not subject to explicit donor-imposed stipulations are classified as unrestricted. Unrestricted net assets may be designated for specific purposes by action of the Board or may otherwise be limited by contractual agreements with outside parties; such designated assets are classified as assets whose use is limited in the accompanying consolidated balance sheets.

Note 2 - Summary of Significant Accounting Policies (continued)

Revenues are reported as increases in unrestricted net assets, unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions on net assets, that is, the donor imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues at the date the promise is received. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at a rate commensurate with the risks involved. Amortization of the discount is included in other revenue. Contributions restricted for the acquisition of land, buildings, and equipment are reported as temporarily restricted support. These contributions are reclassified to unrestricted net assets when the capital asset is acquired or constructed and placed in service.

Assets Whose Use is Limited - Assets whose use is limited primarily include cash and investments held by trustees under indenture agreements, cash and investments held for estimated self-insurance liabilities, Board designated investments, which include endowments, cash and investments set aside by the Board for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes; and, beneficial interests in trust assets, which are donor restricted and other restricted investments. Amounts required to meet current liabilities of the Network have been classified as current assets in the consolidated balance sheets as of September 30, 2014 and 2013.

The income earned on restricted funds is generally available for operations of the Network and is recorded as revenue in unrestricted net assets, unless restricted by the donor or to pay future annuity obligations, at which time the income is added to the appropriate restricted net asset balance. However, if a specific gift instrument explicitly requires the permanent reinvestment of appreciation, or a portion thereof, such reinvested amounts are classified within permanently restricted net assets. There were no gifts with reinvestment restrictions for the years ended September 30, 2014 and 2013.

Assets received as donations or bequests are recorded as contributions on the date received at the estimated fair value. The average cost method is used to determine realized gains or losses on sales of marketable equity securities.

Beneficial Interest in Trust Assets - MMH and RGH have been named sole or participating beneficiaries in several perpetual trusts, for which third parties act as the trustee. Under the terms of these trusts, MMH and RGH have the irrevocable right to receive the income earned on the trust assets held in perpetuity. The estimated present value of the future payments to MMH and RGH is recorded at the fair value of the assets held in the trust as beneficial interest in trust assets in the respective balance sheets of MMH and RGH and are permanently restricted as to use.

The income from the trusts is included in the change in interest in net assets of ECHF as unrestricted and temporarily restricted support and other income. Fluctuations in the fair value of the trust assets are recognized as changes in permanently restricted net assets. MMH and RGH record their beneficial interest in trust assets when they are notified of the existence of the trust or when information becomes available to record the fair value of the trust assets.

Note 2 - Summary of Significant Accounting Policies (continued)

Investments - The Network's investment portfolio is classified as available for sale, with unrealized gains and losses excluded from excess of revenues over expenses, unless the losses are deemed to be other than temporary. Investments with readily determinable fair values are measured at fair value in the consolidated balance sheets.

Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses, unless the income or loss is restricted by donor or law.

Other-Than-Temporary Impairments on Investments - The Network accounts for other than temporary impairments in accordance with FASB ASC 320, "*Investments - Debt and Equity Securities*" and continually reviews its securities for impairment conditions, which could indicate that an other than temporary decline in market value has occurred. In conducting this review, numerous factors are considered, which include specific information pertaining to an individual company or a particular industry, general market conditions that reflect prospects for the economy as a whole, and the ability and intent to hold securities until recovery. The carrying value of investments is reduced to its estimated realizable value if a decline in fair value is considered to be other-than-temporary. There were no impairments recorded for the years ended September 30, 2014 and 2013.

Property, Plant and Equipment - Property, plant and equipment are stated at cost or, in the case of donated property, at fair value at the date of the gift, less accumulated depreciation and amortization. Major improvements and betterments to existing plant and equipment are capitalized. Expenditures for maintenance and repairs that do not extend the lives of the applicable assets are charged to expense as incurred. Upon disposition or retirement of property, plant and equipment, the cost and related accumulated depreciation and amortization are eliminated from the respective accounts and any resulting gain or loss is included in the results of consolidated operations.

Depreciation expense is computed on a straight-line basis over the following estimated useful lives:

Buildings	10-40 years
Building improvements	5-40 years
Machinery and equipment	3-15 years
Furniture and fixtures	5-20 years

Equipment under capital leases is amortized utilizing the straight-line method over the shorter of the lease term or the estimated useful life of the equipment. Depreciation and amortization expense was $11,988,770 and $12,137,690 for the years ended September 30, 2014 and 2013, respectively.

Interest cost incurred on borrowed funds during the construction period of capital assets is capitalized as a component of the cost of acquiring those assets.

Physician loan amortization totaling $208,107 and $153,132 for the years ended September 30, 2014 and 2013, respectively, is included within depreciation and amortization in the accompanying consolidated statements of operations and changes in net assets.

Gifts of property and equipment are reported as unrestricted support, and are excluded from the excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of property and equipment with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire property and equipment are reported as restricted support. Absent explicit donor stipulations about how long the property and equipment must be maintained, expirations of donor restrictions are reported as released from restrictions when the donated or acquired property and equipment assets are placed in service.

Note 2 - Summary of Significant Accounting Policies (continued)

Investments in Joint Ventures - The Network has invested in several joint ventures with other area hospitals, which are accounted for under the equity method of accounting. These joint ventures as of September 30, 2014 and 2013 include the Network's investments in the following:

	2014	Ownership Percentage	2013	Ownership Percentage
Northeast Regional Radiation Oncology Network, Inc.	$ 6,598,390	50 %	$ 6,216,646	50 %
Tolland Imaging Center	380,818	70 %	201,010	70 %
Metro Wheelchair Service Inc.	-	50 %	54,224	50 %
Ambulance Service of Manchester, LLC	3,798,727	50 %	3,772,317	50 %
Aetna Ambulance Service Inc.	1,961,496	50 %	1,772,500	50 %
Evergreen Endoscopy Center, LLC	359,698	50 %	292,807	50 %
Haynes Street Medical Associates	149,808	23 %	150,193	23 %
Haynes Street Medical Associates II	249,744	15 %	236,834	15 %
Evergreen Medical Associates, LLC	264,503	20 %	258,137	20 %
Evergreen Medical Associates II, LLC	583,419	20 %	559,585	20 %
Walden Behavioral Health	196,135	16 %	197,590	16 %
Total joint venture assets	14,542,738		13,711,843	
Other miscellaneous assets	20,000		20,000	
Total investments in joint ventures	$ 14,562,738		$ 13,731,843	

Distributions from these joint ventures totaled $1,647,629 and $1,802,805 for the years ended September 30, 2014 and 2013, respectively. ECHN's share of the earnings of the joint ventures is reported within other revenues and amounted to $2,478,524 and $2,113,663 for the years ended September 30, 2014 and 2013, respectively.

Note 2 - Summary of Significant Accounting Policies (continued)

Summarized financial information from the financial statements of these organizations as of September 30, 2014 and 2013 and for the years then ended, is as follows:

2014	Total Assets	Net Assets	Change in Net Assets	Excess of Revenues (Under) Over Expenses
Northeast Regional Radiation Oncology Network, Inc.	$ 13,250,462	$ 13,196,779	$ 763,486	$ 335,328
Metro Wheelchair Service Inc.	$ 151,744	$ (23,958)	$ (132,407)	$ (132,412)
Ambulance Service of Manchester, LLC	$ 9,224,170	$ 7,597,455	$ 52,822	$ 2,052,822
Aetna Ambulance Service Inc.	$ 4,926,263	$ 3,922,991	$ 377,992	$ 378,000
Haynes Street Medical Associates	$ 2,516,732	$ 705,640	$ 42,487	$ 66,803
Haynes Street Medical Associates II	$ 8,596,515	$ 1,888,090	$ 318,384	$ 275,998
Evergreen Endoscopy Center, LLC	$ 1,595,233	$ 429,991	$ (155,623)	$ 944,374
Evergreen Medical Associates, LLC	$ 6,612,745	$ 1,632,513	$ 293,056	$ 215,698
Evergreen Medical Associates II, LLC	$ 11,786,731	$ 3,059,097	$ 129,108	$ 365,789
Tolland Imaging Center	$ 775,884	$ 544,026	$ 256,871	$ 241,197
Walden Behavioral Health	$ 1,955,576	$ 1,190,586	$ (14,597)	$ 44,830

2013	Total Assets	Net Assets	Change in Net Assets	Excess of Revenues (Under) Over Expenses
Northeast Regional Radiation Oncology Network, Inc.	$ 12,490,586	$ 12,433,293	$ 212,661	$ 295,288
Metro Wheelchair Service Inc.	$ 221,853	$ 108,449	$ (60,913)	$ (60,914)
Ambulance Service of Manchester, LLC	$ 8,782,743	$ 7,544,633	$ 194,425	$ 2,494,426
Aetna Ambulance Service Inc.	$ 4,269,492	$ 3,544,999	$ 420,403	$ 420,404
Haynes Street Medical Associates	$ 2,542,951	$ 663,153	$ 23,205	$ 79,920
Haynes Street Medical Associates II	$ 8,435,369	$ 1,569,706	$ (112,714)	$ 181,272
Evergreen Endoscopy Center, LLC	$ 1,746,503	$ 585,614	$ (208,332)	$ 370,077
Evergreen Medical Associates, LLC	$ 6,484,054	$ 1,339,457	$ 45,367	$ 239,569
Evergreen Medical Associates II, LLC	$ 11,906,047	$ 2,929,989	$ (99,281)	$ 394,554
Tolland Imaging Center	$ 934,135	$ 287,155	$ 72,449	$ 65,048
Walden Behavioral Health	$ 1,651,417	$ 1,205,183	$ 53,023	$ (16,006)

Unamortized Bond Issue Costs - Financing costs associated with the issuance of long-term debt are amortized over the term of the bonds using the effective interest method. Amortization is included in interest and financing costs in the accompanying consolidated statements of operations and changes in net assets, and the unamortized carrying value is recorded within other - net in the accompanying consolidated balance sheets.

Note 2 - Summary of Significant Accounting Policies (continued)

Intangible Assets - Intangible assets, principally license enhancements and goodwill, are amortized over the life of the respective intangible property. On average, this amortization period for license enhancements and goodwill is 18 and 5 years, respectively. Amortization is included in depreciation and amortization in the accompanying consolidated statements of operations and changes in net assets and the unamortized carrying value is recorded within goodwill and intangible assets - net in the accompanying consolidated balance sheets. Any residual value remaining after the amortization period is considered insignificant.

Deferred Revenue - Deferred revenue represents payments received for services to be rendered in the next fiscal year and is recorded within other current liabilities in the accompanying consolidated balance sheets.

Excess of Revenues (Under) Over Expenses - The consolidated statements of operations and changes in net assets include excess of revenues (under) over expenses. Changes in unrestricted net assets, which are excluded from the excess of revenues (under) over expenses, consistent with industry practice, include the changes in unrealized appreciation (depreciation) on investments; net change in fair value of interest rate swap agreements that qualifies for hedge accounting; net assets released from restrictions used for capital acquisitions; pension and postretirement related adjustments; and other changes in net assets.

For purposes of display, transactions deemed by management to be ongoing, major or central to providing of health care services are reported as operating revenues and operating expenses. Operating revenues include net patient service revenue, grant income and investment income. Peripheral or incidental transactions are reported as non-operating gains and losses. Non-operating gains and losses include investment income and expenses related to property management, losses recognized on investments representing declines in value considered to be other-than-temporary in nature, changes in the fair values of interest rate swaps that do not qualify for hedge accounting (net interest expense) and the costs associated with pursuing business combinations.

Charity Care - MMH and RGH provide care to patients who meet certain criteria under their charity care policies without charge or at amounts less than its established and contractual rates. The hospitals do not pursue collection of amounts determined to qualify as charity care; as such, these amounts are not reported as revenue.

Net Patient Service Revenues - Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Contracts, laws, and regulations governing Medicare, Medicaid, Blue Cross, and the uncompensated care pool programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Network records adjustments in amounts accrued for estimated settlements related to prior years.

A portion of the accrual for estimated settlements with third-party payers has been classified as long-term because such amounts, by their nature or by virtue of regulation or legislation, are not expected to be paid within one year.

Note 2 - Summary of Significant Accounting Policies (continued)

MMH and RGH have agreements with third-party payers that provide for payments at amounts different from their established rates. A summary of the payment agreements with major third-party payers is as follows:

Medicare - Acute care hospitals are subject to a federal prospective payment system for most Medicare inpatient hospital services and for certain outpatient services. Under this prospective payment methodology, Medicare pays a prospectively determined per-discharge or per-visit rate for non-physician services. These rates vary according to the Diagnosis Related Group or Ambulatory Payment Classification of each patient.

Inpatient rehabilitation and mental health services, outpatient services, capital and medical education costs related to Medicare beneficiaries are paid based on a prospective payment system, subject to certain limitations. The Hospital is reimbursed for cost-reimbursement for certain items at a tentative rate, with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. Certain other outpatient services are reimbursed according to fee screens.

Medicaid - Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost-reimbursement methodology. The hospitals are reimbursed at a tentative rate, with final settlement determined after submission of annual cost reports by the hospitals.

Other Payers - The Network has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes rates per discharge, discounts from established charges, per diem rates, and fee schedule payments.

Health Care Industry - The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management believes that the Network is in compliance with fraud and abuse regulations, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to further governmental review and interpretation, as well as regulatory actions unknown or unasserted at this time.

EHR Incentive Payment Revenue - The American Recovery and Reinvestment Act of 2009 authorized the Centers for Medicare and Medicaid Services (CMS) to award incentive payments to eligible health care providers who demonstrate Meaningful Use of certified electronic health records (EHR). These incentive programs are designed to support providers in this period of health information technology transition and instill the use of EHRs in meaningful ways to help our nation to improve the quality, safety, and efficiency of patient health care. Total revenue recorded for Medicare amounted to $1,786,134 and $2,630,820, for the years ended September 30, 2014 and 2013, respectively.

Note 2 - Summary of Significant Accounting Policies (continued)

Future Operations - Current trends in the health care industry include mergers and other forms of affiliations among providers, increasing shifts to managed care, overall reduction in inpatient average length of stay, increasingly restrictive reimbursement policies by governmental and private payers, and the prospect of significant changes in legislation at the state and national level. Management cannot assess or project the ultimate effect of these or other items on the future operations of the Network.

Interest in Net Assets of ECHF - ECHF was formed as a not-for-profit organization to supervise the development activities and engage in investment activities for the benefit of all of the ECHN subsidiaries. ECHN is the sole member of ECHF and the ECHF's Board of Directors is appointed by ECHN. ECHN subsidiaries follow the provisions of FASB ASC 958 *"Not-for-Profit Entities"*. Accordingly, the separate ECHN members record their interest in the net assets of ECHF in their separate financial statements. These amounts have been eliminated in consolidation.

Income Taxes - ECHN and its subsidiaries, except for Enterprises, CHIC, ECHNCS and CINECT, are in compliance with the provisions of Internal Revenue Code (the Code) Sec. 501(c)(3) and are exempt from federal tax under IRC Sec. 501(a). At times, the Network is involved with activities that subject minor amounts of unrelated business federal income tax, which are paid as they come due in accordance with the Code and the regulations there under. Such amounts are insignificant to the Network's consolidated financial statements.

The Network accounts for uncertain tax positions in accordance with provisions of FASB ASC 740, *"Income Taxes"*, which provides a framework for how companies should recognize, measure, present and disclose uncertain tax positions in their consolidated financial statements. The Network may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Network does not have any uncertain tax positions as of September 30, 2014 and 2013. As of September 30, 2014 and 2013, the Network did not record any penalties or interest associated with uncertain tax positions. Generally, the Network's prior three tax years are open and subject to examination by the Internal Revenue Service.

Enterprise and its subsidiaries, ECHNCS and CINECT are for-profit entities subject to federal and state taxes. For these entities, ECHN applies the provisions of FASB ASC 740. The tax provisions, and related tax assets and liabilities, are not material. CHIC has received an undertaking from the Cayman Islands government exempting it from all local income, profits, and capital gains taxes until January 3, 2026. No such taxes are currently levied in the Cayman Islands. Accordingly, no provision for federal income taxes has been recorded in the accompanying consolidated financial statements.

Asset Retirement Obligations - The Network recognizes a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Uncertainty about the timing and/or method of settlement of a conditional asset retirement obligation is factored into the measurement of the liability when sufficient information exists. The types of asset retirement obligations that the Network recognizes are those for which the Network has a legal obligation to perform an asset retirement activity, however, the timing and/or method of settling the obligation are conditional on a future event that may or may not be within its control.

The fair value of a liability for the legal obligation associated with an asset retirement is recorded in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement is capitalized. As of September 30, 2014 and 2013, the Network has recognized $412,007, as an obligation to remove asbestos from various buildings upon retirement. This total is included in the consolidated balance sheets within other liabilities.

Note 2 - Summary of Significant Accounting Policies (continued)

Accounting for Defined Benefit Pension and Other Postretirement Plans - The Network recognizes the overfunded or underfunded status of their defined benefit pension and other postretirement benefit plans (collectively, postretirement benefit plans) in the consolidated balance sheets as an asset or liability. The Network recognizes changes in the funded status of the plans in the year in which the changes occur as an operating expense and as a change in unrestricted net assets presented below the excess of revenues over expenses in its consolidated statements of operations and changes in net assets.

Inventory - The Network records inventory at cost using the average cost method.

Impairment of Long-Lived Assets - Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less cost to sell.

Estimated Self-Insurance Liabilities - The liabilities for outstanding losses and loss related expenses, and the related provision for losses and loss related expenses include estimates for malpractice losses, general liability, and workers' compensation incurred but not reported claims, as well as losses pending settlement. Such liabilities are necessarily based on estimates and, while management believes the amounts provided are adequate, the ultimate liability may be in excess of or less than the amounts provided. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The methods for making such estimates and the resulting liability are actuarially reviewed on an annual basis, and any adjustments required are reflected in operations in the current period. The current portion of estimated self-insurance liabilities is recorded within other current liabilities in the accompanying consolidated balance sheets.

Concentration of Credit Risk - Financial instruments, which potentially subject the Network to concentration of credit risk, consist of accounts receivable, investments, including temporary cash investments, marketable equity and debt securities, mutual funds, government securities and interest rate swap agreements. The Network receives a significant portion of its payments for services rendered from a limited number of government and commercial third-party payers, including Medicare (a federal program), Medicaid (a State of Connecticut program), and various health insurance companies.

Interest Rate Swap Agreements - Interest rate swap agreements are recognized as either assets or liabilities in the consolidated balance sheet at fair value regardless of the purpose or intent for holding them. Changes in the fair value of interest rate swap agreements are recognized in non-operating losses or if designated and effective as hedge transactions, as changes in unrestricted net assets.

Advertising Costs - The Network expenses advertising costs the first time the advertising takes place. The total amount charged to advertising expense was $1,576,106 and $1,842,135 for the years ended September 30, 2014 and 2013, respectively, and is recorded in supplies and other expenses in the accompanying consolidated statements of operations and changes in net assets.

Accounting Pronouncements Adopted - In December 2011, the FASB issued Accounting Standards Update (ASU) 2011-11, "*Disclosures about Offsetting Assets and Liabilities*", which was later clarified by ASU 2013-01, "*Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*". This guidance contained new disclosure requirements regarding the nature of an entity's rights of setoff and related arrangements associated with its financial instruments and derivative instruments. This guidance became effective for the Network beginning on October 1, 2013, and did not have an impact on its consolidated financial statements.

Note 2 - Summary of Significant Accounting Policies (continued)

In October 2012, the FASB issued ASU 2012-05, *"Statement of Cash Flows (Topic 230): Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows"*. This guidance provides clarification on how entities classify cash receipts arising from the sale of certain donated financial assets in the statement of cash flows. This guidance became effective for the Network beginning on October 1, 2013, and did not have a material impact on its consolidated statements of cash flows.

Accounting Pronouncements Pending Adoption - In February 2013, the FASB issued ASU 2013-04, *"Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date"*. This guidance requires entities to measure obligations resulting from the joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at the reporting date. This guidance is effective for the Network beginning October 1, 2014, with early adoption permitted. The Network has not yet evaluated the impact this guidance may have on its consolidated financial statements.

Subsequent Events - Subsequent events have been evaluated through January 27, 2015, the date through which procedures were performed to prepare the consolidated financial statements for issuance. Management believes that there are no subsequent events having a material impact on the consolidated financial statements.

Note 3 - Assets Whose Use is Limited and Investments

Assets whose use is limited and investments as of September 30, 2014 and 2013, include the following:

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Board designated and donor-restricted:				
Money market funds	$ 44,043,227	$ 44,043,227	$ 507,386	$ 507,386
U.S. equities	-	-	215,775	206,426
Other investments	34,368	34,795	-	-
Mutual funds:				
U.S. small/mid cap	-	-	2,887,193	3,203,837
Investment grade taxable	-	-	413,221	403,449
Short-term bond fund	-	-	2,027,248	2,006,817
Large value fund	-	-	11,535,567	12,161,104
Moderate allocation funds	-	-	11,605,313	12,765,022
Foreign growth fund	-	-	6,058,560	7,104,073
Other	-	-	1,038,597	1,315,132
Total	$ 44,077,595	$ 44,078,022	$ 36,288,860	$ 39,673,246

Note 3 - Assets Whose Use is Limited and Investments (continued)

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Investments held in trust for estimated self-insurance liabilities:				
Money market funds	$ 96,364	$ 96,364	$ 326,811	$ 326,811
U.S. equities	247,911	255,038	30,000	48,325
Mutual funds:				
Bond fund	3,605,105	3,625,132	1,090,954	1,075,321
Equity mututal funds	704,180	798,211	-	-
Emerging markets fund	101,840	101,014	86,840	90,905
Midcap stock fund	68,647	77,581	25,000	27,609
International stock fund	-	-	23,648	30,292
Moderate allocation fund	50,000	52,415	803,904	866,668
Total	$ 4,874,047	$ 5,005,755	$ 2,387,157	$ 2,465,931
Investments held under bond indenture:				
Money market funds	$ 5,174,324	$ 5,174,324	$ 5,994,581	$ 5,994,581
U.S. government securities	1,160,527	1,161,137	797,747	798,007
Total	$ 6,334,851	$ 6,335,461	$ 6,792,328	$ 6,792,588
Beneficial interest in trust assets	$ 10,331,633	$ 11,809,221	$ 6,579,883	$ 7,882,372
Investments:				
Money market funds	$ 7,138,341	$ 7,138,341	$ 455,766	$ 455,766
U.S. equities	-	-	239,278	273,569
Corporate bonds	-	-	15,389	15,427
Certificates of deposit	-	-	100,000	100,751
Mutual funds:				
U.S. small/mid cap	-	-	933,236	1,042,212
Investment grade taxable	-	-	399,749	396,103
Global high yield taxable	-	-	81,205	81,489
Short-term bond	-	-	5,715,771	5,688,229
Large value fund	-	-	1,243,896	1,509,882
Moderate allocation funds	-	-	1,694,843	2,017,532
Foreign large fund	-	-	1,169,563	1,428,580
Total	$ 7,138,341	$ 7,138,341	$ 12,048,696	$ 13,009,540
Total assets whose use is limited and investments	$ 72,756,467	$ 74,366,800	$ 64,096,924	$ 69,823,677

Interest and dividend income, which is included in other operating revenue, on the assets whose use is limited and investments totaled $1,327,419 and $1,556,974 for the years ended September 30, 2014 and 2013, respectively. There were realized gains of $7,812,247 and $5,584,750 for the years ended September 30, 2014 and 2013, respectively, which are included within other revenues.

Note 4 - Fair Value Measurements

FASB ASC 820 provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Network has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following table presents the financial instruments carried at fair value as of September 30, 2014 and 2013, by the valuation hierarchy.

2014	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 56,452,256	$ -	$ -	$ 56,452,256
U.S. government securities	1,161,137	-	-	1,161,137
U.S. equities	255,038	-	-	255,038
Other investments	34,795	-	-	34,795
Mutual funds:				
Bond fund	3,625,132	-	-	3,625,132
Equity mututal funds	798,211	-	-	798,211
Emerging markets fund	101,014	-	-	101,014
Midcap stock fund	77,581	-	-	77,581
Moderate allocation fund	52,415	-	-	52,415
Beneficial interest in trusts	-	-	11,809,221	11,809,221
Total assets at fair value	$ 62,557,579	$ -	$ 11,809,221	$ 74,366,800
Liabilities:				
Obligations under interest rate swap agreements	$ -	$ 3,800	$ -	$ 3,800
Total liabilities at fair value	$ -	$ 3,800	$ -	$ 3,800

Note 4 - Fair Value Measurements (continued)

2013	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 7,284,544	$ -	$ -	$ 7,284,544
U.S. government securities	798,007	-	-	798,007
Corporate bonds	15,427	-	-	15,427
Certificates of deposit	100,751	-	-	100,751
U.S. equities	528,320	-	-	528,320
Mutual funds:				
U.S. small/mid cap	4,246,049	-	-	4,246,049
Investment grade taxable	799,552	-	-	799,552
Global high yield taxable	81,489	-	-	81,489
Bond fund	1,075,321	-	-	1,075,321
Short-term bond fund	7,695,046	-	-	7,695,046
Large value fund	13,670,986	-	-	13,670,986
Moderate allocation fund	15,649,222	-	-	15,649,222
Foreign growth fund	7,104,073	-	-	7,104,073
Emerging markets fund	90,905	-	-	90,905
Midcap stock fund	27,609	-	-	27,609
International stock fund	30,292	-	-	30,292
Foreign large fund	1,428,580	-	-	1,428,580
Other	1,315,132	-	-	1,315,132
Beneficial interest in trusts	-	-	7,882,372	7,882,372
Total assets at fair value	$ 61,941,305	$ -	$ 7,882,372	$ 69,823,677
Liabilities:				
Obligations under interest rate swap agreements	$ -	$ 181,635	$ -	$ 181,635
Total liabilities at fair value	$ -	$ 181,635	$ -	$ 181,635

During the years ended September 30, 2014 and 2013, the value of the beneficial interest in trusts increased for a change in market value of $676,292 and $787,751, respectively. In addition, the Network received $500,251 and $306,161 in distributions from these trusts in 2014 and 2013, respectively. During 2014, the Network recorded additional beneficial interest in trust assets in the amount of $3,750,808. There were no additional amounts recorded in 2013.

The Network's valuation methodologies used to measure financial assets and liabilities at fair value are outlined below. Where applicable, the Network uses quoted prices in active markets for identical assets and liabilities to determine fair value (Level 1 inputs). This pricing methodology applies to money market funds, U.S. government securities, certificates of deposit, U.S. equities and mutual funds.

Note 4 - Fair Value Measurements (continued)

If quoted prices in active markets for identical assets and liabilities are not available, then quoted prices for similar assets and liabilities, quoted prices for identical assets or liabilities in inactive markets or inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, will be used to determine fair value (Level 2 inputs). The Level 2 classifications include the corporate bonds and interest rate swap agreements. The interest rate swap agreements are valued based on a determination of market expectations relating to the future cash flows associated with the swap contract using sophisticated modeling based on observable market-based inputs, such as interest rate curves.

Assets and liabilities that are valued using significant unobservable inputs, such as extrapolated data, proprietary models, or indicative quotes that cannot be corroborated with market data are classified in Level 3 within the fair value hierarchy. The Level 3 classification includes the Network's beneficial interest in trusts. The value of the Network's assets is based on total fund values and the Network's corresponding beneficiary percentage.

The fair value of the Network's Series A and C Bonds are based on current traded value. The fair value of the Series A and C Bonds as of September 30, 2014 and 2013, is approximately $41,166,328 and $41,854,230, respectively. The fair value of the Network's remaining long-term debt approximates its carrying value.

As of September 30, 2014 and 2013, the Network's other financial instruments included accounts receivable, accounts payable and accrued expenses and estimated settlements due to and from third-party payers. The carrying amounts reported in the consolidated balance sheets for these financial instruments approximate their fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Network believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 5 - Other Assets

Other assets as of September 30, 2014 and 2013 consist of the following:

	2014	2013
Pledges receivable, net	$ -	$ 210,112
Other receivables	795,005	887,661
Notes receivable	134,014	307,040
Unamortized bond issuance costs	2,282,438	2,580,484
Losses recoverable	2,157,634	2,247,835
Total	$ 5,369,091	$ 6,233,132

As of September 30, 2014 and 2013, $228,691 and $687,146 of pledges receivables have been included within prepaid expenses and other current assets as management anticipates them to be collected within the next year.

Note 5 - Other Assets (continued)

Pledges receivable are expected to be realized as follows:

	2014	2013
In one year or less	**$ 237,691**	$ 688,276
Between one and five years	**-**	213,662
Greater than five years	**-**	-
Less: discount for present value and allowance for uncollectible amounts	**(9,000)**	(4,680)
Pledges receivable - net	**$ 228,691**	$ 897,258

Pledges receivable are reported at their net present value, discounted at rates from .10% to 4.90%. There was no allowance for uncollectible amounts recorded as of September 30, 2013.

As of September 30, 2014 and 2013, unamortized bond issuance costs, which are included within other assets, consist of the following:

	2014	2013
Deferred financing costs	**$ 3,735,675**	$ 3,735,675
Less: accumulated amortization	**(1,453,237)**	(1,155,191)
Total	**$ 2,282,438**	$ 2,580,484

Note 6 - Property, Plant and Equipment

Property, plant and equipment as of September 30, 2014 and 2013, consist of the following:

	2014	2013
Land and land improvements	**$ 5,395,243**	$ 5,333,743
Buildings and building improvements	**159,603,375**	160,660,529
Fixed equipment	**32,403,097**	31,817,532
Movable equipment	**112,056,204**	104,373,295
	309,457,919	302,185,099
Less: accumulated depreciation and amortization	**(218,033,560)**	(206,928,185)
	91,424,359	95,256,914
Construction in progress	**2,641,200**	931,583
Total	**$ 94,065,559**	$ 96,188,497

Note 6 - Property, Plant and Equipment (continued)

For the years ended September 30, 2014 and 2013, the Network capitalized interest related to construction financed with tax-exempt debt of $20,850 and $126,000, respectively. The cost to complete the construction in progress is approximately $4,154,000 and $2,981,000 as of September 30, 2014 and 2013, respectively.

For the years ended September 30, 2014 and 2013, the Network disposed of property, plant and equipment in the amounts of $657,588 and $24,086,313, respectively and all disposals were of fully depreciated assets.

Note 7 - Intangible Assets

The gross carrying amount and accumulated amortization, by class of intangible assets, as of September 30, 2014 and 2013, consisted of the following:

2014	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
License enhancements	$ 1,898,684	$ (1,378,528)	$ 520,156
Other intangible assets	101,000	(95,950)	5,050
Goodwill	7,317,518	(875,371)	6,442,147
Total	$ 9,317,202	$ (2,349,849)	$ 6,967,353

2013	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
License enhancements	$ 1,898,684	$ (1,349,202)	$ 549,482
Other intangible assets	101,000	-	101,000
Goodwill	7,252,932	(757,545)	6,495,387
Total	$ 9,252,616	$ (2,106,747)	$ 7,145,869

Amortization expense related to intangible assets was $243,102 and $149,767 for the years ended September 30, 2014 and 2013, respectively.

The estimated amortization expense in each of the succeeding five fiscal years and thereafter, as of September 30, 2014, is as follows:

2015	$ 228,440
2016	215,257
2017	200,714
2018	108,831
2019	73,359
Thereafter	439,526
Total	$ 1,266,127

Note 8 - Estimated Self-Insurance Liabilities

The Network is self-insured for workers' compensation insurance coverage. The Network participates in Workers' Compensation Trust, a revocable trust, for the purpose of setting aside assets based on actuarial recommendations.

As of September 30, 2014 and 2013, the Hospital has a $450,000 and $400,000, respectively limit per occurrence for workers' compensation claims. Prior to September 30, 2013, the per occurrence limit was $350,000. The Network has employed independent actuaries to estimate the ultimate costs, if any, of workers' compensation claims. Accrued workers' compensation reserves have been discounted at 5% as of September 30, 2014 and 2013, and in management's opinion provide an adequate reserve for loss contingencies.

In fiscal year 2007, ECHN established a single-parent captive, CHIC, which covers all of its subsidiaries. The captive provides malpractice and general insurance coverage for ECHN and its subsidiaries at $3,000,000 per occurrence and $9,000,000 in the aggregate for the years ended September 30, 2014 and 2013.

Effective October 1, 2009, CHIC also provided an excess healthcare professional liability and umbrella liability insurance policy on a claims-made basis covering healthcare professional liability, general care liability, automobile liability, employers liability, helipad liability and non-owned aircraft liability. The limit provided is $30,000,000 for each loss event and in the annual aggregate excess of the primary coverage layers described above. This coverage is fully reinsured.

ECHN does not self-insure any malpractice risks other than exposures greater than its excess coverages, however, as of September 30, 2014 and 2013, ECHN has recorded a liability for estimated incurred but not reported claims, as it currently has a claims-made policy with CHIC.

The activity in the reserve for outstanding losses and loss related expenses at ECHN for workers' compensation and malpractice claims, as of September 30, 2014 and 2013, is as follows:

	2014	2013
Balance at beginning of year	$ 11,296,110	$ 14,873,830
Workers' compensation:		
Losses incurred related to:		
Current year	820,878	697,778
Prior year	293,054	3,200,111
Total incurred	1,113,932	3,897,889
Paid losses related to:		
Current year	(502,541)	(414,370)
Prior year	(1,260,229)	(1,732,496)
Total paid	(1,762,770)	(2,146,866)
Professional and general:		
Losses incurred related to:		
Current year	2,500,000	997,781
Prior year	(476,182)	6,950,980
Total incurred	2,023,818	7,948,761
Paid losses related to:		
Current year	(35,098)	(45,727)
Prior year	(628,237)	(13,231,777)
Total paid	(663,335)	(13,277,504)
Balance at end of year	$ 12,007,755	$ 11,296,110

Note 8 - Estimated Self-Insurance Liabilities (continued)

Workers' Compensation - The development on prior-year incurred losses increased by $293,054 and $3,200,111 for the years ended September 30, 2014 and 2013, respectively.

Professional and General - The development on prior-year incurred losses (decreased) increased by $476,182 and $6,950,980 for the years ended September 30, 2014 and 2013, respectively.

The reserve for losses, which was determined with the assistance of an actuarial consultant, included estimates of claims incurred but not reported. Approximately $2,324,000 and $2,272,000 of the reserve as of September 30, 2014 and 2013, respectively, are included in other current liabilities with the remaining balance of the reserve included in estimated self-insurance liabilities in the accompanying consolidated balance sheets.

Note 9 - Pension and Other Postretirement Benefits

ECHN has a defined benefit pension plan that covered substantially all of the employees of MMH and RGH. The benefits are based upon years of service and compensation for the five highest years during the employee's last 10 years of service. The hospitals contribute amounts sufficient to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974, as well as such additional amounts as deemed appropriate.

On December 31, 2008, ECHN implemented a soft freeze on the defined-benefit pension plan. During September 2013 the Trustees passed a resolution to freeze all benefits related to the defined-benefit pension plan. Qualifying employees with age and service credits greater than 65 were given the option to stay in the defined-benefit pension plan or freeze their defined benefits and enter into a defined contribution plan. All other employees were required to enter into the defined contribution plan. Under the defined contribution plan, ECHN contributes 3% of eligible employees' salaries. This contribution is non-guaranteed for all employees except certain union workers. During fiscal year 2014 and 2013, the Hospital incurred expenses of $2,259,145 and $2,076,122, respectively, related to this plan.

MMH and RGH also sponsor a postretirement benefit plan that provides health care benefits to those employees who retire. The criterion to receive this benefit is to be vested in the pension plan, attain age 55 or older and start collecting under the defined benefit plan described above once retired. The retiree must be enrolled into the medical plan on the date of retirement to be eligible for the continuation. MMH full-time registered nurse retirees (retired prior to October 1, 2005 and were eligible per the Union contract) are grandfathered and required to pay at least 50% of the total cost of the medical and dental coverage they elect for themselves under the plan.

Grandfathered eligible retirees are required to pay 100% of the total cost of the medical and dental coverage they elect for an eligible spouse.

For non-grandfathered retirees, the postretirement health care plan is contributory and the retiree pays 100% of the premium.

The Network, as of September 30, 2014 and 2013, has no unrecognized actuarial losses related to the defined benefit pension plan.

Note 9 - Pension and Other Postretirement Benefits (continued)

The effects of Medicare Prescription Drug, Improvement and Modernization Act of 2003 were reflected as of September 30, 2014 and 2013, assuming that ECHN will continue to provide a prescription drug benefit to retirees that is at least actuarially equivalent to Medicare Part D and that ECHN will receive the federal subsidy. The subsidy reduced plan liabilities by approximately $60,000 and $900,000 for the years ended September 30, 2014 and 2013, respectively. Subsidies of $82,280 and $90,769 were received in the years ended September 30, 2014 and 2013, respectively. Future benefits of $193,769 are expected to be paid and future subsidies of $57,671 are expected to be received related to the year ended September 30, 2015.

The pension and postretirement plans' change in benefit obligation and change in plan assets for the years ended September 30, 2014 and 2013, are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
Change in benefit obligation:				
Benefit obligation, beginning of year	$ 192,294,259	$ 223,101,495	$ 4,193,572	$ 4,633,005
Service cost	1,511,408	2,709,867	54,345	72,548
Interest cost	9,912,203	9,475,222	183,189	162,852
Plan participants' contributions	-	-	252,224	296,951
Receipt of Medicare Part D reimbursement	-	-	82,280	90,769
Plan amendments	-	-	(1,500,168)	-
Plan curtailments	-	(7,795,069)	-	-
Actuarial loss (gain)	18,293,175	(26,124,678)	103,272	(499,239)
Benefits paid	(9,352,892)	(9,072,578)	(520,055)	(563,314)
Benefit obligation, end of year	$ 212,658,153	$ 192,294,259	$ 2,848,659	$ 4,193,572
Change in plan assets:				
Fair value of plan assets, beginning of year	$ 152,290,850	$ 149,218,728	$ -	$ -
Actual return on plan assets	21,778,598	9,144,700	-	-
Employer contributions	4,800,000	3,000,000	185,551	175,594
Plan participants' contributions	-	-	252,224	296,951
Receipt of Medicare Part D reimbursement	-	-	82,280	90,769
Benefits paid	(9,352,891)	(9,072,578)	(520,055)	(563,314)
Fair value of plan assets, end of year	$ 169,516,557	$ 152,290,850	$ -	$ -
Accrued pension and other postretirement benefits	$ (43,141,596)	$ (40,003,409)	$ (2,848,659)	$ (4,193,572)
Accumulated benefit obligation	$ (212,658,153)	$ (192,294,259)	$ -	$ -

Note 9 - Pension and Other Postretirement Benefits (continued)

The amount recognized in the Network's consolidated balance sheets as of September 30, 2014 and 2013, are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
Current liabilities	$ 1,120,000	$ 5,700,000	$ 193,769	$ 385,518
Noncurrent liabilities	42,021,596	34,303,409	2,654,890	3,808,054
Net amount recognized	$ 43,141,596	$ 40,003,409	$ 2,848,659	$ 4,193,572

The allocation of the accrued pension and postretirement benefits for the years ended September 30, 2014 and 2013, is as follows:

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
MMH	$ 33,243,046	$ 30,733,610	$ 2,377,259	$ 3,206,427
RGH	9,898,550	9,269,799	471,400	987,145
Total	$ 43,141,596	$ 40,003,409	$ 2,848,659	$ 4,193,572

The plans' components of net periodic benefit cost for the years ended September 30, 2014 and 2013, are as follows (pension benefits information presented is for MMH and RGH combined):

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
Service cost	$ 1,511,408	$ 2,709,867	$ 54,345	$ 72,548
Interest cost	9,912,203	9,475,222	183,189	162,852
Expected return on plan assets	(12,179,861)	(11,692,676)	-	-
Amortization of prior service (credits) costs	-	(234,992)	77,724	77,724
Curtailment actuarial gain	-	(1,148,330)	-	-
Recognized actuarial (gain) loss	887,441	4,123,868	(105,864)	(55,153)
Net periodic benefit cost	$ 131,191	$ 3,232,959	$ 209,394	$ 257,971

The allocation of the net periodic benefit cost for the years ended September 30, 2014 and 2013, is as follows:

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
MMH	$ 103,762	$ 2,475,143	$ 174,744	$ 197,246
RGH	27,429	757,816	34,650	60,725
Total	$ 131,191	$ 3,232,959	$ 209,394	$ 257,971

Note 9 - Pension and Other Postretirement Benefits (continued)

The assumptions used to determine pension and postretirement benefit obligations as of September 30, 2014 and 2013, are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2014	**2013**	**2014**	**2013**
Discount rate	**4.54%**	5.27%	**4.11%**	4.54%
Expected long-term rate of return	**8.00%**	8.00%	**N/A**	N/A
Rate of compensation increase	**0.00%**	3.00%	**N/A**	N/A
Initial medical trend rate	**N/A**	N/A	**9.44%**	7.62%
Ultimate medical trend rate	**N/A**	N/A	**4.50%**	4.50%
Number of years to ultimate medical trend rate	**N/A**	N/A	**13 years**	14 years

The assumptions used to determine net periodic benefit cost of the pension and postretirement plans for the years ended September 30, 2014 and 2013, were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2014	**2013**	**2014**	**2013**
Discount rate	**5.27%**	4.32%	**4.54%**	3.64%
Expected long-term rate of return	**8.00%**	8.00%	**N/A**	N/A
Rate of compensation increase	**3.00%**	3.00%	**N/A**	N/A
Initial medical trend rate	**N/A**	N/A	**9.44%**	7.62%
Ultimate medical trend rate	**N/A**	N/A	**4.50%**	4.50%
Number of years to ultimate medical trend rate	**N/A**	N/A	**13 years**	14 years

The medical trend rate has a significant effect on the amounts reported. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	One Percentage Point Increase	One Percentage Point Decrease
Effect on year-end postretirement benefit obligation	$ 225,033	$ (233,728)
Effect on total of service and interest cost components	$ 20,880	$ (18,565)

Note 9 - Pension and Other Postretirement Benefits (continued)

The pension plan's weighted-average asset allocations as of September 30, 2014 and 2013, by asset category, are as follows:

	Pension Benefits	
	2014	**2013**
Asset category:		
Equity securities	**0%**	56%
Debt securities	**99%**	43%
Cash and cash equivalents	**1%**	1%
	100%	100%

The investment objective of ECHN is to invest the plan assets in a manner that, together with contributions, will provide for sufficient resources to pay current and projected obligations over the life of the plan. The plan shall be diversified across asset classes to achieve an optimal balance between risk and return and between income and growth of assets through capital appreciation. Consistent with funding requirements, a secondary objective of the plan is to source benefit payments primarily through existing plan assets and anticipated future returns thereby minimizing future cash contributions. The investment objectives shall be implemented in a de-risking framework designed to manage the plan's funded status volatility and minimize future cash contributions. The funded status of the plan shall be measured by the ratio of plan assets to the projected benefit obligation. To reduce the volatility as much as possible, the goal is to attain and/or maintain a funded status of at least a 105% funding level and allocate its assets as outlined below.

The plan has approved an asset allocation strategy that shall change over time in response to future changes in the plan's funded status. Such changes in asset allocation strategy are intended to allocate additional assets to the fixed income asset class should the plan's funded status improve. Accordingly, the fixed income asset class shall be invested in such a manner that its interest rate sensitivity correlates highly with that of the plan's liabilities. Other asset classes are intended to provide additional return with associated higher levels of risk. If the plan's funded status deteriorates beyond stated thresholds, the strategy dictates that additional assets will not be re-allocated to the return-seeking assets.

Fair value methodologies used to assign plan assets to levels in accordance with ASC 820 are consistent with the inputs described in Note 4.

Note 9 - Pension and Other Postretirement Benefits (continued)

The following table presents the investments of the defined benefit plan carried at fair value as of September 30, 2014 and 2013, by the valuation hierarchy.

2014	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 708,333	$ -	$ -	$ 708,333
Fixed income mutual funds:				
Long duration	150,668,190	-	-	150,668,190
U.S. Core Opportunistic	7,500,003	-	-	7,500,003
U.S. Passive	7,558,893	-	-	7,558,893
Guaranteed investment contract	-	-	3,081,138	3,081,138
Total plan assets at fair value	$ 166,435,419	$ -	$ 3,081,138	$ 169,516,557

2013	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 633,333	$ -	$ -	$ 633,333
Fixed income mutual funds:				
Long duration	64,833,809	-	-	64,833,809
U.S. Core Opportunistic	13,328,905	-	-	13,328,905
U.S. Passive	2,935,983	-	-	2,935,983
Guaranteed investment contract	-	-	3,230,137	3,230,137
Equities:				
Small/mid cap	8,925,030	-	-	8,925,030
Active long corp	-	-	-	-
Large cap	31,678,381	-	-	31,678,381
International	26,725,272	-	-	26,725,272
Total plan assets at fair value	$ 149,060,713	$ -	$ 3,230,137	$ 152,290,850

Note 9 - Pension and Other Postretirement Benefits (continued)

The changes within the Level 3 investments as of September 30, 2014 and 2013, are as follows:

2014	Guaranteed Investment Contract
Balance as of October 1, 2013	$ 3,230,137
Investment income	133,795
Expenditures	(282,794)
Balance as of September 30, 2014	$ 3,081,138

2013	Guaranteed Investment Contract
Balance as of October 1, 2012	$ 3,195,313
Investment income	326,682
Expenditures	(291,858)
Balance as of September 30, 2013	$ 3,230,137

During fiscal year 2015, ECHN anticipates contributing $1,120,000 to the defined benefit pension plan.

The benefit payments, which reflect estimated future service, expected to be paid from the plans for the year ended September 30, 2014, are as follows:

	Pension Benefits	Other Postretirement Benefits
2015	$ 9,255,587	$ 193,769
2016	$ 9,656,312	$ 205,006
2017	$ 10,171,865	$ 224,486
2018	$ 10,703,439	$ 235,707
2019	$ 11,264,848	$ 247,455
2020-2024	$ 63,572,682	$ 1,227,224

The Network also has a defined contribution employee savings plan covering substantially all employees. Eligible employees who contribute to the plan will have 20% - 50%, depending upon years of service, of contributions matched by the Network, up to a maximum of 6% of annual compensation. The Network incurred expenses related to the employee savings plan amounting to $2,558,753 and $2,199,235, for the years ended September 30, 2014 and 2013, respectively.

Note 10 - Long-term Debt and Lines of Credit

Long-term debt and capital lease obligations, as of September 30, 2014 and 2013, consist of the following:

	2014	2013
Connecticut Health and Educational Facilities Authority (CHEFA) Hospital Revenue Bonds, ECHN Series A Bonds, bearing interest at rates ranging from 5.625% to 6.375% - net of unamortized original issue discount of $39,281 and $46,505 for 2014 and 2013, respectively.	$ 8,245,719	$ 9,093,495
CHEFA Hospital Revenue Bonds, ECHN Series C Bonds, bearing interest ranging from 4.00% to 5.125% - net of unamortized original issue premium of $330,315 and $350,960 for 2014 and 2013, respectively.	32,990,315	33,760,059
CHEFA Hospital Revenue Bonds, ECHN Series D Bonds bearing interest at a variable rate, adjusted weekly.	13,743,000	14,049,000
CHEFA Hospital Demand Revenue Bonds, ECHN Series E Bonds, bearing interest at a variable rate, adjusted weekly.	17,090,000	17,580,000
Loan due to Sovereign Bank, face amount $5,200,000 due and payable in semi-annual principal and interest installments maturing on January 3, 2022 and bearing interest at 3.38%	4,154,222	4,674,222
Promissory note payable to Rockville Bank due and payable in monthly principal and interest installments maturing on January 15, 2015, bearing interest at a fixed rate of 3.75%.	172,331	883,270
Promissory note payable to Rockville Bank due and payable in monthly principal and interest installments maturing on July 1, 2025, bearing interest at 5.87%.	742,092	791,933
Promissory note payable to Webster Bank due and payable in monthly principal and interest installments with a balloon payment due on May 1, 2018, bearing interest at 4.22%	601,219	615,659
Promissory note payable to Webster Bank due and payable in monthly principal and interest installments with a balloon payment due on December 1, 2017, bearing interest at 4.11%	554,013	568,058
Promissory note payable to Webster Bank due and payable in monthly principal and interest installments with a balloon payment due on May 1, 2019 bearing interest at 5.14%	517,406	-
Promissory note payable to 428 Hartford Turnpike Associates, LLP payable in monthly principal and interest installments, maturing September 1, 2021, bearing interest at 6%.	223,265	247,832

Note 10 - Long-term Debt and Lines of Credit (continued)

	2014	2013
Debt of ECHN Corporate Services. Various due dates and interest rates.	**43,215**	210,556
Mortgage payable to Rockville Bank, maturing April 1, 2022, bearing interest at 6.5% for the first five years, adjustable thereafter every five years.	**144,715**	160,955
Promissory note payable to Joseph Hanna MD, LLC due and payable in one principal payment due in December 2013. This is a non interest bearing note.	-	119,890
Promissory notes with Philips Medical Capital, payable in monthly installments, maturing in fiscal year 2021 and bearing interest at rates between 4.3% and 6.8%	**2,542,664**	-
Mortgage payable to Rockville Bank, maturing January 1, 2027 bearing interest at 6.6% for the first five years, adjustable thereafter, every five years.	**129,901**	138,019
Capital lease obligations (see Note 12)	**7,190,993**	8,355,380
Total long-term debt and capital lease obligations	**89,085,070**	91,248,328
Less: current maturities	**(6,489,656)**	(6,832,322)
Total long-term debt and capital lease obligations - net of current portion	**$ 82,595,414**	$ 84,416,006

Lines of credit as of September 30, 2014 and 2013 consist of the following:

	2014	2013
Revolving line of credit with TD Bank, bearing interest at a variable rate.	**$ 5,600,000**	$ 6,500,000

In February 2000, MMH, RGH and EES (collectively, the Series A Obligated Group) entered into an agreement and open-ended mortgage with Connecticut Health and Educational Facilities Authority (CHEFA) in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network, Issue Series 2000A (the Series A Bonds). A portion of the proceeds from the Series 2000A Bonds, net of the original issue discount and amounts used to establish required reserve accounts, was placed in an irrevocable trust from which the remaining debt service payments for defeased CHEFA bonds will be paid. The remainder was used to finance additions and renovations for various facilities. The Series A Obligated Group has been legally released from any future debt service on the defeased bonds. The Series A Bonds are due on various due dates through July 1, 2030.

In July 2004, MMH, RGH, EES, and ECHF (collectively, the Series B Obligated Group) entered into an agreement and open-ended mortgage with CHEFA in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network Issue, Series B (the Series B Bonds). A portion of the proceeds from the Series B Bonds, net of the original issue discount and amounts used to establish required reserve accounts, was used to finance additions, renovations, and purchases of equipment for RGH and MMH.

Note 10 - Long-term Debt and Lines of Credit (continued)

The additions and renovations financed by the Series B Bonds consist of improvements and expansion of the emergency department at RGH; the purchase, renovation, and equipping of the Dialysis Center at RGH; construction of the heliport at RGH, improvements to the Gastrointestinal and Rehabilitation Departments at RGH, and capital equipment purchases for MMH and RGH.

The Series B bonds were refinanced as part of the issuance of Series E bonds as described below.

On October 1, 2005, MMH, RGH, EES, and ECHF (collectively, the Series C Obligated Group) entered into an agreement and open-ended mortgage with CHEFA to borrow $37,065,000 in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network Issue, Series C (the Series C Bonds). The proceeds from the Series C Bonds, net of the original issue premium and amounts used to establish required reserve accounts, were placed in an irrevocable trust to advance refund and defease a portion of the Series 2000A Bonds. MMH, RGH, and EES have been legally released from any future debt service on the portion of defeased Series 2000A Bonds. The Series C Bonds are due on various due dates through July 1, 2034, bearing interest at rates ranging from 4.00% to 5.125%.

In May 2009, MMH, RGH, EES, and ECHF (collectively, the Series D Obligated Group) entered into an agreement and open-ended mortgage with CHEFA in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network, Issue Series D (the Series D Bonds). A portion of the proceeds from the Series D Bonds, net of amounts used to establish required reserve accounts, were used to finance renovations at MMH, an expansion at EES, and other campus improvements. The Series D Bonds are due on various due dates through May 14, 2039.

In December 2010, MMH, RGH, EES, and ECHF (collectively, the Series E Obligated Group) entered into an agreement and open-ended mortgage with CHEFA in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network, Issue Series E (the Series E Bonds). The proceeds from the Series E Bonds, net of amounts used to establish required reserve accounts, were used to redeem the Series B Bonds and fund interest rate swap agreement termination payments relating to the Series B Bonds. The Series E Bonds are due on various due dates through July 1, 2034.

Under the terms of the Series A, Series B, Series C, Series D, and Series E Bonds, the Series A Obligated Group, Series B Obligated Group, Series C Obligated Group, Series D Obligated Group, and Series E Obligated Group (the Obligated Groups) are required to maintain certain deposits with a trustee. Such deposits are included in assets whose use is limited. The indenture also places limits on the incurrence of additional borrowings and dispositions of property and requires that the Obligated Groups satisfy certain measures of financial performance as long as the notes are outstanding.

Under the terms of the CHEFA agreements, each member of the Obligated Groups is jointly and severally liable for the full and prompt payment of the amounts owed by the Obligated Groups. Total debt of the Obligated Groups was $75,932,222 and $78,853,222 as of September 30, 2014 and 2013, respectively. The debt is also secured by the gross receipts of the Obligated Groups.

In June 2012, the Obligated Group entered into a loan agreement with Sovereign Bank, through CHEFA's Tax-Exempt Equipment Loan Program, for $5,200,000 in connection with purchase of equipment and renovation costs. Semi-annual principal and interest payments are due through January 2022.

Note 10 - Long-term Debt and Lines of Credit (continued)

The Hospital is party to various capital leases, which are described in Note 12.

The annual maturities of the long-term debt and capital lease obligations in each of the succeeding five years and thereafter, as of September 30, 2014, are as follows:

2015	$	6,489,656
2016		5,988,958
2017		5,168,357
2018		5,809,969
2019		5,048,249
Thereafter		60,288,847
		88,794,036
Plus - premium		291,034
Total	$	89,085,070

On November 11, 2010, ECHN entered into a $6,500,000 unsecured line of credit with TD Bank, N.A. This line of credit carries an interest rate of LIBOR plus 2.25% and expires one year after issuance date. ECHN renewed this line of credit in 2013. In 2014, the line of credit agreement was modified. The amount available was reduced to $5,750,000, the interest rate was increased to LIBOR plus 2.5% and the maturity was extended to September 29, 2015. As of September 30, 2014 and 2013, MMH had $5,600,000 and $6,500,000, respectively, outstanding under this line of credit.

The Network is subject to various financial covenants related to these debt agreements. The Network was in compliance with these covenants in 2014. The Network received a waiver for violating a debt service coverage ratio for 2013.

Note 11 - Derivatives

The Network uses derivative instruments, specifically interest rate swap agreements, to manage its exposure to changes in the interest rate on its CHEFA bonds. The use of derivative instruments exposes the Network to additional risks related to the derivative instrument, including market risk, credit risk and termination risk as described below, and the Network has defined risk management practices to mitigate these risks, as appropriate.

Market risk represents the potential adverse effect on the fair value and cash flow of a derivative instrument due to changes in interest rates or rate spreads. Market risk is managed through ongoing monitoring of interest rate exposure based on set parameters regarding the type and degree of market risk that the Network will accept. Credit risk is the risk that the counterparty on a derivative instrument may be unable to perform its obligation during the term of the contract. When the fair value of a derivative contract is positive, the counterparty owes the Network, which creates credit risk.

Credit risk is managed by setting stringent requirements for qualified counterparties at the date of execution of a derivative transaction and requiring counterparties to post collateral in the event of a credit rating downgrade or if the fair value of the derivative contract exceeds a negotiated threshold.

Note 11 - Derivatives (continued)

Termination risk represents the risk that the Network may be required to make a significant payment to the counterparty, if the derivative contract is terminated early. Termination risk is assessed at onset by performing a statistical analysis of the potential for a significant termination payment under various scenarios designed to encompass expected interest rate changes over the life of the proposed contract. The test measures the ability to make a termination payment without a significant impairment to the Network's ability to meet its debt or liquidity covenants.

In May 2009, ECHN entered into an interest rate swap agreement to manage the interest cost and risk associated with $15,250,000 of its variable rate Series D Bonds. Under the terms of this agreement, ECHN pays a fixed rate of 3.89%. Changes in the fair value of this swap are recorded in the consolidated statements of operations and changes in net assets. Effective May 14, 2014, the interest rate swap agreement on the Series D variable rate debt expired. The Network's portion of the swap agreement in force related to this strategy as of September 30, 2014 and 2013, and the liability and interest expense recognized by the Network are as follows:

	2014	2013
Notional amount of contract	$ -	$ 14,049,000
Fair value of swap contract recognized in other liabilities	$ -	$ 170,000
Net interest income recognized in non-operating losses	$ (170,000)	$ (248,000)

In June 2012, ECHN entered into an interest rate swap agreement to manage the interest cost and risk associated with $5,200,000 of its debt with Sovereign Bank. Under the terms, ECHN pays a fixed rate of 3.38%. The swap is accounted for as a cash flow hedge in accordance with ASC 815 "*Accounting for Derivative Instruments and Hedging Activities*". This accounting treatment requires the effective portion of the gain or loss on a derivative instrument designated and qualifying as a cash flow hedging instrument to be reported as a component of other changes in unrestricted net assets and to be reclassified into operations in the same period or periods during which the hedged forecasted transaction affects earnings. The remaining gain or loss on the derivative instrument, if any, shall be recognized currently in non-operating losses.

The Network's portion of the swap agreement in force related to this strategy as of September 30, 2014 and 2013, and the liability and unrealized (gain) loss recognized by the Network are as follows:

	2014	2013
Notional amount of contract	$ 4,154,222	$ 4,674,222
Fair value of swap contract recognized in other liabilities	$ 3,800	$ 12,000
Unrealized (gain) loss recognized in unrestricted net assets	$ (8,200)	$ (111,000)

The counterparty to the above swap transactions is a major financial institution that meets ECHN's criteria for financial stability and creditworthiness.

Note 12 - Lease Commitments

ECHN leases equipment under capital lease agreements, which begin to expire in 2015. The interest rates range from 4% to 8%. The net carrying value of equipment under the capital lease was $8,111,729 and $8,332,943 as of September 30, 2014 and 2013, respectively. ECHN leases various office space and certain equipment under operating leases that expire in various years through fiscal year 2024. Certain leases may be renewed at the end of their term.

Future minimum payments under capital leases and non-cancelable operating leases as of September 30, 2014, consisted of the following:

	Capital Leases	Operating Leases
2015	$ 3,174,905	$ 5,689,694
2016	2,493,549	5,204,009
2017	1,255,956	4,128,009
2018	500,418	2,902,495
2019	173,140	2,437,115
Thereafter	26,426	12,606,442
	7,624,394	$ 32,967,764
Less: interest on capital lease	433,401	
Principal amount of capital lease	$ 7,190,993	

Rent expense under operating and month-to-month leases was $6,622,257 and $6,264,706 for the years ended September 30, 2014 and 2013, respectively.

Note 13 - Concentrations of Credit Risk

ECHN grants credit without collateral to its patients, most of whom are insured under third-party payer agreements. The mix in patient accounts receivable as of September 30, 2014 and 2013, before allowances for doubtful accounts, consists of the following:

	2014	2013
Medicare	23%	24%
Self-pay	32%	40%
Managed care	24%	17%
Medicaid	13%	4%
Commercial insurance	3%	9%
Other	5%	6%
	100 %	100 %

Note 14 - Net Patient Service Revenues

Net patient service revenues for the years ended September 30, 2014 and 2013, consists of the following:

	2014	2013
Patient service revenues:		
Inpatient services	$ 333,197,293	$ 328,063,718
Outpatient services	592,717,508	572,644,188
Gross patient service revenues	925,914,801	900,707,906
Deductions - allowances	(615,943,491)	(590,585,747)
Net patient service revenues	$ 309,971,310	$ 310,122,159

In addition, the Network provides for a provision for bad debts. For receivables associated with services provided to patients who have third-party coverage, the Network analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and co-payment balances due for which third-party coverage exists for part of the bill), the Network records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible.

For uninsured patients that do not qualify for financial assistance, the Network offers a discount off its standard rates for services provided. The difference between the discounted rates and the amounts actually collected after all reasonable collection efforts have been exhausted is written off against the allowance for doubtful accounts in the period they are determined uncollectible. The Network's allowance for doubtful accounts covers all accounts greater than 6 months for both self-pay accounts receivable and third party payors as of September 30, 2014 and 2013. The Network's self-pay and third-party payors write-offs totaled $11,700,441 and $11,403,046 for 2014 and 2013, respectively. The Network did not change its charity care or financial assistance policy during 2014 or 2013.

At September 30, 2014 and 2013, 30.4% and 32.3% of net patient accounts receivable were from governmental payors (Medicare and Medicaid) and 69.6% and 67.7% were from nongovernmental payors, respectively. Nongovernmental payors are primarily insurance companies and self-pay payors. Management has recorded an allowance for doubtful accounts, as noted above, which, in its opinion, is sufficient to provide for risk of nonpayment.

Note 15 - Community Benefit

ECHN's mission is to improve the health of the people and the communities ECHN serves.

ECHN provides quality health care to all, regardless of their ability to pay. Charity care is provided to those who are eligible based on ECHN's policy. ECHN also incurs unpaid costs for government programs because reimbursement is not sufficient to cover costs associated with Medicare and Medicaid patients. In addition to the charity care responsibilities, ECHN provides numerous other community benefits. These community benefits include medical education and research, community health education, screenings, support groups, counseling services, and in-kind support. To address the need for health care providers, a number of programs are offered for young people who may be interested in a career in health care.

Note 15 - Community Benefit (continued)

ECHN utilizes guidelines developed by various organizations to quantify community benefit activities. ECHN defines community benefit activities as those that improve access to care, as well as the health of the broader community. In addition to charity care and the unpaid costs of government sponsored health care (Medicare and/or Medicaid shortfalls), community benefit activities will normally fall into one of the following categories: nonbilled community health services / community health improvement services, health professions education, subsidized health services, research, financial and in-kind contributions, community building activities, and community benefit operations.

MMH and RGH provide care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because MMH and RGH do not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The amount of traditional charity care provided, determined on the basis of cost, was $2,144,342 and $2,591,214 for the years ended September 30, 2014 and 2013, respectively.

Note 16 - Functional Expenses

ECHN provides general health care services to residents within its geographical location. For the years ended September 30, 2014 and 2013, expenses relating to providing these services are as follows:

	2014	2013
Health care services	$ 273,670,130	$ 272,099,247
Fund raising	1,210,885	544,391
General and administrative	51,701,589	55,211,560
Total	$ 326,582,604	$ 327,855,198

Note 17 - Temporarily and Permanently Restricted Net Assets

The temporarily restricted net assets available, as of September 30, 2014 and 2013, are available for the following purposes:

	2014	2013
Departmental and endowment purposes	$ 1,910,003	$ 2,114,039
Capital campaign and pledges	186,310	473,262
Total	$ 2,096,313	$ 2,587,301

Note 17 - Temporarily and Permanently Restricted Net Assets (continued)

As of September 30, 2014 and 2013, permanently restricted net assets consist of the following:

	2014	2013
Beneficial interest in trust assets	$ 11,809,221	$ 7,882,372
Endowments restricted for:		
Other departmental purposes	3,553,655	3,709,665
Charity care	532,024	546,180
Special needs	151,579	151,579
Cancer research	6,124	6,124
Total	$ 16,052,603	$ 12,295,920

The composition of the Network's endowment by net asset class as of September 30, 2014 and 2013, was as follows:

2014	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 1,854,365	$ 4,243,382	$ 6,097,747
Board-designated endowment funds	37,980,275	-	-	37,980,275
Net assets, September 30, 2014	$ 37,980,275	$ 1,854,365	$ 4,243,382	$ 44,078,022

2013	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 2,121,375	$ 4,413,548	$ 6,534,923
Board-designated endowment funds	33,138,323	-	-	33,138,323
Net assets, September 30, 2013	$ 33,138,323	$ 2,121,375	$ 4,413,548	$ 39,673,246

The Network's endowments consist of multiple funds established for a variety of purposes. The endowments include both donor-restricted endowment funds, funds designated by the Board of Trustees to function as endowments and assets held in trust by others. As required by GAAP, endowments, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor restrictions.

The Network has interpreted the relevant laws as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Network.

Note 17 - Temporarily and Permanently Restricted Net Assets (continued)

The Network considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the Network and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Network; and (7) the investment policies of the Network.

The Network has adopted investment and spending policies for endowment assets that attempt to provide a reasonably stable and predictable stream of earnings to support the operations of the endowments and to preserve and enhance over time the real value of the endowment assets. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment and management costs, over the long-term. Actual returns in any given year may vary from this amount.

The Investment Committee of the Board is responsible for defining and reviewing the investment policy to determine an appropriate long-term asset allocation policy. The asset allocation policy reflects the objective with allocations structured for capital growth and inflation protection over the long-term.

To satisfy its long-term rate-of-return objectives, the Network relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Network targets a diversified asset allocation that places a greater emphasis on equity based investments to achieve its long-term return objectives within prudent risk constraints.

The Network has appropriated $1,271,326 and $2,339,401 for expenditure from its endowment funds for the years ending September 30, 2014 and 2013, respectively.

Changes in endowment net assets for the fiscal year ended September 30, 2014 were as follows:

2014	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, October 1, 2013	$ 33,138,323	$ 2,121,375	$ 4,413,548	$ 39,673,246
Interest income and dividends	940,682	47,448	-	988,130
Realized gains	6,547,406	486,492	-	7,033,898
Unrealized depreciation on investments	(4,673,650)	(334,112)	-	(5,007,762)
Released from restrictions	122,263	(1,271,326)	-	(1,149,063)
Contributions	237,342	804,488	-	1,041,830
Reclassification of donations	-	-	(170,166)	(170,166)
Fees	(32,211)	-	-	(32,211)
Transfers to Endowment	1,700,120	-	-	1,700,120
Net assets, September 30, 2014	$ 37,980,275	$ 1,854,365	$ 4,243,382	$ 44,078,022

Note 17 - Temporarily and Permanently Restricted Net Assets (continued)

Changes in endowment net assets for the fiscal year ended September 30, 2013 were as follows:

2013	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, October 1, 2012	$ 26,269,872	$ 2,564,396	$ 4,407,574	$ 33,241,842
Interest income and dividends	808,111	55,220	-	863,331
Realized gains	2,082,211	145,575	-	2,227,786
Unrealized appreciation on investments	2,118,875	219,391	-	2,338,266
Released from restrictions	780,616	(2,339,401)	-	(1,558,785)
Contributions	183,500	1,473,843	-	1,657,343
Distributions	(1,500,000)	-	-	(1,500,000)
Transfers to Endowment	2,395,138	2,351	5,974	2,403,463
Net assets, September 30, 2013	$ 33,138,323	$ 2,121,375	$ 4,413,548	$ 39,673,246

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or relevant law requires the Network to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. As of September 30, 2014 and 2013, there were no funds that were below the level required by donor or law.

Note 18 - Commitments and Contingencies

The Network is involved in various legal actions arising from its activities. Although the ultimate outcome is not determinable at this time, management, after taking into consideration the advice of legal counsel, believes that the resolution of these pending matters will not have a material adverse effect, individually or in the aggregate, on the consolidated balance sheets or on the related consolidated statements of operations and changes in net assets, or consolidated cash flows of the Network.

The Network and the Network's defined benefit pension plans invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

Note 19 - Statutory Capital and Surplus

CHIC was incorporated in the Cayman Islands on September 15, 2006 and was granted an Unrestricted Class "B" insurance license under the Insurance Law of the Cayman Islands with an effective date of September 26, 2006. As of October 14, 2013, in accordance with Section 4(3)(b) of The Insurance Law, 2010, the company is now classified as a Class B (i) insurer. CHIC is regulated by the Cayman Islands Monetary Authority (CIMA) and related relations, and is obligated to comply with CIMA regulations regarding minimum levels of solvency and liquidity.

Statutory capital and surplus as of September 30, 2014 was $501,168 with a minimum amount required to be maintained by CHIC of $100,000. Distribution of dividends is subject to approval by the Board of Directors. No dividends were declared or paid during the years ended September 30, 2014 and 2013.

ECHN reports all of CHIC's investments as investments held in trust for estimated self-insurance liabilities in the accompanying consolidated balance sheets.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet
September 30, 2014

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Assets								
Current assets:								
Cash and cash equivalents	$ 9,361,439	$ 1,772,696	$ 1,363,027	$ -	$ 12,497,162	$ 1,107,266	$ -	$ 13,604,428
Current portion of investments held under bond indentures	653,623	323,965	186,328	-	1,163,916	-	-	1,163,916
Accounts receivable - net	25,099,884	10,900,702	1,681,218	-	37,681,804	-	-	37,681,804
Inventory	3,873,042	1,325,483	38,849	-	5,237,374	-	-	5,237,374
Due from affiliated entities	142,498	65,011	23,158	(78,353)	152,314	8,485	-	160,799
Current portion of estimated settlements due from third-party payers	3,454,150	148,435	-	-	3,602,585	-	-	3,602,585
Prepaid expenses and other current assets	2,357,425	201,349	5,768	-	2,564,542	252,432	-	2,816,974
Total current assets	44,942,061	14,737,641	3,298,348	(78,353)	62,899,697	1,368,183	-	64,267,880
Assets whose use is limited - net of current portion:								
Donor restricted investments	1,778,680	1,575,184	-	-	3,353,864	2,669,078	-	6,022,942
Board designated investments	9,495,379	10,962,908	-	-	20,458,287	14,611,914	-	35,070,201
Investments held in trust for estimated self-insurance liabilities	1,488,787	-	-	-	1,488,787	-	-	1,488,787
Beneficial interest in trust assets	9,599,529	2,209,692	-	-	11,809,221	-	-	11,809,221
Investments held under bond indentures	3,498,353	859,282	813,910	-	5,171,545	-	-	5,171,545
Total assets whose use is limited	25,860,728	15,607,066	813,910	-	42,281,704	17,280,992	-	59,562,696
Interest in net assets of ECHN CHF, Inc.	7,323,190	3,599,134	195,587	-	11,117,911	-	(11,117,911)	-
Investments	1,339,234	2,068,819	3,730,288	-	7,138,341	-	-	7,138,341
Investments in joint ventures	3,849,302	3,489,604	-	-	7,338,906	-	-	7,338,906
Property, plant and equipment - net	55,717,642	25,700,876	7,264,624	-	88,683,142	-	-	88,683,142
Other assets:								
Estimated settlements due from third-party payers - net of current portion	685,669	-	-	-	685,669	-	-	685,669
Due from affiliated entities - net of current portion	20,113,458	7,814,717	-	(5,298,863)	22,629,312	-	-	22,629,312
Goodwill and intangible assets - net	-	-	520,156	-	520,156	-	-	520,156
Other assets	1,923,107	1,769,088	456,032	-	4,148,227	-	-	4,148,227
Total other assets	22,722,234	9,583,805	976,188	(5,298,863)	27,983,364	-	-	27,983,364
Total assets	$ 161,754,391	$ 74,786,945	$ 16,278,945	$ (5,377,216)	$ 247,443,065	$ 18,649,175	$ (11,117,911)	$ 254,974,329

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2014

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Assets								
Current assets:								
Cash and cash equivalents	$ 192,024	$ 66,259	$ 76,614	$ 4,558,501	$ 162,984	$ 2,072,791	$ -	$ 20,733,601
Current portion of investments held under bond indentures	-	-	-	-	-	-	-	1,163,916
Accounts receivable - net	2,090,800	827,182	36	3,835,448	169,322	5,680	-	44,610,272
Inventory	15,926	183,985	-	-	-	-	-	5,437,285
Due from affiliated entities	-	-	-	-	4,049	-	(164,848)	-
Current portion of estimated settlements due from third-party payers	-	-	-	-	-	-	-	3,602,585
Prepaid expenses and other current assets	405,503	24,503	4,046	232,277	970,358	1,232,575	-	5,686,236
Total current assets	2,704,253	1,101,929	80,696	8,626,226	1,306,713	3,311,046	(164,848)	81,233,895
Assets whose use is limited - net of current portion:								
Donor restricted investments	-	-	-	74,805	-	-	-	6,097,747
Board designated investments	-	-	-	2,910,074	-	-	-	37,980,275
Investments held in trust for estimated self-insurance liabilities	-	-	-	-	-	3,516,968	-	5,005,755
Beneficial interest in trust assets	-	-	-	-	-	-	-	11,809,221
Investments held under bond indentures	-	-	-	-	-	-	-	5,171,545
Total assets whose use is limited	-	-	-	2,984,879	-	3,516,968	-	66,064,543
Interest in net assets of ECHN CHF, Inc.	-	-	-	-	4,480,831	-	(4,480,831)	-
Investments	-	-	-	-	463,940	-	(463,940)	7,138,341
Investments in joint ventures	-	-	1,247,474	-	5,976,358	-	-	14,562,738
Property, plant and equipment - net	2,469,251	366,651	1,120,456	1,426,059	-	-	-	94,065,559
Other assets:								
Estimated settlements due from third-party payers - net of current portion	-	-	-	-	-	-	-	685,669
Due from affiliated entities - net of current portion	-	-	-	-	867,580	-	(23,496,892)	-
Goodwill and intangible assets - net	592,420	153,550	-	-	5,701,227	-	-	6,967,353
Other assets	-	-	-	530,269	134,014	556,581	-	5,369,091
Total other assets	592,420	153,550	-	530,269	6,702,821	556,581	(23,496,892)	13,022,113
Total assets	$ 5,765,924	$ 1,622,130	$ 2,448,626	$ 13,567,433	$ 18,930,663	$ 7,384,595	$ (28,606,511)	$ 276,087,189

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2014

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Liabilities and Net Assets (Deficit)								
Current liabilities:								
Accounts payable and accrued expenses	$ 21,842,838	$ 6,181,391	$ 1,055,957	$ -	$ 29,080,186	$ 31,007	$ -	$ 29,111,193
Line of credit	5,600,000	-	-	-	5,600,000	-	-	5,600,000
Current portion of long-term debt	4,092,102	945,159	624,756	-	5,662,017	-	-	5,662,017
Current portion of due to affiliates	23,158	-	60,602	(78,353)	5,407	150,797	-	156,204
Current portion of estimated settlements due to third-party payers	4,285,117	1,132,410	248,895	-	5,666,422	-	-	5,666,422
Current portion of accrued pension and other postretirement benefits	1,025,166	288,603	-	-	1,313,769	-	-	1,313,769
Other current liabilities	2,653,756	732,322	391,627	-	3,777,705	-	-	3,777,705
Total current liabilities	39,522,137	9,279,885	2,381,837	(78,353)	51,105,506	181,804	-	51,287,310
Long-term debt and capital lease obligations, net of current portion	50,421,026	23,392,308	7,841,125	-	81,654,459	-	-	81,654,459
Estimated self-insurance liabilities	6,835,215	3,566,892	493,923	-	10,896,030	-	-	10,896,030
Accrued pension and postretirement benefits	34,595,139	10,081,347	-	-	44,676,486	-	-	44,676,486
Estimated settlements due to third-party payers, net of current portion	-	-	-	-	-	-	-	-
Due to affiliates	5,298,863	-	-	(5,298,863)	-	-	-	-
Other liabilities	283,594	132,211	-	-	415,805	3,197	-	419,002
Total liabilities	136,955,974	46,452,643	10,716,885	(5,377,216)	188,748,286	185,001	-	188,933,287
Net assets (deficit):								
Unrestricted	11,344,473	24,211,838	5,537,374	-	41,093,685	2,865,431	-	43,959,116
Temporarily restricted	974,762	549,043	24,686	-	1,548,491	14,031,431	(9,550,599)	6,029,323
Permanently restricted	12,479,182	3,573,421	-	-	16,052,603	1,567,312	(1,567,312)	16,052,603
Total net assets (deficit)	24,798,417	28,334,302	5,562,060	-	58,694,779	18,464,174	(11,117,911)	66,041,042
Total liabilities and net assets (deficit)	$ 161,754,391	$ 74,786,945	$ 16,278,945	$ (5,377,216)	$ 247,443,065	$ 18,649,175	$ (11,117,911)	$ 254,974,329

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2014

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Liabilities and Net Assets (Deficit)								
Current liabilities:								
Accounts payable and accrued expenses	$ 2,145,168	$ 283,874	$ 15,665	$ 2,170,645	$ 2,159,817	$ 78,253	$ -	$ 35,964,615
Lines of credit	-	-	-	-	-	-	-	5,600,000
Current portion of long-term debt	26,082	58,633	25,279	6,488	711,157	-	-	6,489,656
Current portion of due to affiliates	-	-	-	-	-	-	(156,204)	-
Current portion of estimated settlements due to third-party payers	-	-	-	76,738	-	-	-	5,743,160
Current portion of accrued pension and other postretirement benefits	-	-	-	-	-	-	-	1,313,769
Other current liabilities	-	-	-	851,726	-	1,212,361	-	5,841,792
Total current liabilities	2,171,250	342,507	40,944	3,105,597	2,870,974	1,290,614	(156,204)	60,952,992
Long-term debt and capital lease obligations, net of current portion	197,183	50,687	249,337	-	443,748	-	-	82,595,414
Estimated self-insurance liabilities	-	-	-	-	-	5,592,813	(6,805,175)	9,683,668
Accrued pension and postretirement benefits	-	-	-	-	-	-	-	44,676,486
Estimated settlements due to third-party payers, net of current portion	65,838	-	-	-	-	-	-	65,838
Due to affiliates	2,813,908	474,706	2,030,668	-	11,381,079	-	(16,700,361)	-
Other liabilities	-	-	-	-	-	-	-	419,002
Total liabilities	5,248,179	867,900	2,320,949	3,105,597	14,695,801	6,883,427	(23,661,740)	198,393,400
Net assets (deficit):								
Unrestricted	517,745	754,230	127,677	10,387,031	3,761,845	501,168	(463,939)	59,544,873
Temporarily restricted	-	-	-	74,805	473,017	-	(4,480,832)	2,096,313
Permanently restricted	-	-	-	-	-	-	-	16,052,603
Total net assets (deficit)	517,745	754,230	127,677	10,461,836	4,234,862	501,168	(4,944,771)	77,693,789
Total liabilities and net assets (deficit)	$ 5,765,924	$ 1,622,130	$ 2,448,626	$ 13,567,433	$ 18,930,663	$ 7,384,595	$ (28,606,511)	$ 276,087,189

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets
For the Year Ended September 30, 2014

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Revenues:								
Net patient service revenues	$ 178,026,737	$ 71,329,965	$ 15,194,102	$ -	$ 264,550,804	$ -	$ -	$ 264,550,804
Provision for bad debts	(5,822,470)	(2,801,283)	(181,495)	-	(8,805,248)	-	-	(8,805,248)
Net patient service revenues less provision for bad debts	172,204,267	68,528,682	15,012,607	-	255,745,556	-	-	255,745,556
Contributions	496,356	315,697	9,235	-	821,288	-	-	821,288
Other revenues	15,370,698	5,227,522	282,491	(143,096)	20,737,615	548,340	(537,649)	20,748,306
EHR incentive payment revenue	986,834	799,300	-	-	1,786,134	-	-	1,786,134
Net assets released from restrictions used in operations	486,908	49,147	1,794	-	537,849	197,133	-	734,982
Total revenues	189,545,063	74,920,348	15,306,127	(143,096)	279,628,442	745,473	(537,649)	279,836,266
Expenses:								
Salaries and wages	83,606,297	32,460,253	7,495,632	-	123,562,182	300,253	(217,087)	123,645,348
Fringe benefits	25,720,253	9,360,797	1,961,418	-	37,042,468	91,045	(65,731)	37,067,782
Supplies and other expenses	66,276,903	26,367,709	4,016,613	(143,096)	96,518,129	354,175	(254,831)	96,617,473
Depreciation and amortization	7,116,905	3,281,014	557,532	-	10,955,451	-	-	10,955,451
Interest and financing costs	2,589,201	689,882	431,848	-	3,710,931	-	-	3,710,931
Total expenses	185,309,559	72,159,655	14,463,043	(143,096)	271,789,161	745,473	(537,649)	271,996,985
Income (loss) from operations	4,235,504	2,760,693	843,084	-	7,839,281	-	-	7,839,281
Non-operating (losses) gains	(1,743,322)	(378,564)	27,867	-	(2,094,019)	-	-	(2,094,019)
Excess of revenues (under) over expenses	$ 2,492,182	$ 2,382,129	$ 870,951	$ -	$ 5,745,262	$ -	$ -	$ 5,745,262

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2014

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Revenues:								
Net patient service revenues	$ 20,269,147	$ -	$ -	$ 25,151,359	$ -	$ -	$ -	$ 309,971,310
Provision for bad debts	(1,261,083)	-	-	(149,763)	-	-	-	(10,216,094)
Net patient service revenues less provision for bad debts	19,008,064	-	-	25,001,596	-	-	-	299,755,216
Contributions	-	-	-	342,595	335,662	-	(335,662)	1,163,883
Other revenues	7,661,388	4,207,997	542,446	1,372,276	3,258,466	2,251,542	(14,825,979)	25,216,442
EHR incentive payment revenue	-	-	-	-	-	-	-	1,786,134
Net assets released from restrictions used in operations	-	-	-	86,733	11,935	-	-	833,650
Total revenues	26,669,452	4,207,997	542,446	26,803,200	3,606,063	2,251,542	(15,161,641)	328,755,325
Expenses:								
Salaries and wages	19,262,878	2,414,238	-	17,488,152	10,582,722	-	(10,665,893)	162,727,445
Fringe benefits	2,966,456	376,616	-	3,473,859	2,404,890	-	(2,430,205)	43,859,398
Supplies and other expenses	10,846,227	1,001,633	302,414	4,462,199	(11,783,558)	2,078,542	509,466	104,034,396
Depreciation and amortization	634,455	140,684	69,878	396,409	208,107	-	(208,107)	12,196,877
Interest and financing costs	14,202	26,708	10,745	1,902	85,197	-	(85,197)	3,764,488
Total expenses	33,724,218	3,959,879	383,037	25,822,521	1,497,358	2,078,542	(12,879,936)	326,582,604
Income (loss) from operations	(7,054,766)	248,118	159,409	980,679	2,108,705	173,000	(2,281,705)	2,172,721
Non-operating (losses) gains	-	-	(31,732)	-	(2,108,705)	-	2,108,705	(2,125,751)
Excess of revenues (under) over expenses	$ (7,054,766)	$ 248,118	$ 127,677	$ 980,679	$ -	$ 173,000	$ (173,000)	$ 46,970

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2014

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Unrestricted net assets:								
Excess of revenues (under) over expenses	$ 2,492,182	$ 2,382,129	$ 870,951	$ -	$ 5,745,262	$ -	$ -	$ 5,745,262
Unrealized depreciation on investments	(2,455,966)	(1,806,881)	(113,134)	-	(4,375,981)	-	-	(4,375,981)
Net change in interest rate swap agreement	8,379	-	-	-	8,379	-	-	8,379
Net assets released from restrictions for capital acquisitions	385,647	51,083	-	-	436,730	-	-	436,730
Equity transfer to ECHN	(4,937,674)	(2,116,146)	-	-	(7,053,820)	-	-	(7,053,820)
Equity transfer from ECHN	-	-	-	-	-	-	-	-
ECHN Corporate Services transfer	-	-	-	-	-	-	-	-
Transfers (to) from other affiliates - net	(6,541,891)	(229)	7,130	-	(6,534,990)	273,716	-	(6,261,274)
Pension and postretirement related adjustments	(5,366,133)	(1,072,107)	-	-	(6,438,240)	-	-	(6,438,240)
Other	-	-	-	-	-	-	-	-
Change in unrestricted net assets	(16,415,456)	(2,562,151)	764,947	-	(18,212,660)	273,716	-	(17,938,944)
Temporarily restricted net assets:								
Contributions	44,454	19,798	(33)	-	64,219	1,066,825	(290,398)	840,646
Investment income	321,703	131,269	2,038	-	455,010	2,408,300	(1,663,779)	1,199,531
Net assets released from restrictions for operations	(486,908)	(49,147)	(1,794)	-	(537,849)	(829,423)	619,265	(748,007)
Net assets released from restrictions for capital acquisitions	(385,647)	(51,083)	-	-	(436,730)	(436,730)	436,730	(436,730)
Unrealized depreciation on investments	(95,535)	(67,641)	-	-	(163,176)	(1,702,269)	1,044,231	(821,214)
Transfers (to) from affiliates	183,793	4,384	-	-	188,177	-	(187,306)	871
Change in temporarily restricted net assets	(418,140)	(12,420)	211	-	(430,349)	506,703	(41,257)	35,097
Permanently restricted net assets:								
Contributions - beneficial interest trust assets	3,751,750	-	-	-	3,751,750	-	-	3,751,750
Change in beneficial interest in trust assets	148,523	27,520	-	-	176,043	-	-	176,043
Reclassifications of donations	-	(171,110)	-	-	(171,110)	-	-	(171,110)
Change in permanently restricted net assets	3,900,273	(143,590)	-	-	3,756,683	-	-	3,756,683
Change in net assets (deficit)	(12,933,323)	(2,718,161)	765,158	-	(14,886,326)	780,419	(41,257)	(14,147,164)
Net assets (deficit), beginning of year	37,731,740	31,052,463	4,796,902	-	73,581,105	17,683,755	(11,076,654)	80,188,206
Net assets (deficit), end of year	$ 24,798,417	$ 28,334,302	$ 5,562,060	$ -	$ 58,694,779	$ 18,464,174	$ (11,117,911)	$ 66,041,042

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2014

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Unrestricted net assets:								
Excess of revenues (under) over expenses	$ (7,054,766)	$ 248,118	$ 127,677	$ 980,679	$ -	$ 173,000	$ (173,000)	$ 46,970
Unrealized depreciation on investments	-	-	-	(598,592)	(487,108)	(15,244)	-	(5,476,925)
Net change in interest rate swap agreement	-	-	-	-	-	-	-	8,379
Net assets released from restrictions for capital acquisitions	946	-	-	-	-	-	-	437,676
Equity transfer to ECHN	-	-	-	-	7,053,820	-	-	-
Equity transfer from ECHN	7,053,820	-	-	-	(7,053,820)	-	-	-
ECHN Corporate Services transfer	-	-	-	-	-	-	-	-
Transfers (to) from other affiliates - net	545,436	125,000	84,174	-	8,208,215	1,200,000	(3,901,551)	-
Pension and postretirement related adjustments	-	-	-	-	-	-	-	(6,438,240)
Other	-	1,003	-	-	-	-	82	1,085
Change in unrestricted net assets	545,436	374,121	211,851	382,087	7,721,107	1,357,756	(4,074,469)	(11,421,055)
Temporarily restricted net assets:								
Contributions	-	-	-	74,805	79,003	-	(413,939)	580,515
Investment income	-	-	-	-	73,349	-	(738,941)	533,939
Net assets released from restrictions for operations	-	-	-	(86,733)	(11,935)	-	13,025	(833,650)
Net assets released from restrictions for capital acquisitions	(946)	-	-	-	-	-	-	(437,676)
Change in unrealized appreciation on investments	-	-	-	-	-	-	487,098	(334,116)
Transfers (to) from affiliates	946	-	-	-	(189,123)	-	187,306	-
Change in temporarily restricted net assets	-	-	-	(11,928)	(48,706)	-	(465,451)	(490,988)
Permanently restricted net assets:								
Contributions - beneficial interest trust assets	-	-	-	-	-	-	-	3,751,750
Change in beneficial interest in trust assets	-	-	-	-	-	-	-	176,043
Reclassifications of donations	-	-	-	-	-	-	-	(171,110)
Change in permanently restricted net assets	-	-	-	-	-	-	-	3,756,683
Change in net assets (deficit)	545,436	374,121	211,851	370,159	7,672,401	1,357,756	(4,539,920)	(8,155,360)
Net assets (deficit), beginning of year	(27,691)	380,109	(84,174)	10,091,677	(3,437,539)	(856,588)	(404,851)	85,849,149
Net assets (deficit), end of year	$ 517,745	$ 754,230	$ 127,677	$ 10,461,836	$ 4,234,862	$ 501,168	$ (4,944,771)	$ 77,693,789

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet
September 30, 2013

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Assets								
Current assets:								
Cash and cash equivalents	$ 12,239,488	$ 1,059,290	$ 887,544	$ -	$ 14,186,322	$ 1,936,006	$ -	$ 16,122,328
Current portion of investments held under bond indentures	1,300,096	364,771	185,664	-	1,850,531	-	-	1,850,531
Accounts receivable - net	27,182,276	10,269,970	1,772,700	-	39,224,946	-	-	39,224,946
Inventory	3,245,125	1,467,009	38,816	-	4,750,950	-	-	4,750,950
Due from affiliated entities	370,120	58,029	282,558	(79,590)	631,117	19,043	-	650,160
Current portion of estimated settlements due from third-party payers	3,078,822	384,274	-	-	3,463,096	-	-	3,463,096
Prepaid expenses and other current assets	2,316,130	276,211	4,671	-	2,597,012	720,233	-	3,317,245
Total current assets	49,732,057	13,879,554	3,171,953	(79,590)	66,703,974	2,675,282	-	69,379,256
Assets whose use is limited net of current portion:								
Donor restricted investments	1,806,681	1,709,690	-	-	3,516,371	2,931,819	-	6,448,190
Board designated investments	8,595,367	9,895,326	-	-	18,490,693	12,031,955	-	30,522,648
Investments held in trust for estimated self-insurance liabilities	1,258,026	-	-	-	1,258,026	-	-	1,258,026
Beneficial interest in trust assets	5,700,200	2,182,172	-	-	7,882,372	-	-	7,882,372
Investments held under bond indentures	3,321,696	806,533	813,828	-	4,942,057	-	-	4,942,057
Total assets whose use is limited	20,681,970	14,593,721	813,828	-	36,089,519	14,963,774	-	51,053,293
Interest in net assets of ECHN CHF, Inc.	7,278,631	3,616,191	181,832	-	11,076,654	-	(11,076,654)	-
Investments	4,366,493	3,088,116	3,630,706	-	11,085,315	283,179	-	11,368,494
Investments in joint ventures	3,501,635	3,208,828	-	-	6,710,463	-	-	6,710,463
Property, plant and equipment - net	54,574,351	27,654,664	7,672,388	-	89,901,403	-	-	89,901,403
Other assets:								
Estimated settlements due from third-party payers - net	6,135,548	668,994	-	-	6,804,542	-	-	6,804,542
Due from affiliated entities - net of current portion	25,064,484	9,022,571	-	(7,220,571)	26,866,484	-	-	26,866,484
Goodwill and intangible assets - net	-	-	549,482	-	549,482	-	-	549,482
Other assets	2,819,605	811,215	454,422	-	4,085,242	210,111	-	4,295,353
Total other assets	34,019,637	10,502,780	1,003,904	(7,220,571)	38,305,750	210,111	-	38,515,861
Total assets	$ 174,154,774	$ 76,543,854	$ 16,474,611	$ (7,300,161)	$ 259,873,078	$ 18,132,346	$ (11,076,654)	$ 266,928,770

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2013

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Serices of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Assets								
Current assets:								
Cash and cash equivalents	$ 93,515	$ 129,143	$ 101,334	$ 2,766,681	$ 243,530	$ 2,982,825	$ -	$ 22,439,356
Current portion of investments held under bond indentures	-	-	-	-	-	-	-	1,850,531
Accounts receivable - net	2,881,621	748,991	35	3,338,073	328,616	1,861	-	46,524,143
Inventory	15,926	298,840	-	-	-	-	-	5,065,716
Due from affiliated entities	-	-	-	-	847,173	-	(1,497,333)	-
Current portion of estimated settlements due from third-party payers	-	-	-	-	-	-	-	3,463,096
Prepaid expenses and other current assets	295,148	14,498	3,903	159,247	1,235,148	21,676	-	5,046,865
Total current assets	3,286,210	1,191,472	105,272	6,264,001	2,654,467	3,006,362	(1,497,333)	84,389,707
Assets whose use is limited net of current portion:								
Donor restricted investments	-	-	-	86,733	-	-	-	6,534,923
Board designated investments	-	-	-	2,615,675	-	-	-	33,138,323
Investments held in trust for estimated self-insurance liabilities	-	-	-	-	-	1,207,905	-	2,465,931
Beneficial interest in trust assets	-	-	-	-	-	-	-	7,882,372
Investments held under bond indentures	-	-	-	-	-	-	-	4,942,057
Total assets whose use is limited	-	-	-	2,702,408	-	1,207,905	-	54,963,606
Interest in net assets of ECHN CHF, Inc.	-	-	-	-	4,015,385	-	(4,015,385)	-
Investments	-	-	-	1,641,046	(909,061)	-	909,061	13,009,540
Investments in joint ventures	-	-	1,204,749	-	5,816,631	-	-	13,731,843
Property, plant and equipment - net	2,847,719	212,916	1,190,334	1,734,534	301,591	-	-	96,188,497
Other assets:								
Estimated settlements due from third-party payers - net	-	-	-	-	-	-	-	6,804,542
Due from affiliated entities - net of current portion	-	-	-	-	-	-	(26,866,484)	-
Goodwill and intangible assets - net	517,746	206,000	-	-	5,872,641	-	-	7,145,869
Other assets	-	-	-	624,407	307,041	1,006,331	-	6,233,132
Total other assets	517,746	206,000	-	624,407	6,179,682	1,006,331	(26,866,484)	20,183,543
Total assets	$ 6,651,675	$ 1,610,388	$ 2,500,355	$ 12,966,396	$ 18,058,695	$ 5,220,598	$ (31,470,141)	$ 282,466,736

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2013

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Liabilities and Net Assets (Deficit)								
Current liabilities:								
Accounts payable and accrued expenses	$ 21,391,578	$ 6,096,840	$ 870,615	$ -	$ 28,359,033	$ 96,089	$ -	$ 28,455,122
Lines of credit	6,500,000	-	-	-	6,500,000	-	-	6,500,000
Current portion of long-term debt	3,909,618	870,081	588,866	-	5,368,565	-	-	5,368,565
Due to affiliates	-	398,089	83,694	(79,590)	402,193	348,957	-	751,150
Current portion of estimated settlements due to third-party payers	2,943,941	1,040,198	408,222	-	4,392,361	-	-	4,392,361
Current portion of accrued pension and other postretirement benefits	4,683,769	1,401,749	-	-	6,085,518	-	-	6,085,518
Other current liabilities	2,482,951	754,403	170,562	-	3,407,916	-	-	3,407,916
Total current liabilities	41,911,857	10,561,360	2,121,959	(79,590)	54,515,586	445,046	-	54,960,632
Long-term debt and capital lease obligations, net of current portion	50,793,813	23,519,254	8,462,882	-	82,775,949	-	-	82,775,949
Estimated self-insurance liabilities	6,830,954	2,423,371	1,041,008	-	10,295,333	-	-	10,295,333
Accrued pension and postretirement benefits	29,256,268	8,855,195	-	-	38,111,463	-	-	38,111,463
Estimated settlements due to third-party payers, net of current portion	-	-	-	-	-	-	-	-
Due to affiliates	7,220,571	-	-	(7,220,571)	-	-	-	-
Other liabilities	409,571	132,211	51,860	-	593,642	3,545	-	597,187
Total liabilities	136,423,034	45,491,391	11,677,709	(7,300,161)	186,291,973	448,591	-	186,740,564
Net assets (deficit):								
Unrestricted	27,759,929	26,773,989	4,772,427	-	59,306,345	2,591,715	-	61,898,060
Temporarily restricted	1,392,902	561,463	24,475	-	1,978,840	13,524,728	(9,509,342)	5,994,226
Permanently restricted	8,578,909	3,717,011	-	-	12,295,920	1,567,312	(1,567,312)	12,295,920
Total net assets (deficit)	37,731,740	31,052,463	4,796,902	-	73,581,105	17,683,755	(11,076,654)	80,188,206
Total liabilities and net assets (deficit)	$ 174,154,774	$ 76,543,854	$ 16,474,611	$ (7,300,161)	$ 259,873,078	$ 18,132,346	$ (11,076,654)	$ 266,928,770

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2013

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Serices of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Liabilities and Net Assets (Deficit)								
Current liabilities:								
Accounts payable and accrued expenses	$ 2,272,436	$ 923,287	$ 16,422	$ 1,834,866	$ 1,301,847	$ 70,855	$ -	$ 34,874,835
Lines of credit	-	-	-	-	-	-	-	6,500,000
Current portion of long-term debt	143,567	33,458	24,357	51,971	1,210,404	-	-	6,832,322
Due to affiliates	-	89,856	-	-	-	-	(841,006)	-
Current portion of estimated settlements due to third-party payers	-	-	-	120,000	-	-	-	4,512,361
Current portion of accrued pension and other postretirement benefits	-	-	-	-	-	-	-	6,085,518
Other current liabilities	-	-	-	861,394	-	1,051,734	-	5,321,044
Total current liabilities	2,416,003	1,046,601	40,779	2,868,231	2,512,251	1,122,589	(841,006)	64,126,080
Long-term debt and capital lease obligations, net of current portion	223,265	183,678	274,616	6,488	952,010	-	-	84,416,006
Estimated self-insurance liabilities	-	-	-	-	-	4,954,597	(6,006,000)	9,243,930
Accrued pension and postretirement benefits	-	-	-	-	-	-	-	38,111,463
Estimated settlements due to third-party payers, net of current portion	122,921	-	-	-	-	-	-	122,921
Due to affiliates	3,917,177	-	2,269,134	-	18,031,973	-	(24,218,284)	-
Other liabilities	-	-	-	-	-	-	-	597,187
Total liabilities	6,679,366	1,230,279	2,584,529	2,874,719	21,496,234	6,077,186	(31,065,290)	196,617,587
Net assets (deficit):								
Unrestricted	(27,691)	380,109	(84,174)	10,004,944	(3,959,262)	(856,588)	3,610,530	70,965,928
Temporarily restricted	-	-	-	86,733	521,723	-	(4,015,381)	2,587,301
Permanently restricted	-	-	-	-	-	-	-	12,295,920
Total net assets (deficit)	(27,691)	380,109	(84,174)	10,091,677	(3,437,539)	(856,588)	(404,851)	85,849,149
Total liabilities and net assets (deficit)	$ 6,651,675	$ 1,610,388	$ 2,500,355	$ 12,966,396	$ 18,058,695	$ 5,220,598	$ (31,470,141)	$ 282,466,736

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets
For the Year Ended September 30, 2013

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series B, Series C, and Series D Obligated Group
Revenues:								
Net patient service revenue	$ 175,818,082	$ 73,037,858	$ 14,748,717	$ -	$ 263,604,657	$ -	$ -	$ 263,604,657
Provision for bad debts	(5,518,461)	(4,127,214)	(110,000)	-	(9,755,675)	-	-	(9,755,675)
Net patient service revenue less provision for bad debts	170,299,621	68,910,644	14,638,717	-	253,848,982	-	-	253,848,982
Contributions	961,465	253,309	14,404	-	1,229,178	-	-	1,229,178
Other revenues	15,458,360	4,492,026	271,583	(141,268)	20,080,701	1,655,029	(832,862)	20,902,868
EHR initiative payment revenue	1,410,667	1,220,153	-	-	2,630,820	-	-	2,630,820
Net assets released from restrictions used for operations	1,458,982	112,828	3,500	-	1,575,310	288,075	-	1,863,385
Total revenues	189,589,095	74,988,960	14,928,204	(141,268)	279,364,991	1,943,104	(832,862)	280,475,233
Expenses:								
Salaries and wages	83,909,349	31,509,639	7,249,363	-	122,668,351	515,044	(376,115)	122,807,280
Fringe benefits	27,658,791	10,024,601	2,721,924	-	40,405,316	129,343	(94,462)	40,440,197
Supplies and other expenses	66,966,600	25,888,529	3,792,677	(141,268)	96,506,538	496,670	(362,285)	96,640,923
Depreciation and amortization	7,115,302	3,565,031	551,609	-	11,231,942	-	-	11,231,942
Interest and financing costs	2,685,044	682,298	485,961	-	3,853,303	-	-	3,853,303
Total expenses	188,335,086	71,670,098	14,801,534	(141,268)	274,665,450	1,141,057	(832,862)	274,973,645
Income (loss) from operations	1,254,009	3,318,862	126,670	-	4,699,541	802,047	-	5,501,588
Non-operating (losses) gains	(1,466,699)	(660,236)	52,019	-	(2,074,916)	-	-	(2,074,916)
Excess of revenues over (under) expenses	$ (212,690)	$ 2,658,626	$ 178,689	$ -	$ 2,624,625	$ 802,047	$ -	$ 3,426,672

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2013

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Serices of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Revenues:								
Net patient service revenue	$ 21,949,662	$ -	$ -	$ 24,638,275	$ -	$ -	$ (70,435)	$ 310,122,159
Provision for bad debts	(1,249,472)	-	-	(137,055)	-	-	-	(11,142,202)
Net patient service revenue less provision for bad debts	20,700,190	-	-	24,501,220	-	-	(70,435)	298,979,957
Contributions	-	-	-	385,141	345,435	-	(345,435)	1,614,319
Other revenues	8,353,432	3,232,600	425,834	717,140	3,048,899	2,440,340	(16,249,743)	22,871,370
EHR initiative payment revenue	-	-	-	-	-	-	-	2,630,820
Net assets released from restrictions used for operations	-	-	-	2,353	5,489	-	-	1,871,227
Total revenues	29,053,622	3,232,600	425,834	25,605,854	3,399,823	2,440,340	(16,665,613)	327,967,693
Expenses:								
Salaries and wages	21,887,013	1,880,216	-	17,154,890	11,400,866	-	(11,400,863)	163,729,402
Fringe benefits	3,477,219	320,611	-	3,354,064	2,316,394	-	(2,316,391)	47,592,094
Supplies and other expenses	9,246,348	876,567	284,772	4,119,020	(12,524,809)	8,133,343	(6,433,767)	100,342,397
Depreciation and amortization	545,428	57,332	71,228	384,891	228,411	-	(228,410)	12,290,822
Interest and financing costs	15,629	15,216	11,681	4,654	138,065	-	(138,065)	3,900,483
Total expenses	35,171,637	3,149,942	367,681	25,017,519	1,558,927	8,133,343	(20,517,496)	327,855,198
Income (loss) from operations	(6,118,015)	82,658	58,153	588,335	1,840,896	(5,693,003)	3,851,883	112,495
Non-operating (losses) gains	-	-	(63,728)	55	(1,840,896)	-	1,840,896	(2,138,589)
Excess of revenues over (under) expenses	$ (6,118,015)	$ 82,658	$ (5,575)	$ 588,390	$ -	$ (5,693,003)	$ 5,692,779	$ (2,026,094)

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2013

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series B, Series C, and Series D Obligated Group
Unrestricted net assets:								
Excess of revenues over (under) expenses	$ (212,690)	$ 2,658,626	$ 178,689	$ -	$ 2,624,625	$ 802,047	$ -	$ 3,426,672
Change in unrealized appreciation on investments	430,760	696,651	205,847	-	1,333,258	-	-	1,333,258
Net change in interest rate swap agreements	110,862	-	-	-	110,862	-	-	110,862
Net assets released from restrictions for capital acquisitions	401,528	47,604	19,042	-	468,174	-	-	468,174
Equity transfer to ECHN	(4,282,611)	(1,835,404)	-	-	(6,118,015)	-	-	(6,118,015)
Equity transfer from ECHN	-	-	-	-	-	-	-	-
ECHN Corporate Services Transfer	-	-	-	-	-	-	-	-
Transfer (to) from other affiliates - net	(94,598)	(6,530)	5,000	-	(96,128)	96,861	-	733
Pension and postretirement-related adjustments	26,481,163	8,152,920	-	-	34,634,083	-	-	34,634,083
Other	-	(5,975)	-	-	(5,975)	-	-	(5,975)
Change in unrestricted net assets	22,834,414	9,707,892	408,578	-	32,950,884	898,908	-	33,849,792
Temporarily restricted net assets:								
Contributions	580,157	32,787	14,288	-	627,232	2,475,669	(1,573,241)	1,529,660
Investment income	178,208	16,725	-	-	194,933	32,862	(26,999)	200,796
Net assets released from restrictions for operations	(1,458,982)	(112,828)	(3,500)	-	(1,575,310)	(1,093,192)	799,630	(1,868,872)
Net assets released from restrictions for capital acquisitions	(401,528)	(47,604)	(19,042)	-	(468,174)	(468,173)	468,173	(468,174)
Change in unrealized appreciation on investments	39,846	47,603	1,388	-	88,837	1,041,967	(627,530)	503,274
Transfer (to) from affiliates	550,132	9,032	-	-	559,164	-	(497,634)	61,530
Change in temporarily restricted net assets	(512,167)	(54,285)	(6,866)	-	(573,318)	1,989,133	(1,457,601)	(41,786)
Permanently restricted net assets:								
Change in beneficial interest in trust assets	403,720	77,870	-	-	481,590	-	-	481,590
Other	-	5,975	-	-	5,975	-	-	5,975
Change in permanently restricted net assets	403,720	83,845	-	-	487,565	-	-	487,565
Change in net assets (deficit)	22,725,967	9,737,452	401,712	-	32,865,131	2,888,041	(1,457,601)	34,295,571
Net assets (deficit), beginning of year	15,005,773	21,315,011	4,395,190	-	40,715,974	14,795,714	(9,619,053)	45,892,635
Net assets (deficit), end of year	$ 37,731,740	$ 31,052,463	$ 4,796,902	$ -	$ 73,581,105	$ 17,683,755	$ (11,076,654)	$ 80,188,206

See accompanying independent auditors' report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2013

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Unrestricted net assets:								
Excess of revenues over (under) expenses	$ (6,118,015)	$ 82,658	$ (5,575)	$ 588,390	$ -	$ (5,693,003)	$ 5,692,779	$ (2,026,094)
Change in unrealized appreciation on investments	-	-	-	159,050	283,886	(540,700)	-	1,235,494
Net change in interest rate swap agreements	-	-	-	-	-	-	-	110,862
Net assets released from restrictions for capital acquisitions	-	-	-	-	-	-	-	468,174
Equity transfer to ECHN	-	-	-	-	6,118,015	-	-	-
Equity transfer from ECHN	6,118,015	-	-	-	(6,118,015)	-	-	-
ECHN Corporate Services Transfer	-	297,451	-	-	(297,451)	-	-	-
Transfer (to) from other affiliates - net	-	-	-	-	(733)	5,373,092	(5,373,092)	-
Pension and postretirement-related adjustments	-	-	-	-	-	-	-	34,634,083
Other	-	-	-	-	-	-	-	(5,975)
Change in unrestricted net assets	-	380,109	(5,575)	747,440	(14,298)	(860,611)	319,687	34,416,544
Temporarily restricted net assets:								
Contributions	-	-	-	16,500	432,285	-	(715,452)	1,262,993
Investment income	-	-	-	-	-	-	-	200,796
Net assets released from restrictions for operations	-	-	-	(2,353)	(5,489)	-	5,487	(1,871,227)
Net assets released from restrictions for capital acquisitions	-	-	-	-	-	-	-	(468,174)
Change in unrealized appreciation on investments	-	-	-	-	35,316	-	(319,199)	219,391
Transfer (to) from affiliates	-	-	-	-	(559,164)	-	497,634	-
Change in temporarily restricted net assets	-	-	-	14,147	(97,052)	-	(531,530)	(656,221)
Permanently restricted net assets:								
Change in beneficial interest in trust assets	-	-	-	-	-	-	-	481,590
Other	-	-	-	-	-	-	-	5,975
Change in permanently restricted net assets	-	-	-	-	-	-	-	487,565
Change in net assets (deficit)	-	380,109	(5,575)	761,587	(111,350)	(860,611)	(211,843)	34,247,888
Net assets (deficit), beginning of year	(27,691)	-	(78,599)	9,330,090	(3,326,189)	4,023	(193,008)	51,601,261
Net assets (deficit), end of year	$ (27,691)	$ 380,109	$ (84,174)	$ 10,091,677	$ (3,437,539)	$ (856,588)	$ (404,851)	$ 85,849,149

See accompanying independent auditors' report.

EASTERN CONNECTICUT
HEALTH NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2015 and 2014

EASTERN CONNECTICUT HEALTH NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2015 and 2014

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Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Eastern Connecticut Health Network, Inc.
Manchester, Connecticut

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Eastern Connecticut Health Network, Inc. and Subsidiaries (the Network), a not-for-profit, non-stock corporation, which comprise the consolidated balance sheet as of September 30, 2015, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Connecticut Healthcare Insurance Company, a wholly owned subsidiary, whose statements reflect total assets of $6,093,108, as of September 30, 2015, respectively, and total revenues of $2,747,065 for the year then ended. Those statements were audited by other auditors in accordance with international standards on auditing, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Connecticut Healthcare Insurance Company, is based solely on the report of, and additional audit procedures to meet the relevant requirements of auditing standards generally accepted in the United States of America performed by, the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Network's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Network's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant account estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

(Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the report of, and additional audit procedures performed by, the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Eastern Connecticut Health Network as of September 30, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The consolidated balance sheet, consolidated statements of operations and changes in net assets and cash flows of Eastern Connecticut Health Network, Inc. and Subsidiaries as of and for the year ended September 30, 2014, were audited by Saslow, Lufkin & Buggy, LLP, who combined with Crowe Horwath, LLP as of July 1, 2015 and whose report dated January 27, 2015, expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the 2015 financial statements as a whole. The consolidating statement of operations and changes in net assets for the year then ended is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 2015 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of the other auditors, the 2015 information is fairly stated in all material respects in relation to the 2015 financial statements as a whole.

The consolidating balance sheet as of September 30, 2014 and the consolidating statement of operations and changes in net assets for the year then ended is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and is not a required part of the consolidated financial statements. The 2014 information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 financial statements. The information has been subjected to the auditing procedures applied by other auditors in the audit of the 2014 financial statements and certain additional procedures, including comparing and reconciling other information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and whose report dated January 27, 2015 expressed an opinion that such information was fairly stated in all material respects in relation to the 2014 financial statements as a whole.

Crowe Horwath LLP

Simsbury, Connecticut
January 20, 2016

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidated Balance Sheet
Years Ended September 30, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 16,286,829	$ 20,733,601
Current portion of investments held under bond indentures	1,097,599	1,163,916
Accounts receivable, less allowance for bad debts of $10,641,264 in 2015 and $8,915,132 in 2014	41,607,499	44,610,272
Inventory	5,553,809	5,437,285
Current portion of estimated settlements due from third-party payers	3,573,134	3,602,585
Prepaid expenses and other current assets	6,653,091	5,686,236
Total current assets	74,771,961	81,233,895
Assets whose use is limited, net of current portion:		
Donor restricted investments	5,590,241	6,097,747
Board designated investments	36,824,677	37,980,275
Investments held in trust for estimated self-insurance liabilities	5,278,426	5,005,755
Beneficial interest in trust assets	10,809,693	11,809,221
Investments held under bond indentures	5,172,061	5,171,545
Total assets whose use is limited, net of current portion	63,675,098	66,064,543
Investments	7,118,433	7,138,341
Investments in joint ventures	18,190,809	17,274,825
Property and equipment, net	88,275,419	94,065,559
Other assets:		
Estimated settlements due from third-party payers, net of current portion	-	585,689
Goodwill and intangible assets, net	4,026,827	4,255,266
Other assets	4,541,099	5,369,091
Total other assets	8,567,926	10,310,026
Total assets	$ 260,599,646	$ 276,087,189
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	$ 33,429,551	$ 35,964,615
Line of credit	3,600,000	5,600,000
Current portion of long-term debt and capital lease obligations	7,018,708	6,660,757
Current portion of estimated settlements due to third-party payers	3,124,803	5,743,160
Current portion of accrued pension and other postretirement benefits	190,189	193,769
Other current liabilities	4,134,712	5,841,792
Total current liabilities	51,697,963	60,004,093
Long-term debt and capital lease obligations, net of current portion	80,122,247	82,424,313
Estimated self-insurance liabilities, net of current portion	7,196,797	9,683,668
Accrued pension and other postretirement benefits	62,407,379	45,796,486
Estimated settlements due to third-party payers, net of current portion	-	65,838
Other liabilities	467,711	419,002
Total liabilities	201,892,097	198,393,400
Net assets:		
Unrestricted	42,167,565	59,544,873
Temporarily restricted	1,486,536	2,096,313
Permanently restricted	15,053,448	16,052,603
Total net assets	58,707,549	77,693,789
Total liabilities and net assets	$ 260,599,646	$ 276,087,189

See accompanying notes to consolidated financial statements.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidated Statements of Operations and Changes In Net Assets
Years Ended September 30, 2015 and 2014

	2015	2014
Revenues:		
Patient service revenue, net of contractual allowances and discounts	$ 308,044,394	$ 309,971,310
Provision for bad debts	(10,899,289)	(10,216,094)
Net patient service revenues less provision for bad debts	297,145,105	299,755,216
Contributions	2,194,034	1,163,883
Other revenue	14,565,493	25,216,442
EHR incentive payment revenue	830,386	1,786,134
Net assets released from restrictions, used for operations	832,608	833,650
Total revenues	315,567,626	328,755,325
Expenses:		
Salaries and wages	156,774,464	162,727,445
Fringe benefits	44,024,084	43,859,398
Supplies and other expenses	99,682,874	104,034,396
Depreciation and amortization	11,920,720	12,196,877
Interest and financing costs	3,445,934	3,764,488
Total expenses	315,848,076	326,582,604
(Loss) income from operations	(280,450)	2,172,721
Non-operating losses	(2,235,410)	(2,125,751)
Excess (deficiency) of revenues over expenses	$ (2,515,860)	$ 46,970

See accompanying notes to consolidated financial statements.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets (continued)
Years Ended September 30, 2015 and 2014

	2015	2014
Unrestricted net assets:		
Excess (deficiency) of revenues over expenses	$ (2,515,860)	$ 46,970
Unrealized loss on investments	(210,755)	(5,476,925)
Net change in interest rate swap agreements	(49,056)	8,379
Net assets released from restrictions for capital acquisitions	309,327	437,676
Pension and postretirement related adjustments	(14,910,964)	(6,438,240)
Other	-	1,085
Change in unrestricted net assets	(17,377,308)	(11,421,055)
Temporarily restricted net assets:		
Contributions	531,215	580,515
Investment income	943	533,939
Net assets released from restrictions used for operations	(832,608)	(833,650)
Net assets released from restrictions used for capital acquisitions	(309,327)	(437,676)
Unrealized depreciation on investments	-	(334,116)
Change in temporarily restricted net assets	(609,777)	(490,988)
Permanently restricted net assets:		
Contributions - beneficial interest trust assets	373	3,751,750
Change in beneficial interest in trust assets	(999,528)	176,043
Reclassifications of donations	-	(171,110)
Change in permanently restricted net assets	(999,155)	3,756,683
Change in net assets	(18,986,240)	(8,155,360)
Net assets, beginning of year	77,693,789	85,849,149
Net assets, end of year	$ 58,707,549	$ 77,693,789

See accompanying notes to consolidated financial statements.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Change in net assets	$ (18,986,240)	$ (8,155,360)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	11,920,720	12,198,677
Provision for bad debts	10,899,289	10,216,094
Unrealized depreciation on investments	83,591	5,811,041
Realized gains on sales of investments	(7,708)	(8,307,110)
Change in beneficial interest in trust assets	999,528	(3,926,849)
Income from investments in joint ventures	(2,005,181)	(2,478,524)
Pension and postretirement related adjustments	14,910,984	6,438,240
Impairment of joint venture goodwill	64,197	-
Amortization of intangible assets	228,439	176,516
Change in interest rate swap agreements	49,056	177,836
Changes in assets and liabilities:		
Accounts receivable	(7,896,518)	(8,302,223)
Inventory	(116,524)	(371,569)
Prepaid expenses and other current assets	(966,855)	(429,259)
Other assets	827,992	663,929
Accounts payable and accrued expenses	(2,535,084)	1,089,780
Accrued pension and other postretirement benefits	1,698,349	(4,644,966)
Estimated settlements (to) from third-party payers	(1,969,075)	7,153,100
Other current liabilities	(1,707,080)	301,311
Estimated self-insurance liabilities	(2,486,871)	659,176
Other liabilities	(347)	(356,020)
Net cash provided by operating activities	3,002,684	7,904,018
Cash flows from investing activities:		
Purchases of property and equipment	(6,130,560)	(10,073,939)
Purchases of investments	(4,875,098)	(9,318,926)
Sales of investments	6,075,357	11,198,721
Distributions from joint ventures	1,024,960	1,647,629
Net cash used in investing activities	(3,705,341)	(6,546,515)
Cash flows from financing activities:		
Principal payments on long-term debt	(7,094,912)	(7,235,595)
Net payments on line of credit	(1,800,000)	(900,000)
Proceeds from borrowings	5,150,797	5,072,337
Net cash used in financing activities	(3,744,115)	(3,063,258)
Change in cash and cash equivalents	(4,446,772)	(1,705,755)
Cash and cash equivalents at beginning of year	20,733,601	22,439,356
Cash and cash equivalents at end of year	$ 16,286,829	$ 20,733,601
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of amounts capitalized	$ 3,631,350	$ 3,880,091
Supplemental disclosure of non-cash information:		
Equipment acquisitions under capital lease arrangements (non-cash)	$ 4,126,026	$ 2,266,700

See accompanying notes to consolidated financial statements.

NOTE 1 - ORGANIZATION

Eastern Connecticut Health Network, Inc. (ECHN) and Subsidiaries (collectively the Network) is a not-for-profit, locally governed health system created on September 12, 1995, through the merger of the corporate parents of Manchester Memorial Hospital and Rockville General Hospital, Inc. Its purpose is to provide a health care system for the communities it serves, with quality medical care at a reasonable cost; to foster an environment conducive to health and well-being, whether in the home or in the community; and to enable the health care system to expand to meet the future needs of its communities. ECHN, through its subsidiaries (or members), provides health care, health education, and community services to residents of more than 19 towns in eastern Connecticut, regardless of their ability to pay.

ECHN is the sole member or shareholder of the following subsidiaries:

The Manchester Memorial Hospital (MMH) - MMH is a not-for-profit hospital with 249 licensed beds, located in Manchester, Connecticut. MMH, which admitted its first patient in 1920, is a short-term, acute-care general hospital, which provides inpatient, outpatient, and emergency care services to the residents of Manchester and 19 nearby towns.

The Rockville General Hospital, Inc. (RGH) - RGH is a not-for-profit hospital with 102 licensed beds, located in the Rockville section of Vernon, Connecticut. RGH, which admitted its first patient in 1921, is a short-term, acute-care general hospital, which provides inpatient, outpatient, and emergency care services for residents of Tolland County and nearby towns, for a total service area of 19 towns.

ECHN ElderCare Services, Inc. (EES) - EES is a not-for-profit, skilled nursing facility with 130 licensed beds and physical, occupational and speech rehabilitation services located in Tolland, Connecticut.

ECHN Community Healthcare Foundation, Inc. (ECHF) - ECHF is a not-for-profit organization whose purpose is to raise funds on behalf of ECHN and its not-for-profit subsidiaries. It was established in 2000, when the fund-raising efforts of ECHN were consolidated into a single not-for-profit foundation. ECHF focuses primarily on the capital and program needs of ECHN and its not-for-profit subsidiaries.

Eastern Connecticut Medical Professionals Foundation, Inc. (ECMPF) - ECMPF is a not-for-profit organization that currently operates physician office practices in the Network's service area and a hospitalist program that serves MMH and RGH. Its mission allows it to operate other not-for-profit, separately incorporated allied health ventures.

ECHN Enterprises, Inc. (Enterprises) - Enterprises is a for-profit organization formed under the laws of the State of Connecticut, with ECHN as the sole shareholder. Enterprises owns, leases and has an interest in real estate to support the mission and vision for ECHN. It is also the parent corporation of Haynes Street Property Management, LLC (HSPM). HSPM is a for-profit, limited liability company formed under the laws of the State of Connecticut, which manages the Glastonbury Wellness Center and sublets space to various MMH departments and physician offices, as well as to ECMPF.

Visiting Nurse and Health Services of Connecticut, Inc. (VNHSC) - VNHSC is a not-for-profit, nonstock Connecticut corporation that provides and administers a comprehensive, multi-disciplinary home health program, hospice program and wellness programs to promote the health of individuals, families and groups in the Greater Northern Central Connecticut area. In addition, VNHSC is the sole member of A Caring Hand, LLC, which is a for-profit Connecticut limited liability company providing and administering homemaker, companion, live-in and personal care assistance services to individuals and families in the Greater Northern Central Connecticut area.

(Continued)

NOTE 1 - ORGANIZATION (Continued)

Connecticut Healthcare Insurance Company (CHIC) - CHIC, a captive insurance company, provides hospital and physician professional and general liability coverage to MMH, RGH, EES, and all other subsidiaries.

ECHN Corporate Services (ECHNCS) - ECHNCS is a for-profit stock corporation formed under the laws of the State of Connecticut, with ECHN as the sole shareholder. ECHNCS provides billing and other practice management services to the Network and other customers. It is also the parent corporation of Medical Practice Partners, LLC (MPP). MPP is a for-profit, limited liability company formed under the laws of the State of Connecticut, which provides practice management services to medical group practices throughout Connecticut.

CINECT - CINECT is a for-profit organization formed to develop a clinically integrated network of community providers that offers high-quality care, value, and an enhanced patient experience. CINECT's mission is to better manage the health of the communities that we serve. While formed during 2014 CINECT has not commenced operations as of September 30, 2015.

ECHN and each of its subsidiaries, except for Enterprises, CHIC, ECHNCS and CINECT, are separate Connecticut not-for-profit corporations, qualified as exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC) and governed by separate Boards of Trustees (the Board) - although the membership of the ECHN, MMH and RGH boards are currently identical. ECHN, acting through its Board of Trustees, is the sole member of each of its members. ECHN has various powers with regard to each of its members, which include approving all operating and capital budgets; controlling the investment of funds, location of services, agreements and transactions, and affiliations; controlling changes, amendments, or restatements of certificates of incorporation and bylaws; electing trustees and officers; appointing committees; adopting a system-wide vision and strategic plans; and approving debt borrowings.

On June 25, 2015, the ECHN Board of Trustees agreed to the terms of a letter of intent for ECHN to be acquired by Prospect Medical Holdings (PMH) of Los Angeles, CA.

In June 2015, ECHN's Board of Trustees agreed to the sale of substantially all assets of ECHN to PMH. On July 29, 2015, the ECHN corporators voted in favor of the acquisition of ECHN by PMH.

On October 13, 2015, ECHN and PMH filed a Certificate of Need (CON) application with the Connecticut State Department of Public Health's Office of Health Care Access and the Office of the Attorney General to approve the acquisition of ECHN by Prospect.

As of September 30, 2015, management has not finalized a purchase agreement and the Trustees believe that the Network will continue with its normal operations and as a going concern for the foreseeable future.

Basis of Presentation - The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The consolidated financial statements include the accounts of ECHN and its subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation. The assets of any member of the consolidated group may not be available to meet the obligations of other members in the group.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates: The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Network's significant estimates relate to the valuation of investments and interest rate swap agreements, allowance for doubtful patient accounts receivable, contractual allowances on patient accounts receivable, self-insurance liabilities, estimated settlements due to and from third parties, conditional asset retirement obligations, postretirement and pension benefit costs and the related obligations.

Cash and Cash Equivalents: - The Network considers all highly liquid investments with original maturities of three months or less at date of purchase to be cash equivalents, excluding amounts whose use is limited or restricted by Board designation or other arrangements under trust agreements. Cash equivalents include money market funds. Cash balances maintained at banks are insured by the Federal Deposit Insurance Corporation (FDIC). At times, the Network maintains cash balances that are in excess of the $250,000 insured FDIC limits. The Network maintains its cash at various banks and it is the Network's policy to monitor the banks' financial strength on an ongoing basis.

Money market funds are not insured by the FDIC and are not a risk-free investment. Money market funds invest in a variety of instruments including mortgage-backed and asset-backed securities. Although a money market fund seeks to preserve its $1 per share value, it is possible that a money market fund's value can decrease below $1 per share.

Net Assets: Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined as follows:

Unrestricted: Net assets that are not subject to explicit donor-imposed stipulations are classified as unrestricted. Unrestricted net assets may be designated for specific purposes by action of the Board or may otherwise be limited by contractual agreements with outside parties; such designated assets are classified as assets whose use is limited in the accompanying consolidated balance sheets.

Temporarily Restricted: Net assets whose use by the Network is subject to explicit donor imposed stipulations that can be fulfilled upon incurrence of expenditures by the Network pursuant to those stipulations or that expire by the passage of time are classified as temporarily restricted.

Permanently Restricted: Net assets subject to explicit donor imposed stipulations that they be maintained by the Network in perpetuity are classified as permanently restricted. Such permanently restricted net assets include endowment funds and MMH's and RGH's share of their beneficial interest in trust assets held by third parties. Generally, the donors of these assets permit the members of ECHN to use all or part of the investment return on these assets for operating purposes.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue are reported as increases in unrestricted net assets, unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions on net assets, that is, the donor imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenue at the date the promise is received. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at a rate commensurate with the risks involved. Amortization of the discount is included in other revenue. Contributions restricted for the acquisition of land, buildings, and equipment are reported as temporarily restricted support. These contributions are reclassified to unrestricted net assets when the capital asset is acquired or constructed and placed in service.

Assets Whose Use is Limited: Assets whose use is limited primarily include cash and investments held by trustees under indenture agreements, cash and investments held for estimated self-insurance liabilities, Board designated investments, cash and investments set aside by the Board for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes, beneficial interests in trust assets, and donor restricted and other restricted investments. Amounts required to meet current liabilities of the Network have been classified as current assets in the consolidated balance sheets as of September 30, 2015 and 2014.

The income earned on restricted funds, other than the endowment, is generally available for operations of the Network and is recorded as revenue in unrestricted net assets, unless restricted by the donor or to pay future annuity obligations, at which time the income is added to the appropriate restricted net asset balance. However, if a specific gift instrument explicitly requires the permanent reinvestment of appreciation, or a portion thereof, such reinvested amounts are classified within permanently restricted net assets. There were no gifts with reinvestment restrictions for the years ended September 30, 2015 and 2014.

Assets received as donations or bequests are recorded as contributions on the date received at the estimated fair value. The average cost method is used to determine realized gains or losses on sales of marketable equity securities.

Beneficial Interest in Trust Assets: MMH and RGH have been named sole or participating beneficiaries in several perpetual trusts, for which third parties act as the trustee. Under the terms of these trusts, MMH and RGH have the irrevocable right to receive the income earned on the trust assets held in perpetuity. The estimated present value of the future payments to MMH and RGH is recorded at the fair value of the assets held in the trust as beneficial interest in trust assets in the respective balance sheets of MMH and RGH and are permanently restricted as to use.

The income from the trusts is included in the change in interest in net assets of ECHF as unrestricted and temporarily restricted support and other income. Fluctuations in the fair value of the trust assets are recognized as changes in permanently restricted net assets. MMH and RGH record their beneficial interest in trust assets when they are notified of the existence of the trust or when information becomes available to record the fair value of the trust assets.

Investments: The Network's investment portfolio is classified as available for sale, with unrealized gains and losses excluded from excess of revenues over expenses, unless the losses are deemed to be other than temporary. Investments with readily determinable fair values are measured at fair value in the consolidated balance sheets.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses within other revenue within the statement of operations, unless the income or loss is restricted by donor or law.

Other-Than-Temporary Impairments on Investments: The Network accounts for other than temporary impairments in accordance with FASB ASC 320, "Investments - Debt and Equity Securities" and continually reviews its securities for impairment conditions, which could indicate that an other than temporary decline in fair value has occurred. In conducting this review, numerous factors are considered, which include specific information pertaining to an individual company or a particular industry, general market conditions that reflect prospects for the economy as a whole, and the ability and intent to hold securities until recovery. The carrying value of investments is reduced to its estimated realizable value if a decline in fair value is considered to be other-than-temporary. There were no impairments recorded for the years ended September 30, 2015 and 2014.

Property and Equipment: Property and equipment are stated at cost or, in the case of donated property, at fair value at the date of the gift, less accumulated depreciation and amortization. Major improvements and betterments to existing plant and equipment are capitalized. Expenditures for maintenance and repairs that do not extend the lives of the applicable assets are charged to expense as incurred. Upon disposition or retirement of property and equipment, the cost and related accumulated depreciation and amortization are eliminated from the respective accounts and any resulting gain or loss is included in the results of consolidated operations.

Depreciation expense is computed on a straight-line basis over the following estimated useful lives:

Buildings	10-40 years
Building improvements	5-40 years
Machinery and equipment	3-15 years
Furniture and fixtures	5-20 years

Equipment under capital leases is amortized utilizing the straight-line method over the shorter of the lease term or the estimated useful life of the equipment. Depreciation and amortization expense was $11,873,770 and $11,988,770 for the years ended September 30, 2015 and 2014, respectively.

Interest cost incurred on borrowed funds during the construction period of capital assets is capitalized as a component of the cost of acquiring those assets.

Gifts of property and equipment are reported as unrestricted support, and are excluded from the excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of property and equipment with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire property and equipment are reported as restricted support. Absent explicit donor stipulations about how long the property and equipment must be maintained, expirations of donor restrictions are reported as released from restrictions when the donated or acquired property and equipment assets are placed in service.

Investments in Joint Ventures: The Network accounts for its investments in joint ventures in accordance with FASB ASC 323 "Investments – Equity Method and Joint Ventures". The Network records the difference between the cost of an investment and the underlying equity in net assets of the investee as goodwill on joint ventures. Equity method investments including the goodwill associated with those investments are reviewed for impairment under the provisions of FASB ASC 323.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in Joint Ventures: The Network has invested in several joint ventures with other area hospitals, which are accounted for under the equity method of accounting. These joint ventures as of September 30, 2015 and 2014 include the Network's investments in the following:

	2015	Ownership Percentage	2014	Ownership Percentage
Northeast Regional Radiation Oncology Network, Inc.	$ 6,572,374	50 %	$ 6,598,390	50 %
Tolland Imaging Center	672,276	70 %	380,818	70 %
Ambulance Service of Manchester, LLC	4,344,083	50 %	3,798,727	50 %
Aetna Ambulance Service Inc.	1,881,429	50 %	1,961,496	50 %
Evergreen Endoscopy Center, LLC	564,632	50 %	359,698	50 %
Haynes Street Medical Associates	163,652	23 %	149,808	23 %
Haynes Street Medical Associates II	254,299	15 %	249,744	15 %
Evergreen Medical Associates, LLC	277,629	20 %	264,503	20 %
Evergreen Medical Associates II, LLC	584,937	20 %	583,419	20 %
Walden Behavioral Health	217,608	16 %	196,135	16 %
Total joint venture assets	15,522,919		14,542,738	
Goodwill on joint ventures	2,647,890		2,712,087	
Other miscellaneous assets	20,000		20,000	
Total investments in joint ventures	$ 18,190,809		$ 17,274,825	

Distributions from these joint ventures totaled $1,024,980 and $1,647,629 for the years ended September 30, 2015 and 2014, respectively. ECHN's share of the earnings of the joint ventures is reported within other revenues and amounted to $2,005,161 and $2,478,524 for the years ended September 30, 2015 and 2014, respectively.

During 2015, ECHN wrote off $64,197 of goodwill related to a joint venture that ceased operations. There were no write offs or impairments of goodwill in 2014.

Summarized financial information from the unaudited financial statements of these organizations as of September 30, 2015 and for the year then ended, is as follows:

2015	Total Assets	Net Assets	Change in Net Assets	Excess (deficiency) of Revenues Over Expenses
Northeast Regional Radiation Oncology Network, Inc.	$ 13,356,858	$ 13,144,745	$ (111,240)	$ (111,240)
Ambulance Service of Manchester, LLC	$ 10,483,268	$ 8,888,188	$ 1,114,668	$ 2,575,436
Aetna Ambulance Service Inc.	$ 4,915,552	$ 3,762,858	$ (160,133)	$ (160,132)
Haynes Street Medical Associates	$ 2,427,308	$ 670,383	$ 16,772	$ 71,978
Haynes Street Medical Associates II	$ 8,218,931	$ 1,695,326	$ 30,361	$ 289,623
Evergreen Endoscopy Center, LLC	$ 1,698,935	$ 826,898	$ 398,907	$ 398,907
Evergreen Medical Associates, LLC	$ 6,364,532	$ 1,601,696	$ 69,383	$ 234,137
Evergreen Medical Associates II, LLC	$ 11,115,755	$ 2,710,936	$ 3,839	$ 378,689
Tolland Imaging Center	$ 1,139,778	$ 960,395	$ 416,369	$ 395,249
Walden Behavioral Health	$ 1,835,791	$ 1,325,261	$ 134,675	$ 44,227

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summarized financial information from the unaudited financial statements of these organizations as of September 30, 2014 and for the year then ended, is as follows:

2014	Total Assets	Net Assets	Change in Net Assets	Excess (deficiency) of Revenues Over Expenses
Northeast Regional Radiation Oncology Network, Inc.	$ 13,250,462	$ 13,255,985	$ 763,486	$ 335,328
Metro Wheelchair Service Inc.	$ 151,744	$ (23,958)	$ (132,407)	$ (132,412)
Ambulance Service of Manchester, LLC	$ 9,224,170	$ 7,597,456	$ 52,822	$ 2,052,822
Aetna Ambulance Service Inc.	$ 4,926,263	$ 3,922,991	$ 377,992	$ 378,000
Haynes Street Medical Associates	$ 2,464,703	$ 853,611	$ (9,542)	$ 66,803
Haynes Street Medical Associates II	$ 8,373,390	$ 1,664,965	$ 95,259	$ 275,998
Evergreen Endoscopy Center, LLC	$ 1,595,233	$ 429,991	$ (155,623)	$ 944,374
Evergreen Medical Associates, LLC	$ 6,612,745	$ 1,532,513	$ 196,056	$ 215,698
Evergreen Medical Associates II, LLC	$ 11,434,731	$ 2,707,097	$ (222,892)	$ 365,769
Tolland Imaging Center	$ 775,884	$ 544,026	$ 256,871	$ 241,197
Walden Behavioral Health	$ 1,955,576	$ 1,190,586	$ (14,597)	$ 44,830

Intangible Assets: License enhancements included in intangible assets, are amortized over the life of the respective intangible property. On average, this amortization period for license enhancements is 5 years, respectively. Other intangible assets consists of various intangibles acquired through the purchase of physician practices. Other intangible assets are amortized over the life of the intangible, which on average is a 3 to 5 year period. Amortization is included in depreciation and amortization in the accompanying consolidated statements of operations and changes in net assets and the unamortized carrying value is recorded within goodwill and intangible assets, net in the accompanying consolidated balance sheets.

Unamortized Bond Issue Costs: Financing costs associated with the issuance of long-term debt are amortized over the term of the bonds using the effective interest method. Amortization is included in interest and financing costs in the accompanying consolidated statements of operations and changes in net assets, and the unamortized carrying value is recorded within other assets in the accompanying consolidated balance sheets.

Deferred Revenue: Deferred revenue represents payments received for services to be rendered in the next fiscal year and is recorded within other current liabilities in the accompanying consolidated balance sheets.

Excess (Deficiency) of Revenues Over Expenses: The consolidated statements of operations and changes in net assets include excess (deficiency) of revenues over expenses. Changes in unrestricted net assets, which are excluded from the excess (deficiency) of revenues over expenses, consistent with industry practice, include the changes in unrealized appreciation (depreciation) on investments; net change in fair value of interest rate swap agreements that qualifies for hedge accounting; net assets released from restrictions used for capital acquisitions; pension and postretirement related adjustments; and other changes in net assets.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For purposes of display, transactions deemed by management to be ongoing, major or central to providing of health care services are reported as operating revenues and operating expenses. Operating revenues include net patient service revenue, grant income and investment income. Peripheral or incidental transactions are reported as non-operating gains and losses. Non-operating gains and losses include investment income and expenses related to property management, losses recognized on investments representing declines in value considered to be other-than-temporary in nature, changes in the fair values of interest rate swaps that do not qualify for hedge accounting (net interest expense) and the costs associated with pursuing business combinations.

Charity Care: MMH and RGH provide care to patients who meet certain criteria under their charity care policies without charge or at amounts less than its established and contractual rates. The hospitals do not pursue collection of amounts determined to qualify as charity care; as such, these amounts are not reported as revenue.

Net Patient Service Revenue: Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Contracts, laws, and regulations governing Medicare, Medicaid, Blue Cross, and the uncompensated care pool programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Network records adjustments in amounts accrued for estimated settlements related to prior years.

A portion of the accrual for estimated settlements with third-party payers has been classified as long-term because such amounts, by their nature or by virtue of regulation or legislation, are not expected to be paid within one year.

MMH and RGH have agreements with third-party payers that provide for payments at amounts different from their established rates. A summary of the payment agreements with major third-party payers is as follows:

Medicare: Acute care hospitals are subject to a federal prospective payment system for most Medicare inpatient hospital services and for certain outpatient services. Under this prospective payment methodology, Medicare pays a prospectively determined per-discharge or per-visit rate for non-physician services. These rates vary according to the Diagnosis Related Group or Ambulatory Payment Classification of each patient.

Inpatient rehabilitation and mental health services, outpatient services, capital and medical education costs related to Medicare beneficiaries are paid based on a prospective payment system, subject to certain limitations. The Hospital is reimbursed for cost-reimbursement for certain items at a tentative rate, with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. Certain other outpatient services are reimbursed according to fee screens.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Medicaid: Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost-reimbursement methodology. The hospitals are reimbursed at a tentative rate, with final settlement determined after submission of annual cost reports by the hospitals.

Other Payers: The Network has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes rates per discharge, discounts from established charges, per diem rates, and fee schedule payments.

Health Care Industry: The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management believes that the Network is in compliance with fraud and abuse regulations, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to further governmental review and interpretation, as well as regulatory actions unknown or unasserted at this time.

EHR Incentive Payment Revenue: The American Recovery and Reinvestment Act of 2009 authorized the Centers for Medicare and Medicaid Services (CMS) to award incentive payments to eligible health care providers who demonstrate Meaningful Use of certified electronic health records (EHR). These incentive programs are designed to support providers in this period of health information technology transition and instill the use of EHRs in meaningful ways to help our nation to improve the quality, safety, and efficiency of patient health care. The Network uses a grant model to recognize revenue for the Medicare and Medicaid EHR incentive payments. Under this accounting policy, EHR incentive payment revenue is recognized as revenue after the Network has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period and the 12-month cost report period that will be used to determine the final incentive payment has ended. The Network recognizes revenue from Medicaid incentive payments after it has demonstrated compliance with the meaningful use criteria. Total revenue recorded for Medicare amounted to $830,386 and $1,786,134, for the years ended September 30, 2015 and 2014, respectively. These amounts have also been reflected within amounts due from third party payors as of September 30, 2015 and 2014, respectively.

Future Operations: Current trends in the health care industry include mergers and other forms of affiliations among providers, increasing shifts to managed care, overall reduction in inpatient average length of stay, increasingly restrictive reimbursement policies by governmental and private payers, and the prospect of significant changes in legislation at the state and national level. Management cannot assess or project the ultimate effect of these or other items on the future operations of the Network.

Interest in Net Assets of ECHF: ECHF was formed as a not-for-profit organization to supervise the development activities and engage in investment activities for the benefit of all of the ECHN subsidiaries. ECHN is the sole member of ECHF and the ECHF's Board of Directors is appointed by ECHN. ECHN subsidiaries follow the provisions of FASB ASC 958 "Not-for-Profit Entities". Accordingly, the separate ECHN members record their interest in the net assets of ECHF in their separate financial statements. These amounts have been eliminated in consolidation.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes: ECHN and its subsidiaries, except for Enterprises, CHIC, ECHNCS and CINECT, are in compliance with the provisions of Internal Revenue Code (the Code) Sec. 501(c)(3) and are exempt from federal tax under IRC Sec. 501(a). At times, the Network is involved with activities that subject minor amounts of unrelated business federal income tax, which are paid as they come due in accordance with the Code and the regulations there under. Such amounts are insignificant to the Network's consolidated financial statements.

The Network accounts for uncertain tax positions in accordance with provisions of FASB ASC 740, *"Income Taxes"*, which provides a framework for how companies should recognize, measure, present and disclose uncertain tax positions in their consolidated financial statements. The Network may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Network does not have any uncertain tax positions as of September 30, 2015 and 2014. The Network's policy is to include penalties and interest as a component of income tax expense, when applicable. As of September 30, 2015 and 2014, the Network did not record any penalties or interest associated with uncertain tax positions. Generally, the Network's prior three tax years are open and subject to examination by the Internal Revenue Service.

Enterprise and its subsidiaries, ECHNCS and CINECT are for-profit entities subject to federal and state taxes. For these entities, ECHN applies the provisions of FASB ASC 740. The tax provisions, and related tax assets and liabilities, are not material. CHIC has received an undertaking from the Cayman Islands government exempting it from all local income, profits, and capital gains taxes until January 3, 2026. No such taxes are currently levied in the Cayman Islands. Accordingly, no provision for federal income taxes has been recorded in the accompanying consolidated financial statements.

Asset Retirement Obligations: The Network recognizes a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Uncertainty about the timing and/or method of settlement of a conditional asset retirement obligation is factored into the measurement of the liability when sufficient information exists. The types of asset retirement obligations that the Network recognizes are those for which the Network has a legal obligation to perform an asset retirement activity, however, the timing and/or method of settling the obligation are conditional on a future event that may or may not be within its control.

The fair value of a liability for the legal obligation associated with an asset retirement is recorded in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement is capitalized. As of September 30, 2015 and 2014, the Network has recognized $412,007, as an obligation to remove asbestos from various buildings upon retirement. This total is included in the consolidated balance sheets within other liabilities.

Accounting for Defined Benefit Pension and Other Postretirement Plans: The Network recognizes the overfunded or underfunded status of their defined benefit pension and other postretirement benefit plans (collectively, postretirement benefit plans) in the consolidated balance sheets as an asset or liability. The Network recognizes changes in the funded status of the plans in the year in which the changes occur as an operating expense and as a change in unrestricted net assets presented below the excess of revenues over expenses in its consolidated statements of operations and changes in net assets.

Inventory: The Network records inventory at cost using the average cost method.

Impairment of Long-Lived Assets: Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less cost to sell.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimated Self-Insurance Liabilities: The liabilities for outstanding losses and loss related expenses, and the related provision for losses and loss related expenses include estimates for malpractice losses, general liability, and workers' compensation incurred but not reported claims, as well as losses pending settlement. Such liabilities are necessarily based on estimates and, while management believes the amounts provided are adequate, the ultimate liability may be in excess of or less than the amounts provided. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The methods for making such estimates and the resulting liability are actuarially reviewed on an annual basis, and any adjustments required are reflected in operations in the current period. The current portion of estimated self-insurance liabilities is recorded within other current liabilities in the accompanying consolidated balance sheets.

Concentration of Credit Risk: Financial instruments, which potentially subject the Network to concentration of credit risk, consist of accounts receivable, investments, including temporary cash investments, marketable equity and debt securities, mutual funds, government securities and interest rate swap agreements. The Network receives a significant portion of its payments for services rendered from a limited number of government and commercial third-party payers, including Medicare (a federal program), Medicaid (a State of Connecticut program), and various health insurance companies.

Interest Rate Swap Agreements: Interest rate swap agreements are recognized as either assets or liabilities in the consolidated balance sheet at fair value regardless of the purpose or intent for holding them. Changes in the fair value of interest rate swap agreements if designated and effective as hedge transactions are recognized as changes in unrestricted net assets and excluded from excess (deficiency) of revenue over expenses. Interest rate swap agreements if designated as an ineffective hedge are recognized in non-operating losses and included in excess (deficiency) of revenue over expenses.

Advertising Costs: The Network expenses advertising costs the first time the advertising takes place. The total amount charged to advertising expense was $706,427 and $1,576,106 for the years ended September 30, 2015 and 2014, respectively, and is recorded in supplies and other expenses in the accompanying consolidated statements of operations and changes in net assets.

Reclassifications: Certain reclassifications to the 2014 consolidated financial statements have been made in order to conform with the 2015 presentation. Such reclassifications did not have a material effect on the consolidated financial statements and had no impact on the total net assets or changes in net assets of the Network.

Subsequent Events: Subsequent events have been evaluated through January 20, 2016, the date the consolidated financial statements were issued. Management believes that there are no subsequent events having a material impact on the consolidated financial statements.

(Continued)

NOTE 3 - ASSETS WHOSE USE IS LIMITED AND INVESTMENTS

Assets whose use is limited and investments as of September 30, 2015 and 2014, include the following:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Board designated and donor-restricted:				
Money market funds	$ 42,414,918	$ 42,414,918	$ 44,043,227	$ 44,043,227
Other investments	-	-	34,368	34,795
Total	$ 42,414,918	$ 42,414,918	$ 44,077,595	$ 44,078,022
Investments held in trust for estimated self-insurance liabilities:				
Money market funds	$ 65,000	$ 65,000	$ 96,364	$ 96,364
U.S. equities	230,954	216,816	247,911	255,038
Convertible corporate debt	27,582	25,034	25,655	25,803
Other non-exchange traded funds	262,718	239,248	258,116	293,579
Mutual funds:				
Fixed income mutual funds	3,699,356	4,044,212	3,541,821	3,536,760
Equity mututal funds	650,170	688,116	704,180	798,211
Total	$ 4,935,780	$ 5,278,426	$ 4,874,047	$ 5,006,755
Investments held under bond indenture:				
Money market funds	$ 6,269,660	$ 6,269,660	$ 5,174,324	$ 5,174,324
U.S. government securities	-	-	1,160,527	1,161,137
Total	$ 6,269,660	$ 6,269,660	$ 6,334,851	$ 6,335,461
Beneficial interest in trust assets	$ 9,835,851	$ 10,809,693	$ 10,331,633	$ 11,809,221

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Investments:				
Money market funds	$ 7,118,433	$ 7,118,433	$ 7,138,341	$ 7,138,341
Total	$ 7,118,433	$ 7,118,433	$ 7,138,341	$ 7,138,341
Total assets whose use is limited and investments	$ 70,574,642	$ 71,891,130	$ 72,756,467	$ 74,366,800

Interest and dividend income, which is included in other revenue, on the assets whose use is limited and investments totaled $116,935 and $1,327,419 for the years ended September 30, 2015 and 2014, respectively. There were realized gains of $7,708 and $7,812,247 for the years ended September 30, 2015 and 2014, respectively, which are included within other revenue. Interest from cash and insurance payments totaled $101,470 and $60,552 for the years ended September 30, 2015 and 2014.

(Continued)

NOTE 4 - FAIR VALUE MEASUREMENTS

FASB ASC 820 provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Network has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following table presents the financial instruments carried at fair value as of September 30, 2015 and 2014, by the valuation hierarchy.

2015	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 55,868,011	$ -	$ -	$55,868,011
U.S. equities	216,816	-	-	216,816
Convertible corporate debt	25,034	-	-	25,034
Other non-exchange traded funds	239,248	-	-	239,248
Mutual funds:				
Bond fund	4,044,212	-	-	4,044,212
Equity mututal funds	688,116	-	-	688,116
Beneficial interest in trusts	-	-	10,809,693	10,809,693
Total assets at fair value	$ 61,081,437	$ -	$ 10,809,693	$71,891,130
Liabilities:				
Obligations under interest rate swap agreements	$ -	$ 52,854	$ -	$ 52,854
Total liabilities at fair value	$ -	$ 52,854	$ -	$ 52,854

(Continued)

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The following table presents the financial instruments carried at fair value as of September 30, 2015 and 2014, by the valuation hierarchy.

2014	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 56,452,256	$ -	$ -	$56,452,256
U.S. government securities	1,161,137	-	-	1,161,137
Corporate bonds	-	-	-	-
U.S. equities	255,038	-	-	255,038
Other investments	34,795	-	-	34,795
Mutual funds:				
Bond fund	3,625,132	-	-	3,625,132
Equity mututal funds	798,211	-	-	798,211
Emerging markets fund	101,014	-	-	101,014
Midcap stock fund	77,581	-	-	77,581
Moderate allocation fund	52,415	-	-	52,415
Beneficial interest in trusts	-	-	11,809,221	11,809,221
Total assets at fair value	$ 62,557,579	$ -	$ 11,809,221	$74,366,800
Liabilities:				
Obligations under interest rate swap agreements	$ -	$ 3,800	$ -	$ 3,800
Total liabilities at fair value	$ -	$ 3,800	$ -	$ 3,800

During the years ended September 30, 2015 and 2014, the value of the beneficial interest in trusts (decreased) increased for a change in market value of ($438,712) and $676,292, respectively. In addition, the Network received $560,816 and $500,251 in distributions from these trusts in 2015 and 2014, respectively. During 2014, the Network recorded additional beneficial interest in trust assets in the amount of $3,750,808. There were no additional amounts recorded in 2015.

The Network's valuation methodologies used to measure financial assets and liabilities at fair value are outlined below. Where applicable, the Network uses quoted prices in active markets for identical assets and liabilities to determine fair value (Level 1 inputs). This pricing methodology applies to money market funds, U.S. government securities, U.S. equities and mutual funds.

If quoted prices in active markets for identical assets and liabilities are not available, then quoted prices for similar assets and liabilities, quoted prices for identical assets or liabilities in inactive markets or inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, will be used to determine fair value (Level 2 inputs). The Level 2 classifications include the interest rate swap agreements. The interest rate swap agreements are valued based on a determination of market expectations relating to the future cash flows associated with the swap contract using sophisticated modeling based on observable market-based inputs, such as interest rate curves.

Assets and liabilities that are valued using significant unobservable inputs, such as extrapolated data, proprietary models, or indicative quotes that cannot be corroborated with market data are classified in Level 3 within the fair value hierarchy. The Level 3 classification includes the Network's beneficial interest in trusts. The value of the Network's assets is based on total fund values and the Network's corresponding beneficiary percentage.

(Continued)

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The fair value of the Network's Series A and C Bonds are based on current traded value. The fair value of the Series A and C Bonds as of September 30, 2015 and 2014, is approximately $39,334,314 and $41,166,328, respectively. The fair value of the Network's remaining long-term debt approximates its carrying value.

As of September 30, 2015 and 2014, the Network's other financial instruments included accounts receivable, accounts payable and accrued expenses and estimated settlements due to and from third-party payers. The carrying amounts reported in the consolidated balance sheets for these financial instruments approximate their fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Network believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 5 - OTHER ASSETS

Other assets as of September 30, 2015 and 2014 consist of the following:

	2015	2014
Other receivables	$ 709,994	$ 795,005
Notes receivable	624,630	134,014
Unamortized bond issuance costs	2,136,639	2,282,438
Losses recoverable	1,069,836	2,157,634
Total	$ 4,541,099	$ 5,369,091

Include within other assets are certain loans to physicians which the Network makes to expand its practice. Physician loans are usually forgiven and amortized over the contract period. Physician loan amortization totaling $46,950 and $208,107 for the years ended September 30, 2015 and 2014, respectively, is included within depreciation and amortization in the accompanying consolidated statements of operations and changes in net assets.

As of September 30, 2015 and 2014, $1,571,500 and $228,691 of pledges receivables have been included within prepaid expenses and other current assets as management anticipates them to be collected within the next year.

Pledges receivable are expected to be realized as follows:

	2015	2014
In one year or less	$ 1,580,500	$ 237,691
Between one and five years	-	-
Greater than five years	-	-
Less: allowance for uncollectible amounts	(9,000)	(9,000)
Pledges receivable - net	$ 1,571,500	$ 228,691

(Continued)

NOTE 5 - OTHER ASSETS (Continued)

As of September 30, 2015 and 2014, unamortized bond issuance costs, which are included within other assets, consist of the following:

	2015	2014
Deferred financing costs	$ 3,735,675	$ 3,735,675
Less: accumulated amortization	(1,599,036)	(1,453,237)
Total	$ 2,136,639	$ 2,282,438

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment as of September 30, 2015 and 2014, consist of the following:

	2015	2014
Land and land improvements	$ 5,395,243	$ 5,395,243
Buildings and building improvements	161,551,674	159,603,375
Fixed equipment	33,819,206	32,403,097
Movable equipment	115,646,936	112,056,204
	316,413,059	309,457,919
Less: accumulated depreciation and amortization	(229,410,757)	(218,033,560)
	87,002,302	91,424,359
Construction-in-progress	1,273,117	2,641,200
Total	$ 88,275,419	$ 94,065,559

For the years ended September 30, 2015 and 2014, the Network capitalized interest related to construction financed with tax-exempt debt of $67,635 and $20,850, respectively. The cost to complete the construction-in-progress is approximately $6,070,930 and $4,154,000 as of September 30, 2015 and 2014, respectively.

For the years ended September 30, 2015 and 2014, the Network disposed of property, plant and equipment in the amounts of $228,440 and $657,588, respectively and all disposals were of fully depreciated assets.

(Continued)

NOTE 7 - INTANGIBLE ASSETS

The gross carrying amount and accumulated amortization, by class of intangible assets, as of September 30, 2015 and 2014, consisted of the following:

2015	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
License enhancements	$ 1,898,684	$ (1,407,854)	$ 490,830
Other intangible assets	1,717,291	(1,170,434)	546,857
Goodwill	2,989,140	-	2,989,140
Total	$ 6,605,115	$ (2,578,288)	$ 4,026,827

2014	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
License enhancements	$ 1,898,684	$ (1,378,528)	$ 520,156
Other intangible assets	1,717,291	(971,321)	745,970
Goodwill	2,989,140	-	2,989,140
Total	$ 6,605,115	$ (2,349,849)	$ 4,255,266

Amortization expense related to intangible assets was $228,440 and $243,102 for the years ended September 30, 2015 and 2014, respectively.

The estimated amortization expense in each of the succeeding five fiscal years and thereafter, as of September 30, 2015, is as follows:

2016	$ 215,257
2017	200,714
2018	108,831
2019	73,359
2020	45,826
Thereafter	393,700
Total	$ 1,037,687

NOTE 8 - ESTIMATED SELF-INSURANCE LIABILITIES

The Network is self-insured for workers' compensation insurance coverage. The Network participates in Workers' Compensation Trust, a revocable trust, for the purpose of setting aside assets based on actuarial recommendations.

(Continued)

NOTE 8 - ESTIMATED SELF-INSURANCE LIABILITIES (Continued)

As of September 30, 2015 and 2014, the Hospital has a $450,000 limit per occurrence for workers' compensation claims. Prior to September 30, 2013, the per occurrence limit was $350,000. The Network has employed independent actuaries to estimate the ultimate costs, if any, of workers' compensation claims. Accrued workers' compensation reserves have been discounted at 5% as of September 30, 2015 and 2014, and in management's opinion provide an adequate reserve for loss contingencies. As of September 30, 2015 the discount on workers' compensation reserve amounted to approximately $275,000.

In fiscal year 2007, ECHN established a single-parent captive, CHIC, which covers all of its subsidiaries. The captive provides malpractice ($3,000,000 per occurrence and $9,000,000 in the aggregate) and general liability ($1,000,000 per occurrence and $3,000,00 in the aggregate) coverage for ECHN and its subsidiaries for the years ended September 30, 2015 and 2014.

Effective October 1, 2009, CHIC also provided an excess healthcare professional liability and umbrella liability insurance policy on a claims-made basis covering healthcare professional liability, general care liability, automobile liability, employers liability, helipad liability and non-owned aircraft liability. The limit provided is $30,000,000 for each loss event and in the annual aggregate excess of the primary coverage layers described above. This coverage is fully reinsured.

ECHN does not self-insure any malpractice risks other than exposures greater than its excess coverages, however, as of September 30, 2015 and 2014, ECHN has recorded a liability for estimated incurred but not reported claims, as it currently has a claims-made policy with CHIC.

The activity in the reserve for outstanding losses and loss related expenses at ECHN for workers' compensation, professional and general liability claims, as of September 30, 2015 and 2014, is as follows:

	2015	2014
Balance at beginning of year	$ 12,007,755	$ 11,296,110
Workers' compensation:		
Losses incurred related to:		
Current year	1,355,535	820,878
Prior years	(307,298)	293,054
Total incurred	1,048,237	1,113,932
Paid losses related to:		
Current year	(593,187)	(502,541)
Prior years	(1,084,338)	(1,260,229)
Total paid	(1,677,525)	(1,762,770)
Professional and general:		
Losses incurred related to:		
Current year	1,450,000	2,500,000
Prior years	129,945	(476,182)
Total incurred	1,579,945	2,023,818
Paid losses related to:		
Current year	(11,415)	(35,098)
Prior years	(3,421,661)	(628,237)
Total paid	(3,433,076)	(663,335)
Balance at end of year	$ 9,525,336	$ 12,007,755

(Continued)

NOTE 8 - ESTIMATED SELF-INSURANCE LIABILITIES (Continued)

Workers' Compensation: The development on prior-year incurred losses (decreased) increased by ($307,298) and $293,054 for the years ended September 30, 2015 and 2014, respectively.

Professional and General: The development on prior-year incurred losses increased (decreased) by $129,94 and ($476,182) for the years ended September 30, 2015 and 2014, respectively.

The reserve for losses, which was determined with the assistance of an actuarial consultant, included estimates of claims incurred but not reported. Approximately $2,328,000 and $2,324,000 of the reserve as of September 30, 2015 and 2014, respectively, are included in other current liabilities with the remaining balance of the reserve included in estimated self-insurance liabilities in the accompanying consolidated balance sheets.

NOTE 9 - PENSION AND OTHER POSTRETIREMENT BENEFITS

ECHN had a defined benefit pension plan that covered substantially all of the employees of MMH and RGH. The benefits were based upon years of service and compensation for the five highest years during the employee's last 10 years of service. The hospitals contribute amounts sufficient to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974, as well as such additional amounts as deemed appropriate.

Effective December 31, 2013, ECHN froze the defined-benefit for all remaining participants. During September 2013, the Trustees passed a resolution to freeze all benefits related to the defined-benefit pension plan. On December 31, 2008, ECHN implemented a soft freeze on the defined-benefit pension plan. All qualified employees are eligible to enter into the Under the defined contribution plan, ECHN contributes 3% of eligible employees' salaries. This contribution is non-guaranteed for all employees except certain union workers. During fiscal year 2015 and 2014, the Hospital incurred expenses of $588,503 and $2,259,145, respectively, related to this plan.

MMH and RGH also sponsor a postretirement benefit plan that provides health care benefits to those employees who retire. The criteria to receive this benefit is to be vested in the pension plan, attain age 55 or older and start collecting under the defined benefit plan described above once retired. The retiree must be enrolled into the medical plan on the date of retirement to be eligible for the continuation. MMH full-time registered nurse retirees (retired prior to October 1, 2005 and were eligible per the Union contract) are grandfathered and required to pay at least 50% of the total cost of the medical and dental coverage they elect for themselves under the plan.

For non-grandfathered retirees, the postretirement health care plan is contributory and the retiree pays 100% of the premium.

The effects of Medicare Prescription Drug, Improvement and Modernization Act of 2003 were reflected as of September 30, 2015 and 2014, assuming that ECHN will continue to provide a prescription drug benefit to retirees that is at least actuarially equivalent to Medicare Part D and that ECHN will receive the federal subsidy. The subsidy reduced plan liabilities by approximately $0 and $60,000 for the years ended September 30, 2015 and 2014, respectively. Subsidies of $72,784 and $82,280 were received in the years ended September 30, 2015 and 2014, respectively. Future benefits of $190,189 are expected to be paid. There are no future subsidies expected to be received related the Medicare Prescription Drug, Improvement and Modernization Act of 2003.

(Continued)

NOTE 9 - PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

The pension and postretirement plans' change in benefit obligation and change in plan assets for the years ended September 30, 2015 and 2014, are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
Change in benefit obligation:				
Benefit obligation, beginning of year	$ 212,658,153	$ 192,294,259	$ 2,848,659	$ 4,193,572
Service cost	1,540,000	1,511,408	48,328	54,345
Interest cost	9,444,578	9,912,203	114,339	183,189
Plan participants' contributions	-	-	411,972	252,224
Receipt of Medicare Part D reimbursement	-	-	72,784	82,280
Plan amendments	-	-	-	(1,500,168)
Actuarial loss (gain)	7,967,757	18,293,175	(241,294)	103,272
Benefits paid	(14,814,936)	(9,352,892)	(543,945)	(520,055)
Benefit obligation, end of year	$ 216,795,552	$ 212,658,153	$ 2,710,843	$ 2,848,659
Change in plan assets:				
Fair value of plan assets, beginning of year	$ 169,516,557	$ 152,290,850	$ -	$ -
Actual return on plan assets	1,237,206	21,778,598	-	-
Employer contributions	970,000	4,800,000	59,189	185,551
Plan participants' contributions	-	-	411,972	252,224
Receipt of Medicare Part D reimbursement	-	-	72,784	82,280
Benefits paid	(14,814,936)	(9,352,891)	(543,945)	(520,055)
Fair value of plan assets, end of year	$ 156,908,827	$ 169,516,557	$ -	$ -
Accrued pension and other postretirement benefits	$ (59,886,725)	$ (43,141,596)	$ (2,710,843)	$ (2,848,659)
Accumulated benefit obligation	$ (216,795,552)	$ (212,658,153)	$ -	$ -

The amount recognized in the Network's consolidated balance sheets as of September 30, 2015 and 2014, are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
Current liabilities	$ -	$ -	$ 190,189	$ 193,769
Noncurrent liabilities	59,886,725	43,141,596	2,520,654	2,654,890
Net amount recognized	$ 59,886,725	$ 43,141,596	$ 2,710,843	$ 2,848,659

(Continued)

NOTE 9 - PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

The allocation of the accrued pension and postretirement benefits for the years ended September 30, 2015 and 2014, is as follows:

	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
MMH	$ 46,334,359	$ 33,243,046	$ 2,262,167	$ 2,377,259
RGH	13,552,366	9,898,550	448,676	471,400
Total	$ 59,886,725	$ 43,141,596	$ 2,710,843	$ 2,848,659

The plans' components of net periodic benefit cost for the years ended September 30, 2015 and 2014, are as follows (pension benefits information presented is for MMH and RGH combined):

	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
Service cost	$ 1,540,000	$ 1,511,408	$ 48,328	$ 54,345
Interest cost	9,444,578	9,912,203	114,339	183,189
Expected return on plan assets	(8,676,394)	(12,179,861)	-	-
Amortization of prior service (credits) costs	-	-	(179,878)	77,724
Recognized actuarial loss (gain)	536,246	867,441	(101,681)	(105,864)
Net periodic benefit cost	$ 2,844,430	$ 131,191	$ (118,892)	$ 209,394

The allocation of the net periodic benefit cost for the years ended September 30, 2015 and 2014, is as follows:

	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
MMH	$ 2,191,794	$ 103,762	$ (99,214)	$ 174,744
RGH	652,636	27,429	(19,678)	34,650
Total	$ 2,844,430	$ 131,191	$ (118,892)	$ 209,394

Included in unrestricted net assets are the following amounts that have not yet been recognized in net period cost:

	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
Unrecognized prior service costs	$ -	$ -	$ 1,311,468	$ 1,491,346
Unrecognized actuarial losses	(50,648,410)	(35,777,711)	1,415,873	1,276,260
Total	$ (50,648,410)	$ (35,777,711)	$ 2,727,341	$ 2,767,606

(Continued)

NOTE 9 - PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

Changes in benefit obligations recognized in unrestricted net assets include:

	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
Acturial losses (gains)	$ 15,406,945	$ 8,694,437	$ (241,294)	$ 103,272
New prior service costs	-	-	-	(1,500,168)
Amortization or curtailment of prior service credit (cost)	-	-	179,978	(77,724)
Amortization or settlement recognition of net gain (loss)	(536,246)	(887,441)	101,681	105,863
Total	$ 14,870,699	$ 7,806,996	$ 40,365	$ (1,368,757)

The prior service costs and actuarial gains (losses) included in unrestricted net assets and expected to be recognized in net periodic cost during the year ending September 30, 2016 are $188,700 and ($949,904), respectively.

The assumptions used to determine pension and postretirement benefit obligations as of September 30, 2015 and 2014, are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
Discount rate	4.65%	4.54%	4.19%	4.11%
Expected long-term rate of return	5.25%	8.00%	N/A	N/A
Rate of compensation increase	0.00%	0.00%	N/A	N/A
Initial medical trend rate	N/A	N/A	7.20%	9.44%
Ultimate medical trend rate	N/A	N/A	4.50%	4.50%
Number of years to ultimate medical trend rate	N/A	N/A	13 years	13 years

The assumptions used to determine net periodic benefit cost of the pension and postretirement plans for the years ended September 30, 2015 and 2014, were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
Discount rate	4.54%	5.27%	4.11%	5.54%
Expected long-term rate of return	5.25%	8.00%	N/A	N/A
Rate of compensation increase	N/A	3.00%	N/A	N/A
Initial medical trend rate	N/A	N/A	7.20%	9.44%
Ultimate medical trend rate	N/A	N/A	4.50	4.50%
Number of years to ultimate medical trend rate	N/A	N/A	13 years	13 years

(Continued)

NOTE 9 - PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

The medical trend rate has a significant effect on the amounts reported. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	One Percentage Point Increase	One Percentage Point Decrease
Effect on year-end postretirement benefit obligation	$ 227,273	$ 225,033
Effect on total of service and interest cost components	$ 1,405	$ 20,880

The pension plan's weighted-average asset allocations as of September 30, 2015 and 2014, by asset category, are as follows:

	Pension Benefits	
	2015	2014
Asset category:		
Equity securities	0%	0%
Debt securities	99%	99%
Cash and cash equivalents	1%	1%
	100%	100%

The investment objective of ECHN is to invest the plan assets in a manner that, together with contributions, will provide for sufficient resources to pay current and projected obligations over the life of the plan. The plan shall be diversified across asset classes to achieve an optimal balance between risk and return and between income and growth of assets through capital appreciation. Consistent with funding requirements, a secondary objective of the plan is to source benefit payments primarily through existing plan assets and anticipated future returns thereby minimizing future cash contributions. The investment objectives shall be implemented in a de-risking framework designed to manage the plan's funded status volatility and minimize future cash contributions. The funded status of the plan shall be measured by the ratio of plan assets to the projected benefit obligation. To reduce the volatility as much as possible, the goal is to attain and/or maintain a funded status of at least a 105% funding level and allocate its assets as outlined below.

The plan has approved an asset allocation strategy that shall change over time in response to future changes in the plan's funded status. Such changes in asset allocation strategy are intended to allocate additional assets to the fixed income asset class should the plan's funded status improve. Accordingly, the fixed income asset class shall be invested in such a manner that its interest rate sensitivity correlates highly with that of the plan's liabilities. Other asset classes are intended to provide additional return with associated higher levels of risk. If the plan's funded status deteriorates beyond stated thresholds, the strategy dictates that additional assets will not be re-allocated to the return-seeking assets.

(Continued)

NOTE 9 - PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

Fair value methodologies used to assign plan assets to levels in accordance with ASC 820 are consistent with the inputs described in Note 4 and the following:.

Guaranteed insurance contract: A contract with an insurance entity under which related payments to the insurance entity are accumulated in an unallocated fund to be used to meet benefit payments when employees retire, either directly or through the purchase of annuities. Funds in an unallocated contract may also be withdrawn and otherwise invested. The fund's value is established by multiplying client contributions by an established interest rate. Because the participants transact at contract value, fair value is determined annually for financial statement reporting purposes only. In determining the reasonableness of the methodology, the Investment Committee evaluates a variety of factors including review of existing contracts, economic conditions, industry and market developments, and overall credit ratings. Certain unobservable inputs are assessed through review of contract terms (for example, duration or payout date) while others are substantiated utilizing available market data (for example, swap curve rate).

The following table presents the investments of the defined benefit plan carried at fair value as of September 30, 2015 and 2014, by the valuation hierarchy.

2015	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 929,519	$ -	$ -	$ 929,519
Fixed income mutual funds:				
Long duration	139,490,485	-	-	139,490,485
U.S. Core Opportunistic	6,641,878	-	-	6,641,878
U.S. Passive	6,865,329	-	-	6,865,329
Guaranteed investment contract	-	-	2,981,616	2,981,616
Total plan assets at fair value	$ 153,927,211	$ -	$ 2,981,616	$ 156,908,827

2014	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 708,333	$ -	$ -	$ 708,333
Fixed income mutual funds:				
Long duration	150,668,190	-	-	150,668,190
U.S. Core Opportunistic	7,500,003	-	-	7,500,003
U.S. Passive	7,558,893	-	-	7,558,893
Guaranteed investment contract	-	-	3,081,138	3,081,138
Total plan assets at fair value	$ 166,435,419	$ -	$ 3,081,138	$ 169,516,557

(Continued)

NOTE 9 - PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

The changes within the Level 3 investments as of September 30, 2015 and 2014, are as follows:

2015	Guaranteed Investment Contract
Balance as of October 1, 2014	$ 3,081,138
Investment income	123,390
Expenditures	(222,912)
Balance as of September 30, 2015	$ 2,981,616

2014	Guaranteed Investment Contract
Balance as of October 1, 2013	$ 3,230,137
Investment income	133,795
Expenditures	(282,794)
Balance as of September 30, 2014	$ 3,081,138

During fiscal year 2016, ECHN anticipates contributing $1,840,000 to the defined benefit pension plan.

The benefit payments, which reflect estimated future service, expected to be paid from the plans for the year ended September 30, 2015, are as follows:

	Pension Benefits	Other Postretirement Benefits
2016	$ 9,806,322	$ 190,189
2017	$ 10,326,550	$ 206,505
2018	$ 10,915,238	$ 213,426
2019	$ 11,476,209	$ 225,015
2020	$ 12,035,372	$ 238,865
2021-2025	$ 66,839,679	$ 1,161,098

The Network also has a defined contribution employee savings plan covering substantially all employees. Eligible employees who contribute to the plan will have 20% - 50%, depending upon years of service, of contributions matched by the Network, up to a maximum of 6% of annual compensation. The Network incurred expenses related to the employee savings plan amounting to $788,247 and $2,558,753, for the years ended September 30, 2015 and 2014, respectively.

(Continued)

NOTE 10 - LONG-TERM DEBT AND LINES OF CREDIT

Long-term debt and capital lease obligations, as of September 30, 2015 and 2014, consist of the following:

	2015	2014
Connecticut Health and Educational Facilities Authority (CHEFA) Hospital Revenue Bonds, ECHN Series A Bonds, bearing interest at rates ranging from 6.000% to 6.375% - net of unamortized original issue discount of $32,057 and $39,281 for 2015 and 2014, respectively.	$ 7,347,943	$ 8,245,719
CHEFA Hospital Revenue Bonds, ECHN Series C Bonds, bearing interest ranging from 4.125% to 5.125% - net of unamortized original issue premium of $309,670 and $330,315 for 2015 and 2014, respectively.	32,184,670	32,990,315
CHEFA Hospital Revenue Bonds, ECHN Series D Bonds bearing interest at a variable rate, adjusted weekly.	13,425,000	13,743,000
CHEFA Hospital Demand Revenue Bonds, ECHN Series E Bonds, bearing interest at a variable rate, adjusted weekly.	16,600,000	17,090,000
Loan due to Sovereign Bank, face amount $5,200,000 due and payable in semi-annual principal and interest installments maturing on January 3, 2022 and bearing interest at 3.38%	3,634,222	4,154,222
Promissory note payable to Rockville Bank due and payable in monthly principal and interest installments maturing on January 15, 2015, bearing interest at a fixed rate of 3.75%.	-	172,331
Promissory note payable to Rockville Bank due and payable in monthly principal and interest installments maturing on July 1, 2025, bearing interest at 5.87%.	688,717	742,092
Promissory note payable to Webster Bank due and payable in monthly principal and interest installments with a balloon payment due on May 1, 2018, bearing interest at 4.22%	586,153	601,219
Promissory note payable to Webster Bank due and payable in monthly principal and interest installments with a balloon payment due on December 1, 2017, bearing interest at 4.11%	539,375	554,013
Promissory note payable to Webster Bank due and payable in monthly principal and interest installments with a balloon payment due on May 1, 2019 bearing interest at 5.14%	506,701	517,406

(Continued)

NOTE 10 - LONG-TERM DEBT AND LINES OF CREDIT (Continued)

	2015	2014
Promissory note payable to 428 Hartford Turnpike Associates, LLP payable in monthly principal and interest installments, maturing September 1, 2021, bearing interest at 6%.	197,183	223,265
Debt of ECHN Corporate Services. Various due dates and interest rates.	10,575	43,215
Mortgage payable to Rockville Bank, maturing April 1, 2022, bearing interest at 6.5% for the first five years, adjustable thereafter every five years.	127,866	144,715
Promissory notes with Philips Medical Capital, payable in monthly installments, maturing in fiscal year 2021 and bearing interest at rates between 4.3% and 6.8%	2,359,215	2,542,664
Mortgage payable to Rockville Bank, maturing January 1, 2027 bearing interest at 6.6% for the first five years, adjustable thereafter, every five years.	121,471	129,901
Promissory notes with GE HealthCare Financial Services, payable in monthly installments, maturing in fiscal years 2019 and 2020 and bearing interest at rates ranging from 4.4% to 5.3%	549,719	661,435
Promissory note with Stryker Flex Financial, payable in monthly installments, maturing in fiscal year 2020 and bearing interest at 4.00%	994,500	-
Promissory note with Siemens Financial Services, payable in monthly installments, maturing in fiscal year 2019 and bearing interest at 3.85%	504,096	643,154
Capital lease obligations (see Note 12)	6,763,549	5,886,404
Total long-term debt and capital lease obligations	87,140,955	89,085,070
Less: current maturities	(7,018,708)	(6,660,757)
Total long-term debt and capital lease obligations - net of current portion	$ 80,122,247	$ 82,424,313

Lines of credit as of September 30, 2015 and 2014 consist of the following:

	2015	2014
Revolving line of credit with TD Bank, bearing interest at a variable rate.	$ 3,800,000	$ 5,600,000

(Continued)

NOTE 10 - LONG-TERM DEBT AND LINES OF CREDIT (Continued)

In February 2000, MMH, RGH and EES (collectively, the Series A Obligated Group) entered into an agreement and open-ended mortgage with Connecticut Health and Educational Facilities Authority (CHEFA) in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network, Issue Series 2000A (the Series A Bonds). A portion of the proceeds from the Series 2000A Bonds, net of the original issue discount and amounts used to establish required reserve accounts, was placed in an irrevocable trust from which the remaining debt service payments for defeased CHEFA bonds will be paid. The remainder was used to finance additions and renovations for various facilities. The Series A Obligated Group has been legally released from any future debt service on the defeased bonds. The Series A Bonds are due on various due dates through July 1, 2030.

In July 2004, MMH, RGH, EES, and ECHF (collectively, the Series B Obligated Group) entered into an agreement and open-ended mortgage with CHEFA in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network Issue, Series B (the Series B Bonds). A portion of the proceeds from the Series B Bonds, net of the original issue discount and amounts used to establish required reserve accounts, was used to finance additions, renovations, and purchases of equipment for RGH and MMH.

The additions and renovations financed by the Series B Bonds consist of improvements and expansion of the emergency department at RGH; the purchase, renovation, and equipping of the Dialysis Center at RGH; construction of the heliport at RGH, improvements to the Gastrointestinal and Rehabilitation Departments at RGH, and capital equipment purchases for MMH and RGH.

The Series B bonds were refinanced as part of the issuance of Series E bonds as described below.

On October 1, 2005, MMH, RGH, EES, and ECHF (collectively, the Series C Obligated Group) entered into an agreement and open-ended mortgage with CHEFA to borrow $37,065,000 in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network Issue, Series C (the Series C Bonds). The proceeds from the Series C Bonds, net of the original issue premium and amounts used to establish required reserve accounts, were placed in an irrevocable trust to advance refund and defease a portion of the Series 2000A Bonds. MMH, RGH, and EES have been legally released from any future debt service on the portion of defeased Series 2000A Bonds. The Series C Bonds are due on various due dates through July 1, 2034, bearing interest at rates ranging from 4.125% to 5.125%.

In May 2009, MMH, RGH, EES, and ECHF (collectively, the Series D Obligated Group) entered into an agreement and open-ended mortgage with CHEFA in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network, Issue Series D (the Series D Bonds). A portion of the proceeds from the Series D Bonds, net of amounts used to establish required reserve accounts, were used to finance renovations at MMH, an expansion at EES, and other campus improvements. The Series D Bonds are due on various due dates through May 14, 2039.

In December 2010, MMH, RGH, EES, and ECHF (collectively, the Series E Obligated Group) entered into an agreement and open-ended mortgage with CHEFA in connection with the issuance of CHEFA Hospital Revenue Bonds, Eastern Connecticut Health Network, Issue Series E (the Series E Bonds). The proceeds from the Series E Bonds, net of amounts used to establish required reserve accounts, were used to redeem the Series B Bonds and fund interest rate swap agreement termination payments relating to the Series B Bonds. The Series E Bonds are due on various due dates through July 1, 2034.

(Continued)

NOTE 10 - LONG-TERM DEBT AND LINES OF CREDIT (Continued)

Under the terms of the Series A, Series B, Series C, Series D, and Series E Bonds, the Series A Obligated Group, Series B Obligated Group, Series C Obligated Group, Series D Obligated Group, and Series E Obligated Group (the Obligated Groups) are required to maintain certain deposits with a trustee. Such deposits are included in assets whose use is limited. The indenture also places limits on the incurrence of additional borrowings and dispositions of property and requires that the Obligated Groups satisfy certain measures of financial performance as long as the notes are outstanding.

Under the terms of the CHEFA agreements, each member of the Obligated Groups is jointly and severally liable for the full and prompt payment of the amounts owed by the Obligated Groups. Total debt under the CHEFA agreements of the Obligated Groups was $72,914,222 and $75,932,222 as of September 30, 2015 and 2014, respectively. The debt is also secured by the gross receipts of the Obligated Groups.

In June 2012, the Obligated Group entered into a loan agreement with Sovereign Bank, through CHEFA's Tax-Exempt Equipment Loan Program, for $5,200,000 in connection with purchase of equipment and renovation costs. Semi-annual principal and interest payments are due through January 2022.

The Hospital is party to various capital leases, which are described in Note 12.

The annual maturities of the long-term debt and capital lease obligations in each of the succeeding five years and thereafter, as of September 30, 2015, are as follows:

2016	$ 7,018,708
2017	6,297,881
2018	6,682,574
2019	5,969,084
2020	5,197,338
Thereafter	55,697,757
	86,863,342
Plus - premium	277,613
Total	$ 87,140,955

On December 21, 2010, ECHN entered into a $6,500,000 unsecured line of credit with TD Bank, N.A. In 2014, the line of credit agreement was modified. The amount available was reduced to $5,750,000, the interest rate was increased to LIBOR plus 2.5% and the maturity was extended to September 29, 2015. In 2015, the line of credit agreement was further modified. The amount available was reduced to $3,950,000 and the maturity date was extended to September 29, 2016. As of September 30, 2015 and 2014, MMH had $3,800,000 and $5,600,000, respectively, outstanding under this line of credit.

The Network is subject to various financial covenants related to these debt agreements. The Network was in compliance with these covenants in 2015 and 2014.

NOTE 11 - DERIVATIVES

The Network uses derivative instruments, specifically interest rate swap agreements, to manage its exposure to changes in the interest rate on its CHEFA bonds. The use of derivative instruments exposes the Network to additional risks related to the derivative instrument, including market risk, credit risk and termination risk as described below, and the Network has defined risk management practices to mitigate these risks, as appropriate.

(Continued)

NOTE 11 - DERIVATIVES (Continued)

Market risk represents the potential adverse effect on the fair value and cash flow of a derivative instrument due to changes in interest rates or rate spreads. Market risk is managed through ongoing monitoring of interest rate exposure based on set parameters regarding the type and degree of market risk that the Network will accept. Credit risk is the risk that the counterparty on a derivative instrument may be unable to perform its obligation during the term of the contract. When the fair value of a derivative contract is positive, the counterparty owes the Network, which creates credit risk.

Credit risk is managed by setting stringent requirements for qualified counterparties at the date of execution of a derivative transaction and requiring counterparties to post collateral in the event of a credit rating downgrade or if the fair value of the derivative contract exceeds a negotiated threshold.

Termination risk represents the risk that the Network may be required to make a significant payment to the counterparty, if the derivative contract is terminated early. Termination risk is assessed at onset by performing a statistical analysis of the potential for a significant termination payment under various scenarios designed to encompass expected interest rate changes over the life of the proposed contract. The test measures the ability to make a termination payment without a significant impairment to the Network's ability to meet its debt or liquidity covenants.

In May 2009, ECHN entered into an interest rate swap agreement to manage the interest cost and risk associated with $15,250,000 of its variable rate Series D Bonds. Under the terms of this agreement, ECHN pays a fixed rate of 3.89%. Changes in the fair value of this swap are recorded in the consolidated statements of operations and changes in net assets. Effective May 14, 2014, the interest rate swap agreement on the Series D variable rate debt expired. The Network's portion of the swap agreement in force related to this strategy as of September 30, 2014, and the liability and interest expense recognized by the Network are as follows:

		2014
Notional amount of contract	$	-
Fair value of swap contract recognized in other liabilities	$	-
Net interest income recognized in non-operating losses	$	(170,000)

In June 2012, ECHN entered into an interest rate swap agreement to manage the interest cost and risk associated with $5,200,000 of its debt with Sovereign Bank. Under the terms, ECHN pays a fixed rate of 3.38%. The swap is accounted for as a cash flow hedge in accordance with ASC 815 "*Accounting for Derivative Instruments and Hedging Activities*". This accounting treatment requires the effective portion of the gain or loss on a derivative instrument designated and qualifying as a cash flow hedging instrument to be reported as a component of other changes in unrestricted net assets and to be reclassified into operations in the same period or periods during which the hedged forecasted transaction affects earnings. The remaining gain or loss on the derivative instrument, if any, shall be recognized currently in non-operating losses.

(Continued)

NOTE 11 - DERIVATIVES (Continued)

The Network's portion of the swap agreement in force related to this strategy as of September 30, 2015 and 2014, and the liability and unrealized (gain) loss recognized by the Network are as follows:

	2015	2014
Notional amount of contract	$ 3,634,222	$ 4,154,222
Fair value of swap contract recognized in other liabilities	$ 52,900	$ 3,800
Unrealized (gain) loss recognized in unrestricted net assets	$ 49,100	$ (8,200)

The counterparty to the above swap transactions is a major financial institution that meets ECHN's criteria for financial stability and creditworthiness.

NOTE 12 - LEASE COMMITMENTS

ECHN leases equipment under capital lease agreements, which begin to expire in 2015. The interest rates range from 4% to 8%. The net carrying value of equipment under the capital lease was $8,594,610 and $8,111,729 as of September 30, 2015 and 2014, respectively. ECHN leases various office space and certain equipment under operating leases that expire in various years through fiscal year 2024. Certain leases may be renewed at the end of their term.

Future minimum payments under capital leases and non-cancelable operating leases as of September 30, 2015, consisted of the following:

	Capital Leases	Operating Leases
2016	$ 3,273,452	$ 5,614,395
2017	1,965,770	4,151,050
2018	906,877	2,814,112
2019	733,989	2,363,973
2020	378,844	2,261,254
Thereafter	-	10,319,656
	7,258,932	$ 27,524,440
Less: interest on capital lease	495,383	
Principal amount of capital lease	$ 6,763,549	

Rent expense under operating and month-to-month leases was $6,421,813 and $6,735,147 for the years ended September 30, 2015 and 2014, respectively.

(Continued)

NOTE 13 - CONCENTRATIONS OF CREDIT RISK

ECHN grants credit without collateral to its patients, most of whom are insured under third-party payer agreements. The mix in patient accounts receivable as of September 30, 2015 and 2014, before allowances for doubtful accounts, consists of the following:

	2015	2014
Medicare	29%	23%
Self-pay	24%	32%
Managed care	23%	24%
Medicaid	15%	13%
Commercial insurance	4%	3%
Other	5%	5%
	100%	100%

NOTE 14 - NET PATIENT SERVICE REVENUE

Net patient service revenue for the years ended September 30, 2015 and 2014, consists of the following:

	2015	2014
Patient service revenues:		
Inpatient services	$ 318,875,465	$ 333,197,293
Outpatient services	600,758,074	592,717,508
Gross patient service revenues	919,633,539	925,914,801
Deductions - contractual allowances and discounts	(611,589,145)	(615,943,491)
Patient service revenue, net of contractual allowances and discounts	$ 308,044,394	$ 309,971,310

Net patient service revenues by primary payor for the years ended September 30, 2015 and 2014, is as follows:

	2015	2014
Managed care	$ 123,129,276	$ 122,972,772
Medicare	113,011,679	115,689,688
Medicaid	48,753,827	46,594,882
Commercial insurance	15,409,231	14,529,384
Self-pay	3,126,653	4,766,685
Other	4,613,728	5,417,899
Total	$ 308,044,394	$ 309,971,310

(Continued)

NOTE 14 - NET PATIENT SERVICE REVENUE (Continued)

In addition, the Network provides for a provision for bad debts. For receivables associated with services provided to patients who have third-party coverage, the Network analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and co-payment balances due for which third-party coverage exists for part of the bill), the Network records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible.

For uninsured patients that do not qualify for financial assistance, the Network offers a discount off its standard rates for services provided. The difference between the discounted rates and the amounts actually collected after all reasonable collection efforts have been exhausted is written off against the allowance for doubtful accounts in the period they are determined uncollectible. The Network's allowance for doubtful accounts covers all accounts greater than 6 months for both self-pay accounts receivable and third party payors as of September 30, 2015 and 2014. The Network's self-pay and third-party payors write-offs totaled $9,273,157 and $11,700,441 for 2015 and 2014, respectively. The Network did not change its charity care or financial assistance policy during 2015 or 2014.

At September 30, 2015 and 2014, 36.3% and 30.4% of net patient accounts receivable were from governmental payors (Medicare and Medicaid) and 63.7% and 69.6% were from nongovernmental payors, respectively. Nongovernmental payors are primarily insurance companies and self-pay payors. Management has recorded an allowance for doubtful accounts, as noted above, which, in its opinion, is sufficient to provide for risk of nonpayment.

NOTE 15 - COMMUNITY BENEFIT

ECHN's mission is to improve the health of the people and the communities ECHN serves.

ECHN provides quality health care to all, regardless of their ability to pay. Charity care is provided to those who are eligible based on ECHN's policy. ECHN also incurs unpaid costs for government programs because reimbursement is not sufficient to cover costs associated with Medicare and Medicaid patients. In addition to the charity care responsibilities, ECHN provides numerous other community benefits. These community benefits include medical education and research, community health education, screenings, support groups, counseling services, and in-kind support. To address the need for health care providers, a number of programs are offered for young people who may be interested in a career in health care.

ECHN utilizes guidelines developed by various organizations to quantify community benefit activities. ECHN defines community benefit activities as those that improve access to care, as well as the health of the broader community. In addition to charity care and the unpaid costs of government sponsored health care (Medicare and/or Medicaid shortfalls), community benefit activities will normally fall into one of the following categories: nonbilled community health services / community health improvement services, health professions education, subsidized health services, research, financial and in-kind contributions, community building activities, and community benefit operations.

MMH and RGH provide care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because MMH and RGH do not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The amount of traditional charity care provided, determined on the basis of cost, was $1,650,100 and $2,144,342 for the years ended September 30, 2015 and 2014, respectively.

(Continued)

NOTE 16 - FUNCTIONAL EXPENSES

ECHN provides general health care services to residents within its geographical location. For the years ended September 30, 2015 and 2014, expenses relating to providing these services are as follows:

	2015	2014
Health care services	$ 255,729,581	$ 266,901,859
Fund raising	508,490	1,210,885
General and administrative	59,610,005	58,469,860
Total	$ 315,848,076	$ 326,582,604

NOTE 17 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

The temporarily restricted net assets available, as of September 30, 2015 and 2014, are available for the following purposes:

	2015	2014
Departmental and endowment purposes	$ 1,402,125	$ 1,910,003
Capital campaign and pledges	84,411	186,310
Total	$ 1,486,536	$ 2,096,313

As of September 30, 2015 and 2014, permanently restricted net assets consist of the following:

	2015	2014
Beneficial interest in trust assets	$ 10,809,693	$ 11,809,221
Endowments restricted for:		
Other departmental purposes	3,554,028	3,553,655
Charity care	532,024	532,024
Special needs	151,579	151,579
Cancer research	6,124	6,124
Total	$ 15,053,448	$ 16,052,603

(Continued)

NOTE 17 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (Continued)

The composition of the Network's endowment by net asset class as of September 30, 2015 and 2014, was as follows:

2015	Permanently Restricted	Total
Donor-restricted endowment funds	$ 4,243,755	$ 4,243,755
Net assets, September 30, 2015	$ 4,243,755	$ 4,243,755

2014	Permanently Restricted	Total
Donor-restricted endowment funds	$ 4,243,382	$ 4,243,382
Net assets, September 30, 2014	$ 4,243,382	$ 4,243,382

The Network's endowments consist of multiple funds established for a variety of purposes. The endowments include donor-restricted endowment funds. As required by GAAP, endowments, are classified and reported based on the existence or absence of donor restrictions.

The Network has interpreted the relevant laws as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Network.

The Network considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the Network and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Network; and (7) the investment policies of the Network.

The Network has adopted investment and spending policies for endowment assets that attempt to provide a reasonably stable and predictable stream of earnings to support the operations of the endowments and to preserve and enhance over time the real value of the endowment assets. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment and management costs, over the long-term. Actual returns in any given year may vary from this amount.

The Investment Committee of the Board is responsible for defining and reviewing the investment policy to determine an appropriate long-term asset allocation policy. The asset allocation policy reflects the objective with allocations structured for capital growth and inflation protection over the long-term.

To satisfy its long-term rate-of-return objectives, the Network relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Network targets a diversified asset allocation that places a greater emphasis on equity based investments to achieve its long-term return objectives within prudent risk constraints.

(Continued)

NOTE 17 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (Continued)

The Network has appropriated $14,664 and $107,171 for expenditure from its endowment funds for the years ending September 30, 2015 and 2014, respectively.

Changes in endowment net assets for the fiscal year ended September 30, 2015 were as follows:

2015	Temporarily Restricted	Permanently Restricted	Total
Net assets, October 1, 2014	$ -	$ 4,243,382	$ 4,243,382
Interest income	14,664	-	14,664
Released from restrictions	(14,664)	-	(14,664)
Contributions	-	373	373
Net assets, September 30, 2015	$ -	$ 4,243,755	$ 4,243,755

Changes in endowment net assets for the fiscal year ended September 30, 2014 were as follows:

2014	Temporarily Restricted	Permanently Restricted	Total
Net assets, October 1, 2013	$ -	$ 4,413,548	$ 4,413,548
Interest income	107,171	-	107,171
Released from restrictions	(107,171)	-	(107,171)
Reclassification of donations	-	(170,166)	(170,166)
Net assets, September 30, 2014	$ -	$ 4,243,382	$ 4,243,382

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or relevant law requires the Network to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. As of September 30, 2015 and 2014, there were no funds that were below the level required by donor or law.

NOTE 18 - COMMITMENTS AND CONTINGENCIES

The Network is involved in various legal actions arising from its activities. Although the ultimate outcome is not determinable at this time, management, after taking into consideration the advice of legal counsel, believes that the resolution of these pending matters will not have a material adverse effect, individually or in the aggregate, on the consolidated balance sheets or on the related consolidated statements of operations and changes in net assets, or consolidated cash flows of the Network.

The Network and the Network's defined benefit pension plans invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

(Continued)

NOTE 19 - STATUTORY CAPITAL AND SURPLUS

CHIC was incorporated in the Cayman Islands on September 15, 2006 and was granted an Unrestricted Class "B" insurance license under the Insurance Law of the Cayman Islands with an effective date of September 26, 2006. As of October 14, 2013, in accordance with Section 4(3)(b) of The Insurance Law, 2010, the company is now classified as a Class B (i) insurer. CHIC is regulated by the Cayman Islands Monetary Authority (CIMA) and related relations, and is obligated to comply with CIMA regulations regarding minimum levels of solvency and liquidity.

Statutory capital and surplus as of September 30, 2015 was $704,717 with a minimum amount required to be maintained by CHIC of $100,000. Distribution of dividends is subject to approval by the Board of Directors. No dividends were declared or paid during the years ended September 30, 2015 and 2014.

ECHN reports all of CHIC's investments as investments held in trust for estimated self-insurance liabilities in the accompanying consolidated balance sheets.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet
September 30, 2015

Assets	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Current assets:								
Cash and cash equivalents	$ 5,266,042	$ 2,130,527	$ 1,540,254	$ -	$ 8,936,823	$ 1,024,794	$ -	$ 9,961,617
Current portion of investments held under bond indentures	646,423	265,258	185,918	-	1,097,599	-	-	1,097,599
Accounts receivable, net	25,143,982	8,279,947	1,509,562	-	34,933,491	-	-	34,933,491
Inventory	4,086,699	1,266,636	33,849	-	5,387,184	-	-	5,387,184
Due from affiliated entities	393,192	14,916	8,037	(17,104)	399,041	26,267	-	425,308
Current portion of estimated settlements due from third-party payers	2,821,878	751,256	-	-	3,573,134	-	-	3,573,134
Prepaid expenses and other current assets	1,678,056	209,439	13,938	-	1,901,433	1,615,865	-	3,517,298
Total current assets	40,036,272	12,917,979	3,291,558	(17,104)	56,228,705	2,666,926	-	58,895,631
Assets whose use is limited, net of current portion:								
Donor restricted investments	1,719,190	1,575,472	-	-	3,294,662	2,169,541	-	5,464,203
Board designated investments	7,922,686	10,951,124	-	-	18,873,810	15,100,474	-	33,974,284
Investments held in trust for estimated self-insurance liabilities	1,429,733	-	-	-	1,429,733	-	-	1,429,733
Beneficial interest in trust assets	8,801,448	2,008,244	-	-	10,809,693	-	-	10,809,693
Investments held under bond indentures	3,488,702	859,367	813,992	-	5,172,061	-	-	5,172,061
Total assets whose use is limited, net of current portion	23,371,760	15,394,207	813,992	-	39,579,959	17,270,015	-	56,849,974
Interest in net assets of ECHN CHF, Inc.	8,751,305	3,664,214	177,536	-	12,593,055	-	(12,593,055)	-
Investments	1,333,656	2,056,658	3,727,919	-	7,118,433	-	-	7,118,433
Investments in joint ventures	4,188,957	3,622,325	-	-	7,809,282	-	-	7,809,282
Property and equipment, net	53,573,130	23,002,822	6,858,867	-	83,434,819	-	-	83,434,819
Other assets:								
Estimated settlements due from third-party payers, net of current portion	-	-	-	-	-	-	-	-
Due from affiliated entities, net of current portion	23,392,434	4,608,276	-	(3,280,506)	24,720,204	-	-	24,720,204
Goodwill and intangible assets, net	-	-	490,830	-	490,830	-	-	490,830
Other assets	1,656,971	936,314	382,232	-	2,975,517	-	-	2,975,517
Total other assets	25,049,405	5,544,590	873,062	(3,280,506)	28,186,551	-	-	28,186,551
Total assets	$ 156,302,485	$ 66,202,995	$ 15,742,934	$ (3,297,610)	$ 234,950,804	$ 19,936,941	$ (12,593,055)	$ 242,294,690

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2015

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Assets								
Current assets:								
Cash and cash equivalents	$ 806,142	$ 38,866	$ 43,862	$ 4,188,799	$ 93,135	$ 1,154,408	$ -	$ 16,286,829
Current portion of investments held under bond indentures	-	-	-	-	-	-	-	1,097,599
Accounts receivable, net	1,951,462	709,837	36	3,926,991	79,222	6,460	-	41,607,499
Inventory	40,300	126,325	-		-	-	-	5,553,809
Due from affiliated entities	-	-	-	-	1,070,968	-	(1,496,276)	-
Current portion of estimated settlements due from third-party payers	-	-	-	-	-	-	-	3,573,134
Prepaid expenses and other current assets	410,611	137,477	4,132	142,228	1,758,409	672,936	-	6,653,091
Total current assets	3,208,515	1,012,505	48,030	8,258,018	3,011,734	1,833,804	(1,496,276)	74,771,961
Assets whose use is limited, net of current portion:								
Donor restricted investments	-	-	-	126,038	-	-	-	5,590,241
Board designated investments	-	-	-	2,850,393	-	-	-	36,824,677
Investments held in trust for estimated self-insurance liabilities	-	-	-	-	-	3,848,693	-	5,278,426
Beneficial interest in trust assets	-	-	-	-	-	-	-	10,809,693
Investments held under bond indentures	-	-	-	-	-	-	-	5,172,061
Total assets whose use is limited, net of current portion	-	-	-	2,976,431	-	3,848,693	-	63,675,098
Interest in net assets of ECHN CHF, Inc.	-	-	-	-	4,448,741	-	(4,448,741)	-
Investments	-	-	-	-	794,647	-	(794,647)	7,118,433
Investments in joint ventures	-	-	1,270,517	-	9,111,010	-	-	18,190,809
Property and equipment, net	2,034,427	290,352	1,051,928	1,463,893	-	-	-	88,275,419
Other assets:								
Estimated settlements due from third-party payers, net of current portion	-	-	-	-	-	-	-	-
Due from affiliated entities, net of current portion	-	-	-	-	879,852	-	(25,600,056)	-
Goodwill and intangible assets, net	414,857	132,000	-	-	2,989,140	-	-	4,026,827
Other assets	-	-	-	530,269	624,630	410,683	-	4,541,099
Total other assets	414,857	132,000	-	530,269	4,493,622	410,683	(25,600,056)	8,567,926
Total assets	$ 5,657,799	$ 1,434,857	$ 2,370,475	$ 13,228,611	$ 21,859,754	$ 6,093,180	$ (32,339,720)	$ 260,599,646

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2015

Liabilities and Net Assets	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Current liabilities:								
Accounts payable and accrued expenses	$ 21,650,353	$ 5,623,272	$ 994,567	$ -	$ 28,268,192	$ 34,295	$ -	$ 28,302,487
Line of credit	3,800,000	-	-	-	3,800,000	-	-	3,800,000
Current portion of long-term debt and capital lease obligations	4,792,543	917,356	661,399	-	6,371,298	-	-	6,371,298
Current portion of due to affiliates	-	984,268	17,104	(17,104)	984,268	155,014	-	1,139,282
Current portion of estimated settlements due to third-party payers	1,503,251	1,056,682	273,006	-	2,832,939	-	-	2,832,939
Current portion of accrued pension and other postretirement benefits	157,857	32,332	-	-	190,189	-	-	190,189
Other current liabilities	1,768,051	200,005	482,963	-	2,451,019	-	-	2,451,019
Total current liabilities	33,772,055	8,813,915	2,429,039	(17,104)	44,997,905	189,309	-	45,187,214
Long-term debt and capital lease obligations, net of current portion	49,494,875	22,469,386	7,182,727	-	79,146,990	-	-	79,146,990
Estimated self-insurance liabilities, net of current portion	5,978,271	1,939,861	207,196	-	8,125,328	-	-	8,125,328
Accrued pension and postretirement benefits	48,438,669	13,968,710		-	62,407,379	-	-	62,407,379
Estimated settlements due to third-party payers, net of current portion	-	-	-	-	-	-	-	-
Due to affiliates	3,280,506	-	-	(3,280,506)	-	-	-	-
Other liabilities	332,650	132,211	-	-	464,861	2,850	-	467,711
Total liabilities	141,297,026	47,324,085	9,818,962	(3,297,610)	195,142,463	192,159	-	195,334,622
Net assets:								
Unrestricted	2,829,380	14,969,067	5,919,060	-	23,717,527	2,702,985	-	26,420,512
Temporarily restricted	494,603	537,851	4,912	-	1,037,366	15,474,485	(11,025,743)	5,486,108
Permanently restricted	11,681,476	3,371,972	-	-	15,053,448	1,567,312	(1,567,312)	15,053,448
Total net assets	15,005,459	18,878,910	5,923,972	-	39,808,341	19,744,782	(12,593,055)	46,960,068
Total liabilities and net assets	$ 156,302,485	$ 66,202,995	$ 15,742,934	$ (3,297,610)	$ 234,950,804	$ 19,936,941	$ (12,593,055)	$ 242,294,690

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2015

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and accrued expenses	$ 1,907,476	$ 255,012	$ 11,412	$ 1,443,365	$ 1,432,414	$ 77,365	$ -	$ 33,429,551
Line of credit	-	-	-	-	-	-	-	3,800,000
Current portion of long-term debt and capital lease obligations	27,691	43,029	26,211	-	550,479	-	-	7,018,708
Current portion of due to affiliates	-	-	-	-	-	-	(1,139,282)	-
Current portion of estimated settlements due to third-party payers	93,818	-	-	98,046	-	-	-	3,124,803
Current portion of accrued pension and other postretirement benefits	-	-	-	-	-	-	-	190,189
Other current liabilities	-	-	-	693,421	61,740	928,532	-	4,134,712
Total current liabilities	2,028,985	298,041	37,623	2,234,832	2,044,633	1,005,917	(1,139,282)	51,697,963
Long-term debt and capital lease obligations, net of current portion	169,493	4,430	223,127	-	578,207	-	-	80,122,247
Estimated self-insurance liabilities, net current portion	-	-	-	-	-	4,382,546	(5,311,077)	7,196,797
Accrued pension and postretirement benefits	-	-	-	-	-	-	-	62,407,379
Estimated settlements due to third-party payers, net of current portion	-	-	-	-	-	-	-	-
Due to affiliates	2,941,576	461,779	1,852,916	237,764	15,151,937	-	(20,645,972)	-
Other liabilities	-	-	-	-	-	-	-	467,711
Total liabilities	5,140,054	764,250	2,113,666	2,472,596	17,774,777	5,388,463	(27,096,331)	201,892,097
Net assets:								
Unrestricted	517,745	670,607	256,809	10,629,977	3,761,845	704,717	(794,647)	42,167,565
Temporarily restricted	-	-	-	126,038	323,132	-	(4,448,742)	1,486,536
Permanently restricted	-	-	-	-	-	-	-	15,053,448
Total net assets	517,745	670,607	256,809	10,756,015	4,084,977	704,717	(5,243,389)	58,707,549
Total liabilities and net assets	$ 5,657,799	$ 1,434,857	$ 2,370,475	$ 13,228,611	$ 21,859,754	$ 6,093,180	$ (32,339,720)	$ 260,599,646

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets
For the Year Ended September 30, 2015

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Revenue:								
Patient service revenue, net of contractual allowances and discounts	$ 183,098,753	$ 66,613,109	$ 15,214,035	$ -	$ 264,925,907	$ -	$ -	$ 264,925,907
Provision for bad debts	(6,806,310)	(3,610,528)	(205,175)	-	(10,622,113)	-	-	(10,622,113)
Net patient service revenue less provision for bad debts	176,292,453	63,002,481	15,008,860	-	254,303,794	-	-	254,303,794
Contributions	1,889,272	123,590	3,256	-	2,016,118	-	-	2,016,118
Other revenues	9,478,566	1,650,001	41,326	(145,035)	11,024,858	251,766	(198,848)	11,077,776
EHR initiative payment revenue	428,586	401,800	-	-	830,386	-	-	830,386
Net assets released from restrictions used for operations	590,724	50,382	4,127	-	645,233	25,672	-	670,905
Total revenues	188,679,601	65,228,254	15,057,569	(145,035)	268,820,389	277,438	(198,848)	268,898,979
Expenses:								
Salaries and wages	81,709,452	30,678,558	7,603,846	-	119,991,856	148,988	(106,794)	120,034,050
Fringe benefits	25,569,480	9,699,209	1,995,605	-	37,264,294	16,007	(11,473)	37,268,828
Supplies and other expenses	62,870,889	24,653,758	4,181,597	(145,035)	91,661,209	112,443	(80,581)	91,693,071
Depreciation and amortization	7,116,439	3,138,917	533,693	-	10,789,049	-	-	10,789,049
Interest and financing costs	2,358,063	697,473	345,894	-	3,401,430	-	-	3,401,430
Total expenses	179,724,323	68,867,915	14,660,635	(145,035)	263,107,838	277,438	(198,848)	263,186,428
Income (loss) from operations	8,955,278	(3,639,661)	396,934	-	5,712,551	-	-	5,712,551
Non-operating (losses) gains	(1,638,670)	(546,692)	(24,848)	-	(2,210,210)	-	-	(2,210,210)
Excess of revenues over (under) expenses	$ 7,316,608	$ (4,186,353)	$ 372,086	$ -	$ 3,502,341	$ -	$ -	$ 3,502,341

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2015

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Revenue:								
Patient service revenue, net of contractual allowances and discounts	$ 18,137,911	$ -	$ -	$ 24,980,576	$ -	$ -	$ -	$ 308,044,394
Provision for bad debts	(217,527)	-	-	(59,649)	-	-	-	(10,899,289)
Net patient service revenue less provision for bad debts	17,920,384	-	-	24,920,927	-	-	-	297,145,105
Contributions	-	-	-	177,916	117,796	-	(117,796)	2,194,034
Other revenues	7,072,058	3,763,736	530,353	310,906	2,565,451	2,747,065	(13,501,852)	14,565,493
EHR initiative payment revenue	-	-	-	-	-	-	-	630,386
Net assets released from restrictions used for operations	1,450	-	-	124,992	35,261	-	-	832,608
Total revenues	24,993,892	3,763,736	530,353	25,534,741	2,718,508	2,747,065	(13,619,648)	315,567,626
Expenses:								
Salaries and wages	17,380,737	2,284,951	-	17,116,920	10,981,787	-	(11,023,981)	156,774,464
Fringe benefits	2,768,935	379,030	-	3,611,828	2,249,685	-	(2,254,222)	44,024,084
Supplies and other expenses	10,493,641	1,046,128	297,669	4,259,708	(12,537,632)	2,972,181	1,458,108	99,682,874
Depreciation and amortization	644,548	115,256	68,528	303,339	46,950	-	(46,950)	11,920,720
Interest and financing costs	12,686	21,994	9,825	-	66,358	-	(66,359)	3,445,934
Total expenses	31,300,547	3,847,359	376,022	25,291,795	807,148	2,972,181	(11,933,404)	315,848,076
Income (loss) from operations	(6,306,655)	(83,623)	154,331	242,946	1,911,360	(225,116)	(1,686,244)	(280,450)
Non-operating (losses) gains	-	-	(25,199)	-	(1,911,360)	-	1,911,359	(2,235,410)
Excess of revenues (under) over expenses	$ (6,306,655)	$ (83,623)	$ 129,132	$ 242,946	$ -	$ (225,116)	$ 225,115	$ (2,515,860)

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2015

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Unrestricted net assets:								
Excess (deficiency) of revenues over expenses	$ 7,316,608	$ (4,186,353)	$ 372,086	$ -	$ 3,502,341	$ -	$ -	$ 3,502,341
Unrealized loss on investments	(83,807)	193	17	-	(83,597)	-	-	(83,597)
Net change in interest rate swap agreement	(49,056)	-	-	-	(49,056)	-	-	(49,056)
Net assets released from restrictions for capital acquisitions	263,258	41,401	4,668	-	309,327	-	-	309,327
Equity transfer to ECHN	(4,405,594)	(1,888,111)	-	-	(6,293,705)	-	-	(6,293,705)
Equity transfer from ECHN	-	-	-	-	-	-	-	-
ECHN Corporate Services transfer	-	-	-	-	-	-	-	-
Transfers (to) from other affiliates, net	146,267	(1,686)	4,915	-	149,496	(162,446)	-	(12,950)
Pension and postretirement related adjustments	(11,702,769)	(3,208,195)	-	-	(14,910,964)	-	-	(14,910,964)
Other	-	-	-	-	-	-	-	-
Change in unrestricted net assets	(8,515,093)	(9,242,751)	381,686	-	(17,376,158)	(162,446)	-	(17,538,604)
Temporarily restricted net assets:								
Contributions	159,368	32,526	(10,979)	-	179,915	2,408,114	(2,115,244)	472,785
Investment income	424	288	-	-	712	1,280	(1,049)	943
Net assets released from restrictions used for operations	(590,724)	(50,382)	(4,127)	-	(645,233)	(657,013)	596,080	(706,166)
Net assets released from restrictions used for capital acquisitions	(263,258)	(41,401)	(4,668)	-	(309,327)	(309,327)	309,327	(309,327)
Transfers (to) from affiliates	215,031	47,777	-	-	262,808	-	(264,258)	(1,450)
Change in temporarily restricted net assets	(480,159)	(11,192)	(19,774)	-	(511,125)	1,443,054	(1,475,144)	(543,215)
Permanently restricted net assets:								
Contributions - beneficial interest trust assets	373	-			373	-		373
Change in beneficial interest in trust assets	(798,079)	(201,449)	-	-	(999,528)	-	-	(999,528)
Change in permanently restricted net assets	(797,706)	(201,449)	-	-	(999,155)	-	-	(999,155)
Change in net assets (deficit)	(9,792,958)	(9,455,392)	361,912	-	(18,886,438)	1,280,608	(1,475,144)	(19,080,974)
Net assets (deficit), beginning of year	24,798,417	28,334,302	5,562,060	-	58,694,779	18,464,174	(11,117,911)	66,041,042
Net assets (deficit), end of year	$ 15,005,459	$ 18,878,910	$ 5,923,972	$ -	$ 39,808,341	$ 19,744,782	$ (12,593,055)	$ 46,960,068

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2015

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Unrestricted net assets:								
Excess (deficiency) of revenues over expenses	$ (6,306,655)	$ (83,623)	$ 129,132	$ 242,946	$ -	$ (225,116)	$ 225,115	$ (2,515,860)
Unrealized loss on investments	-	-	-	-	-	(127,158)	-	(210,755)
Net change in interest rate swap agreement	-	-	-	-	-	-	-	(49,056)
Net assets released from restrictions for capital acquisitions	-	-	-	-	-	-	-	309,327
Equity transfer to ECHN	-	-	-	-	6,293,705	-	-	-
Equity transfer from ECHN	6,293,705	-	-	-	(6,293,705)	-	-	-
ECHN Corporate Services transfer	-	-	-	-	-	-	-	-
Transfers (to) from other affiliates, net	12,950	-	-	-	-	555,823	(555,823)	-
Pension and postretirement related adjustments	-	-	-	-	-	-	-	(14,910,964)
Other	-	-	-	-	-	-	-	-
Change in unrestricted net assets	-	(83,623)	129,132	242,946	-	203,549	(330,708)	(17,377,308)
Temporarily restricted net assets:								
Contributions	-	-	-	176,225	149,633	-	(267,428)	531,215
Investment income	-	-	-	-	-	-	-	943
Net assets released from restrictions used for operations	(1,450)	-	-	(124,992)	(35,261)	-	35,261	(832,508)
Net assets released from restrictions used for capital acquisitions	-	-	-	-	-	-	-	(309,327)
Transfers (to) from affiliates	1,450	-	-	-	(264,257)	-	264,257	-
Change in temporarily restricted net assets	-	-	-	51,233	(149,885)	-	32,090	(609,777)
Permanently restricted net assets:								
Contributions - beneficial interest trust assets	-	-	-	-	-	-	-	373
Change in beneficial interest in trust assets	-	-	-	-	-	-	-	(999,528)
Change in permanently restricted net assets	-	-	-	-	-	-	-	(999,155)
Change in net assets (deficit)	-	(83,623)	129,132	294,179	(149,885)	203,549	(298,618)	(18,986,240)
Net assets (deficit), beginning of year	517,745	754,230	127,677	10,461,836	4,234,862	501,168	(4,944,771)	77,693,789
Net assets (deficit), end of year	$ 517,745	$ 670,607	$ 256,809	$ 10,756,015	$ 4,084,977	$ 704,717	$ (5,243,389)	$ 58,707,549

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet
September 30, 2014

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Assets								
Current assets:								
Cash and cash equivalents	$ 9,361,439	$ 1,772,696	$ 1,363,027	$ -	$ 12,497,162	$ 1,107,266	$ -	$ 13,604,428
Current portion of investments held under bond indentures	653,623	323,965	186,328	-	1,163,916	-	-	1,163,916
Accounts receivable, net	25,099,884	10,900,702	1,681,218	-	37,681,804	-	-	37,681,804
Inventory	3,873,042	1,325,483	38,849	-	5,237,374	-	-	5,237,374
Due from affiliated entities	142,498	65,011	23,158	(78,353)	152,314	8,485	-	160,799
Current portion of estimated settlements due from third-party payers	3,454,150	148,435	-	-	3,602,585	-	-	3,602,585
Prepaid expenses and other current assets	2,357,425	201,349	5,766	-	2,564,542	252,432	-	2,816,974
Total current assets	44,942,061	14,737,641	3,298,346	(78,353)	62,899,697	1,368,183	-	64,267,880
Assets whose use is limited, net of current portion:								
Donor restricted investments	1,778,680	1,575,184	-	-	3,353,864	2,669,078	-	6,022,942
Board designated investments	9,495,379	10,962,908	-	-	20,458,287	14,611,914	-	35,070,201
Investments held in trust for estimated self-insurance liabilities	1,488,787	-	-	-	1,488,787	-	-	1,488,787
Beneficial interest in trust assets	9,599,529	2,209,692	-	-	11,809,221	-	-	11,809,221
Investments held under bond indentures	3,498,353	859,282	813,910	-	5,171,545	-	-	5,171,545
Total assets whose use is limited, net of current portion	25,860,728	15,607,066	813,910	-	42,281,704	17,280,992	-	59,562,696
Interest in net assets of ECHN CHF, Inc	7,323,190	3,599,134	195,587	-	11,117,911	-	(11,117,911)	-
Investments	1,339,234	2,068,819	3,730,288	-	7,138,341	-	-	7,138,341
Investments in joint ventures	3,849,302	3,489,604	-	-	7,338,906	-	-	7,338,906
Property, plant and equipment, net	55,717,642	25,700,876	7,264,624	-	88,683,142	-	-	88,683,142
Other assets:								
Estimated settlements due from third-party payers, net of current portion	685,669	-	-	-	685,669	-	-	685,669
Due from affiliated entities, net of current portion	20,113,458	7,814,717	-	(5,298,863)	22,629,312	-	-	22,629,312
Goodwill and intangible assets, net	-	-	520,156	-	520,156	-	-	520,156
Other assets	1,923,107	1,769,088	456,032	-	4,148,227	-	-	4,148,227
Total other assets	22,722,234	9,583,805	976,188	(5,298,863)	27,983,364	-	-	27,983,364
Total assets	$ 161,754,391	$ 74,786,945	$ 16,278,945	$ (5,377,216)	$ 247,443,065	$ 18,649,175	$ (11,117,911)	$ 254,974,329

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2014

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Assets								
Current assets:								
Cash and cash equivalents	$ 192,024	$ 66,259	$ 76,614	$ 4,558,501	$ 162,984	$ 2,072,791	$ -	$ 20,733,601
Current portion of investments held under bond indentures	-	-	-	-	-	-	-	1,163,916
Accounts receivable, net	2,090,600	827,182	36	3,835,448	169,322	5,680	-	44,610,272
Inventory	15,926	183,985	-	-	-	-	-	5,437,285
Due from affiliated entities	-	-	-	-	4,048	-	(164,848)	-
Current portion of estimated settlements due from third-party payers	-	-	-	-	-	-	-	3,692,585
Prepaid expenses and other current assets	405,503	24,503	4,046	232,277	970,358	1,232,575	-	5,686,236
Total current assets	2,704,253	1,101,929	80,696	8,626,226	1,306,713	3,311,046	(164,848)	81,233,895
Assets whose use is limited, net of current portion:								
Donor restricted investments	-	-	-	74,805	-	-	-	6,097,747
Board designated investments	-	-	-	2,910,074	-	-	-	37,960,275
Investments held in trust for estimated self-insurance liabilities	-	-	-	-	-	3,516,968	-	5,005,755
Beneficial interest in trust assets	-	-	-	-	-	-	-	11,809,221
Investments held under bond indentures	-	-	-	-	-	-	-	5,171,545
Total assets whose use is limited, net of current portion	-	-	-	2,984,879	-	3,516,968	-	66,064,543
Interest in net assets of ECHN CHF, Inc.	-	-	-	-	4,480,831	-	(4,480,831)	-
Investments	-	-	-	-	463,940	-	(463,940)	7,138,341
Investments in joint ventures	-	-	1,247,474	-	8,698,445	-	-	17,274,625
Property, plant and equipment, net	2,469,251	366,651	1,120,456	1,426,059	-	-	-	94,085,559
Other assets:								
Estimated settlements due from third-party payers, net of current portion	-	-	-	-	-	-	-	685,669
Due from affiliated entities, net of current portion	-	-	-	-	867,580	-	(23,486,892)	-
Goodwill and intangible assets, net	592,420	153,550	-	-	2,989,140	-	-	4,255,266
Other assets	-	-	-	530,269	134,014	556,581	-	5,369,091
Total other assets	592,420	153,550	-	530,269	3,990,734	556,581	(23,486,892)	10,310,026
Total assets	$ 5,765,924	$ 1,622,130	$ 2,448,626	$ 13,567,433	$ 18,930,663	$ 7,384,595	$ (28,606,511)	$ 276,087,189

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2014

Liabilities and Net Assets	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series C, Series D, and Series E Obligated Group
Current liabilities:								
Accounts payable and accrued expenses	$ 21,842,838	$ 6,181,391	$ 1,055,957	$ -	$ 29,080,186	$ 31,007	$ -	$ 29,111,193
Line of credit	5,600,000	-	-	-	5,600,000	-	-	5,600,000
Current portion of long-term debt and capital lease obligations	4,092,102	946,159	624,756	-	5,662,017	-	-	5,662,017
Current portion of due to affiliates	23,156	-	60,602	(78,353)	5,407	150,797	-	156,204
Current portion of estimated settlements due to third-party payers	4,285,117	1,132,410	248,895	-	5,666,422	-	-	5,666,422
Current portion of accrued pension and other postretirement benefits	162,766	31,003	-	-	193,769	-	-	193,769
Other current liabilities	2,653,756	732,322	391,627	-	3,777,705	-	-	3,777,705
Total current liabilities	38,659,737	9,022,285	2,381,837	(78,353)	49,985,506	181,804	-	50,167,310
Long-term debt and capital lease obligations, net of current portion	50,421,026	23,392,308	7,841,125	-	81,654,459	-	-	81,654,459
Estimated self-insurance liabilities, net of current portion	6,835,215	3,566,892	493,923	-	10,896,030	-	-	10,896,030
Accrued pension and postretirement benefits	35,457,539	10,338,947	-	-	45,796,486	-	-	45,796,486
Estimated settlements due to third-party payers, net of current portion	-	-	-	-	-	-	-	-
Due to affiliates	5,298,863	-	-	(5,298,863)	-	-	-	-
Other liabilities	283,594	132,211	-	-	415,805	3,197	-	419,002
Total liabilities	136,955,974	46,452,643	10,716,885	(5,377,216)	188,748,286	185,001	-	188,933,287
Net assets:								
Unrestricted	11,344,473	24,211,838	5,537,374	-	41,093,685	2,865,431	-	43,959,116
Temporarily restricted	974,762	549,043	24,686	-	1,548,491	14,031,431	(9,550,599)	6,029,323
Permanently restricted	12,479,182	3,573,421	-	-	16,052,603	1,567,312	(1,567,312)	16,052,603
Total net assets	24,798,417	28,334,302	5,562,060	-	58,694,779	18,464,174	(11,117,911)	66,041,042
Total liabilities and net assets	$ 161,754,391	$ 74,786,945	$ 16,278,945	$ (5,377,216)	$ 247,443,065	$ 18,649,175	$ (11,117,911)	$ 254,974,329

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
September 30, 2014

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and accrued expenses	$ 2,145,168	$ 283,874	$ 15,665	$ 2,170,645	$ 2,159,817	$ 78,253	$ -	$ 35,964,615
Line of credit	-	-	-	-	-	-	-	5,600,000
Current portion of long-term debt and capital lease obligations	197,183	58,633	25,279	6,488	711,157	-	-	6,660,757
Current portion of due to affiliates	-	-	-	-	-	-	(156,204)	-
Current portion of estimated settlements due to third-party payers	-	-	-	76,738	-	-	-	5,743,160
Current portion of accrued pension and other postretirement benefits	-	-	-	-	-	-	-	193,769
Other current liabilities	-	-	-	851,726	-	1,212,361	-	5,841,792
Total current liabilities	2,342,351	342,507	40,944	3,105,597	2,870,974	1,290,614	(156,204)	60,004,093
Long-term debt and capital lease obligations, net of current portion	26,082	50,667	249,337	-	443,748	-	-	82,424,313
Estimated self-insurance liabilities, net of current portion	-	-	-	-	-	5,592,813	(6,805,175)	9,683,668
Accrued pension and postretirement benefits	-	-	-	-	-	-	-	45,796,486
Estimated settlements due to third-party payers, net of current portion	65,838	-	-	-	-	-	-	65,838
Due to affiliates	2,813,908	474,706	2,030,668	-	11,381,079	-	(16,700,361)	-
Other liabilities	-	-	-	-	-	-	-	419,002
Total liabilities	5,248,179	867,900	2,320,949	3,105,597	14,695,801	6,883,427	(23,661,740)	198,393,400
Net assets:								
Unrestricted	517,745	754,230	127,677	10,387,031	3,761,845	501,168	(463,939)	59,544,873
Temporarily restricted	-	-	-	74,805	473,017	-	(4,480,832)	2,096,313
Permanently restricted	-	-	-	-	-	-	-	16,052,603
Total net assets	517,745	754,230	127,677	10,461,836	4,234,862	501,168	(4,944,771)	77,693,789
Total liabilities and net assets	$ 5,765,924	$ 1,622,130	$ 2,448,626	$ 13,567,433	$ 18,930,663	$ 7,384,595	$ (28,606,511)	$ 276,087,189

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets
For the Year Ended September 30, 2014

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series B, Series C, and Series D Obligated Group
Revenues:								
Patient service revenue, net of contractual allowances and discounts	$ 178,026,737	$ 71,329,965	$ 15,194,102	$ -	$ 264,550,804	$ -	$ -	$ 264,550,804
Provision for bad debts	(5,822,470)	(2,801,283)	(181,495)	-	(8,805,248)	-	-	(8,805,248)
Net patient service revenue less provision for bad debts	172,204,267	68,528,682	15,012,607	-	255,745,556	-	-	255,745,556
Contributions	496,356	315,697	9,235	-	821,288	-	-	821,288
Other revenues	15,370,698	5,227,522	282,491	(143,096)	20,737,615	548,340	(537,649)	20,748,306
EHR initiative payment revenue	986,834	799,300	-	-	1,786,134	-	-	1,786,134
Net assets released from restrictions used for operations	486,908	49,147	1,794	-	537,849	197,133	-	734,982
Total revenues	189,545,063	74,920,348	15,306,127	(143,096)	279,628,442	745,473	(537,649)	279,836,266
Expenses:								
Salaries and wages	83,606,297	32,460,253	7,495,632	-	123,562,182	300,253	(217,087)	123,645,348
Fringe benefits	25,720,253	9,360,797	1,961,418	-	37,042,468	91,045	(65,731)	37,067,782
Supplies and other expenses	66,276,903	26,367,709	4,016,613	(143,096)	96,518,129	354,175	(254,831)	96,617,473
Depreciation and amortization	7,116,905	3,281,014	557,532	-	10,955,451	-	-	10,955,451
Interest and financing costs	2,589,201	689,882	431,848	-	3,710,931	-	-	3,710,931
Total expenses	185,309,559	72,159,655	14,463,043	(143,096)	271,789,161	745,473	(537,649)	271,996,985
Income (loss) from operations	4,235,504	2,760,693	843,084	-	7,839,281	-	-	7,839,281
Non-operating (losses) gains	(1,743,322)	(378,564)	27,867	-	(2,094,019)	-	-	(2,094,019)
Excess of revenues over (under) expenses	$ 2,492,182	$ 2,382,129	$ 870,951	$ -	$ 5,745,262	$ -	$ -	$ 5,745,262

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2014

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Revenues:								
Patient service revenue, net of contractual allowances and discounts	$ 20,269,147	$ -	$ -	$ 25,151,359	$ -	$ -	$ -	$ 309,971,310
Provision for bad debts	(1,261,083)	-	-	(149,763)	-	-	-	(10,216,094)
Net patient service revenue less provision for bad debts	19,008,064	-	-	25,001,596	-	-	-	299,755,216
Contributions	-	-	-	342,595	335,662	-	(335,662)	1,163,883
Other revenues	7,661,388	4,207,997	542,446	1,372,276	3,258,466	2,251,542	(14,825,979)	25,216,442
EHR initiative payment revenue	-	-	-	-	-	-	-	1,786,134
Net assets released from restrictions used for operations	-	-	-	86,733	11,935	-	-	833,650
Total revenues	26,669,452	4,207,997	542,446	26,803,200	3,606,063	2,251,542	(15,161,641)	328,755,325
Expenses:								
Salaries and wages	19,262,878	2,414,238	-	17,466,152	10,582,722	-	(10,665,893)	162,727,445
Fringe benefits	2,966,456	376,616	-	3,473,858	2,404,890	-	(2,430,205)	43,859,398
Supplies and other expenses	10,846,227	1,001,633	302,414	4,462,199	(11,783,558)	2,078,542	509,456	104,034,396
Depreciation and amortization	534,455	140,684	69,876	396,409	208,107	-	(208,107)	12,196,877
Interest and financing costs	14,202	26,708	10,745	1,902	85,197	-	(85,197)	3,764,488
Total expenses	33,724,218	3,959,879	383,037	25,822,521	1,497,358	2,078,542	(12,879,936)	326,582,604
Income (loss) from operations	(7,054,766)	248,118	159,409	980,679	2,108,705	173,000	(2,281,705)	2,172,721
Non-operating (losses) gains	-	-	(31,732)	-	(2,108,705)	-	2,108,705	(2,125,751)
Excess of revenues (under) over expenses	$ (7,054,766)	$ 248,118	$ 127,677	$ 980,679	$ -	$ 173,000	$ (173,000)	$ 46,970

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2014

	The Manchester Memorial Hospital	The Rockville General Hospital, Inc.	ECHN ElderCare Services, Inc.	Eliminations	Subtotal Series A Obligated Group	ECHN Community Healthcare Foundation, Inc.	Eliminations	Subtotal Series B, Series C, and Series D Obligated Group
Unrestricted net assets:								
Excess of revenues (under) over expenses	$ 2,492,182	$ 2,382,129	$ 870,951	$ -	$ 5,745,262	$ -	$ -	$ 5,745,262
Unrealized depreciation on investments	(2,455,986)	(1,808,881)	(113,134)	-	(4,375,981)	-	-	(4,375,981)
Net change in interest rate swap agreement	8,379	-	-	-	8,379	-	-	8,379
Net assets released from restrictions for capital acquisitions	385,647	51,083	-	-	436,730	-	-	436,730
Equity transfer to ECHN	(4,937,674)	(2,116,146)	-	-	(7,053,820)	-	-	(7,053,820)
Equity transfer from ECHN	-	-	-	-	-	-	-	-
ECHN Corporate Services transfer	-	-	-	-	-	-	-	-
Transfers (to) from other affiliates, net	(6,541,891)	(229)	7,130	-	(6,534,990)	273,716	-	(6,261,274)
Pension and postretirement related adjustments	(5,366,133)	(1,072,107)	-	-	(6,438,240)	-	-	(6,438,240)
Other	-	-	-	-	-	-	-	-
Change in unrestricted net assets	(16,415,456)	(2,562,151)	764,947	-	(18,212,660)	273,716	-	(17,938,944)
Temporarily restricted net assets:								
Contributions	44,454	19,798	(33)	-	64,219	1,066,826	(290,398)	840,646
Investment income	321,703	131,269	2,038	-	455,010	2,408,300	(1,663,779)	1,199,531
Net assets released from restrictions used for operations	(486,908)	(49,147)	(1,794)	-	(537,849)	(829,423)	619,265	(748,007)
Net assets released from restrictions used for capital acquisitions	(385,647)	(51,083)	-	-	(436,730)	(436,730)	436,730	(436,730)
Unrealized depreciation on investments	(95,535)	(67,641)	-	-	(163,176)	(1,702,269)	1,044,231	(821,214)
Transfer (to) from affiliates	183,793	4,384	-	-	188,177	-	(187,306)	871
Change in temporarily restricted net assets	(418,140)	(12,420)	211	-	(430,349)	506,703	(41,257)	35,097
Permanently restricted net assets:								
Contributions - beneficial interest trust assets	3,751,750	-			3,751,750	-		3,751,750
Change in beneficial interest in trust assets	148,523	27,520	-	-	176,043	-	-	176,043
Reclassifications of donations	-	(171,110)	-	-	(171,110)	-	-	(171,110)
Change in permanently restricted net assets	3,900,273	(143,590)	-	-	3,756,683	-	-	3,756,683
Change in net assets (deficit)	(12,933,323)	(2,718,161)	765,158	-	(14,886,326)	780,419	(41,257)	(14,147,164)
Net assets (deficit), beginning of year	37,731,740	31,052,463	4,796,902	-	73,581,105	17,683,755	(11,076,654)	80,188,206
Net assets (deficit), end of year	$ 24,798,417	$ 28,334,302	$ 5,562,060	$ -	$ 58,694,779	$ 18,464,174	$ (11,117,911)	$ 66,041,042

See accompanying independent auditor's report.

Eastern Connecticut Health Network, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (continued)
For the Year Ended September 30, 2014

	Eastern CT Medical Professionals Foundation, Inc.	ECHN Corporate Services	ECHN Enterprises, Inc. and Subsidiaries	Visiting Nurse & Health Services of Connecticut Inc.	Eastern Connecticut Health Network, Inc.	Connecticut Healthcare Insurance Company	Eliminations	Total
Unrestricted net assets:								
Excess of revenues (under) over expenses	$ (7,054,766)	$ 248,118	$ 127,677	$ 980,678	$ -	$ 173,000	$ (173,000)	$ 46,970
Unrealized depreciation on investments	-	-	-	(598,592)	(487,108)	(15,244)	-	(5,476,825)
Net change in interest rate swap agreement	-	-	-	-	-	-	-	8,379
Net assets released from restrictions for capital acquisitions	946	-	-	-	-	-	-	437,676
Equity transfer to ECHN	-	-	-	-	7,053,820	-	-	-
Equity transfer from ECHN	7,053,820	-	-	-	(7,053,820)	-	-	-
ECHN Corporate Services transfer	-	-	-	-	-	-	-	-
Transfers (to) from other affiliates, net	545,436	125,000	84,174	-	8,208,215	1,200,000	(9,901,551)	-
Pension and postretirement related adjustments	-	-	-	-	-	-	-	(6,438,240)
Other	-	1,003	-	-	-	-	82	1,085
Change in unrestricted net assets	545,436	374,121	211,851	382,087	7,721,107	1,357,756	(4,074,469)	(11,421,055)
Temporarily restricted net assets:								
Contributions	-	-	-	74,805	79,003	-	(413,939)	580,515
Investment income	-	-	-	-	73,349	-	(738,941)	533,939
Net assets released from restrictions used for operations	-	-	-	(86,733)	(11,935)	-	13,025	(833,650)
Net assets released from restrictions used for capital acquisitions	(946)	-	-	-	-	-	-	(437,676)
Unrealized depreciation on investments	-	-	-	-	-	-	487,098	(334,116)
Transfer (to) from affiliates	946	-	-	-	(189,123)	-	187,306	-
Change in temporarily restricted net assets	-	-	-	(11,928)	(48,706)	-	(465,451)	(490,988)
Permanently restricted net assets:								
Contributions - beneficial interest trust assets	-	-	-	-	-	-	-	3,751,750
Change in beneficial interest in trust assets	-	-	-	-	-	-	-	176,043
Reclassifications of donations	-	-	-	-	-	-	-	(171,110)
Change in permanently restricted net assets	-	-	-	-	-	-	-	3,756,683
Change in net assets (deficit)	545,436	374,121	211,851	370,159	7,672,401	1,357,756	(4,539,920)	(8,155,360)
Net assets (deficit), beginning of year	(27,691)	380,109	(84,174)	10,091,677	(3,437,539)	(856,588)	(404,851)	85,849,149
Net assets (deficit), end of year	$ 517,745	$ 754,230	$ 127,677	$ 10,461,836	$ 4,234,862	$ 501,168	$ (4,944,771)	$ 77,693,789

See accompanying independent auditor's report.

Schedule 3.08

Recent Activities

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.08(b)

Compensation and Personnel Changes

None.

Schedule 3.08(d)

Sold Assets

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.10

Equipment Depreciation Schedule

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.11

Permitted Personal Property Encumbrances

Clinically Integrated Network of Eastern Connecticut, LLC

None.

Connecticut Healthcare Insurance Co.

None.

ECHN Corporate Services, Inc.

None.

Eastern Connecticut Medical Professionals Foundation, Inc.

None.

A Caring Hand, LLC

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
A Caring Hand, LLC (f/k/a The Manchester Memorial Hospital)	283097 pursuant to Equipment schedule No. 33 to Master Lease Agreement 2084948	UCC-1 Financing	8/15/11	Philips Medical Capital, LLC	All Equipment leased or financed to Secured Party's Contract Number 101010
	2978057	UCC Amendment	1/31/14	Philips Medical Capita, LLC	Amended to UCC Financing Statement 2830978 - Changing name of Debtor to A Caring Hand, LLC
A Caring Hand, LLC	3094494	UCC-1 Financing Statement	12/22/2016	Philips Medical Capital, LLC	Equipment
A Caring Hand, LLC	3139361	UCC-1 Financing Statement	9/2016	Philips Medical Capital, LLC	Equipment

Eastern Connecticut Health Network, Inc.

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
Eastern Connecticut Health Network, Inc.	2628985	UCC-1 Financing Statement	4/17/08	De Lage Landen Financial Services, Inc.	Davinci "S" Surgical Robotic System
	2629113	Office Correct	4/18/08	De Lage Landen Financial Services, Inc.	Office Correction of UCC Statement 2628985 correcting date of original filing
	2920368	UCC Amendment Continuation	2/19/13	De Lage Landen Financial Services, Inc.	Continuation of UCC Statement 2628985
Eastern Connecticut Health Network, Inc.	2636092	UCC-1 Financing Statement	5/23/08	Winthrop Resources Corporation	Equipment Lease
	2919299	UCC Amendment Continuation	2/11/13	Winthrop Resources Corporation	Continuation of UCC Statement 2636092
Eastern Connecticut Health Network, Inc.	2748251	UCC-1 Financing Statement	4/22/10	Winthrop Resources Corporation	Computer Equipment Lease
	3036746	UCC Amendment Continuation	1/20/15	Winthrop Resources Corporation	Continuation of UCC Statement 2748251

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
Eastern Connecticut Health Network, Inc. **[TERMINATED]**	2759123	UCC-1 Financing Statement	6/18/10	CSI Leasing, Inc.	Master Lease
	2843931	UCC Amendment	11/7/11	CSI Leasing, Inc.	Termination of UCC Statement 2759123
Eastern Connecticut Health Network, Inc.	2775479	UCC-1 Financing Statement	9/28/10	CSI Leasing, Inc.	Computer Equipment Lease
Eastern Connecticut Health Network, Inc.	2777858	UCC-1 Financing Statement	10/4/10	Philips Medical Capital, LLC	Computer Equipment Lease
	3065431	UCC Amendment Continuation	7/2/15	Philips Medical Capital, LLC	Continuation of UCC Statement No. 3065431
	3065442	Office Correct	7/7/15	Philips Medical Capital, LLC	Office Correction of UCC Statement 2777858 correcting Continuation filing
Eastern Connecticut Health Network, Inc.	2830413	UCC-1 Financing Statement	8/11/11	De Lage Landen Financial Services, Inc.	Equipment Lease

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2837591	UCC Amendment	9/30/11	De Lage Landen Financial Equipment Lease Services, Inc.	Amendment to UCC Statement 2830413 amending name of Debtor from Eastern Connecticut Health Network, Inc. to The Manchester Memorial Hosptial
	2842067	UCC Amendment	10/26/11	De Lage Landen Financial Services, Inc.	Amendment to UCC Statement 2830413 changing name of Debtor from The Manchester Memorial Hospital to Eastern Connecticut Health Network
Eastern Connecticut Health Network, Inc.	2831259	UCC-1 Financing Statement	8/17/11	De Lage Landen Financial Services, Inc.	Equipment
Eastern Connecticut Health Network, Inc.	2842239	UCC-1 Financing Statement	10/26/11	Winthrop Resources Corporation	Computer Equipment Lease
Eastern Connecticut Health Network, Inc.	2864988	UCC-1 Financing Statement	3/15/12	CSI Leasing, Inc.	Equipment Lease
	3097533	UCC Assignment	1/8/16	GE HFS, LLC	Assignment of UCC Statement 2864988 to GE HFS, LLC

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
Eastern Connecticut Health Network, Inc.	2868957	UCC-1 Financing Statement	4/9/12	General Electric Capital Corporation	GE Healthcare GE 9000 Elite System
Eastern Connecticut Health Network, Inc.	2871289	UCC-1 Financing Statement	4/18/12	CSI Leasing, Inc.	Xerox Master Lease
Eastern Connecticut Health Network, Inc.	2883979	UCC-1 Financing Statement	6/26/12	CSI Leasing, Inc.	Equipment Lease
	2913728	UCC Amendment	1/3/13	CSI Leasing, Inc.	Amendment to UCC Statement 2883979 adding collateral information
Eastern Connecticut Health Network, Inc.	2886952	UCC-1 Financing Statement	7/12/12	Winthrop Resources Corporation	Equipment Lease
	2945659	UCC Amendment	6/26/13	Winthrop Resources Corporation	Amendment to UCC Statement 2886952 adding collateral per Lease Agreement # EA112107 Lease Schedule B02
Eastern Connecticut Health Network, Inc.	2897293	UCC-1 Financing Statement	9/21/12	General Electric Capital Corporation	GE Healthcare OEC 9900 Elite Digital C-Arm System

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2920529	UCC Amendment	2/20/13	General Electric Capital Corporation	Amendment to UCC Statement 2897293 Deleting The Rockville General Hospital as Debtor
	3096699	UCC Amendment	1/5/16	GE HFS, LLC	Assignment of UCC Statement 2897293 to GE HFS, LLC
	6097549	UCC Amendment	1/7/16	GE HFS, LLC	Assignment of UCC Statement 2897293 to GE HFS, LLC
	6098482	UCC Amendment	1/13/16	GE HFS, LLC	Assignment of UCC Statement 2897293 to GE HFS, LLC
Eastern Connecticut Health Network, Inc.	2897295	UCC-1 Financing Statement	9/21/12	General Electric Capital Corporation	Direct Supply The Black Group Boiler DHW Upgrades Systems
	3097734	UCC Amendment	1/11/2016	GE HFS, LLC	Assignment to GE HFS, LLC
Eastern Connecticut Health Network, Inc.	2908898	UCC-1 Financing Statement	11/30/12	Corporation Service Company, as Representative	Equipment lease as described in the Master Lease Agreement No. 2012284

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
Eastern Connecticut Health Network, Inc.	2911846	UCC-1 Financing Statement	12/19/12	CSI Leasing, Inc.	Equipment, software and personal property leased to Lessee pursuant to Equipment schedule No. 33 to Master Lease Agreement 208494
	2924992	UCC Amendment Assignment	3/19/13	First Bank of Highland Park	Assignment of UCC Statement 2911846
	2925328	UCC Amendment	3/19/13	First Bank of Highland Park	Amendment to UCC Statement 2911846 amending to specify collateral and serial numbers
Eastern Connecticut Health Network, Inc. **[TERMINATED]**	2912119	UCC-1 Financing Statement	12/20/12	Technology Investment Partners, L.L.C.	Master Lease
	2916780	UCC Amendment Termination	1/22/13	Technology Investment Partners, L.L.C.	Termination of UCC Statement 2912119
Eastern Connecticut Health Network, Inc.	2912121	UCC-1 Financing Statement	12/20/12	Technology Investment Partners, L.L.C.	Equipment, etc listed on Schedule no. 001 to Master Lease Agreement dated 12/20./2012

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2917225	UCC Amendment	1/24/13	Technology Investment Partners, L.L.C.	Amendment to UCC Statement 2912121 amending name of debtor (correcting spelling)
	2918908	UCC Amendment Assignment	2/6/13	First Independent Bank	Assignment of UCC Statement 2912121 to First Independent Bank
Eastern Connecticut Health Network, Inc. **[TERMINATED]**	2913737	UCC-1 Financing Statement	12/31/12	De Lage Landen Financial Services, Inc.	Equipment
	2939435	UCC Amendment Termination	5/24/13	De Lage Landen Financial Services, Inc.	Termination of UCC Statement 2913737
Eastern Connecticut Health Network, Inc.	2919282	UCC-1 Financing Statement	2/11/13	CSI Leasing, Inc.	Equipment lease as described in Equipment Schedule No. 34 to Master Lease 208494
	2960389	UCC Amendment Assignment	10/8/13	First Bank of Highland Park	Assignment of UCC Statement 2919282 to First Bank of Highland Park

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2960823	UCC Amendment	10/8/13	First Bank of Highland Park	Amendment to UCC Statement 2919282 to specify collateral and serial numbers pursuant to Scheudle 34 to Master lease No. 208494
Eastern Connecticut Health Network, Inc.	2921468	UCC-1 Financing Statement	2/26/13	General Electric Capital Corporation	GE Healthcare Muse System
Eastern Connecticut Health Network, Inc.	2939989	UCC-1 Financing Statement	5/29/13	General Electric Capital Corporation	One Iatric Systems IATRIC INTERFACE System
Eastern Connecticut Health Network, Inc.	2940005	UCC-1 Financing Statement	5/29/13	General Electric Capital Corporation	One Dell Computer Corporation Dell PC Upgrades Software and Accessories System
Eastern Connecticut Health Network, Inc.	2940819	UCC-1 Financing Statement	5/30/13	General Electric Capital Corporation	One Softmart SQLSVR LICENSES System
Eastern Connecticut Health Network, Inc.	2945194	UCC-1 Financing Statement	6/25/13	CSI Leasing, Inc.	Equipment Lease (Equipment Schedule No. 35 to Master Lease 208494)

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2966818	UCC Amendment Assignment	11/15/13	First Bank of Highland Park	Assignment of UCC Statement 2945194 to First Bank of Highland Park
	2966937	UCC Amendment	11/15/13	CSI Leasing, Inc.	Amendment to UCC Statement 2945194 amending collateral to specify collateral and serial numbers
Eastern Connecticut Health Network, Inc.	2959238	UCC-1 Financing Statement	9/30/13	Olympus America Inc.	Hospital Equipment Lease
Eastern Connecticut Health Network, Inc.	2959239	UCC-1 Financing Statement	9/30/13	Olympus America Inc.	Computer Equipment Lease as described in Master Agreement Number 0008798
Eastern Connecticut Health Network, Inc.	2959240	UCC-1 Financing Statement	9/30/13	Olympus America Inc.	Hospital Equipment Lease described in Quote Number 201475-19
Eastern Connecticut Health Network, Inc.	2961181	UCC-1 Financing Statement	10/11/13	CSI Leasing, Inc.	Equipment Lease (Equipment Schedule No. 36 to Master Lease No. 208494)

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	3011261	UCC Amendment Assignment	8/20/14	First Bank of Highland Park	Assignment of UCC Statement 2961181 to First Bank of Highland Park
	3011600	UCC Amendment	8/20/14	First Bank of Highland Park	Amendment to UCC Statement 2861181 amending collateral to specify collateral and serial numbers
Eastern Connecticut Health Network, Inc.	2961390	UCC-1 Financing Statement	10/11/13	Winthrop Resources Corporation	Equipment Lease Agreement # EA112107, Lease Schedule # 003X
	2983722	UCC Amendment Assignment	3/13/14	Banc of America Leasing & Capital, LLC	Assignment to Bank of America Leasing & Capital, LLC
Eastern Connecticut Health Network, Inc.	2968854	UCC-1 Financing Statement	12/4/13	Olympus America Inc.	Equipment Lease
Eastern Connecticut Health Network, Inc.	2972504	UCC-1 Financing Statement	12/19/13	Winthrop Resources Corporation	Equipment Lease Agreement # EA112107 Lease Schedule 004X
	2983756	UCC Amendment Assignment	3/13/14	Banc of America Leasing & Capital, LLC	Assignment of UCC Statement 2972504 to Banc of America Leasing & Capital, LLC

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
Eastern Connecticut Health Network, Inc.	2988299	UCC-1 Financing Statement	4/9/14	CSI Leasing, Inc.	Equipment Lease
Eastern Connecticut Health Network, Inc.	2997249	UCC-1 Financing Statement	5/17/14	General Electric Capital Corporation	Equipment Lease
	3097878	UCC Amendment Assignment	1/12/16	GE HFS, LLC	Assignment of UCC Statement 2997249 – GE HFS, LLC
Eastern Connecticut Health Network, Inc.	3003807	UCC-1 Financing Statement	7/2/14	CSI Leasing, Inc.	Equipment Lease Schedule No. 37 to Master Lease 208494
	3036271	UCC Amendment Assignment	1/15/15	First Bank of Highland Park	Assignment to First Bank of Highland Park
	3036483	UCC Amendment	1/15/15	First Bank of Highland Park	Amendment to UCC Statement 3003807 amending collateral to specify collateral and serial numbers
Eastern Connecticut Health Network, Inc.	3005839	UCC-1 Financing Statement	7/16/14	Technology Investment Partners, L.L.C.	Master Equipment Lease

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	3034832	UCC Amendment Assignment	1/7/15	Crestmark Equipment Finance, Inc.	Assignment of UCC Statement 3005839 to Crestmark Equipment Finance, Inc.
	3034835	UCC Amendment Assignment	1/7/15	MB Financial	Assignment of UCC Statement 3005839 to MB Financial
Eastern Connecticut Health Network, Inc.	3017866	UCC-1 Financing Statement	9/24/14	CSI Leasing, Inc.	Equipment Lease
	3036273	UCC Amendment Assignment	1/15/15	First Bank of Highland Park	Assignment of UCC Statement 3017866 to First Bank of Highland Park
	3036482	UCC Amendment	1/15/15	CSI Leasing	Amendment to UCC Statement 3017866 amending collateral to specify collateral and serial numbers
Eastern Connecticut Health Network, Inc. **[TERMINATED]**	3032062	UCC-1 Financing Statement	12/17/14	CSI Leasing, Inc.	Equipment Lease
	3055591	UCC Amendment Termination	5/14/15	Winthrop Resources Corporation	Termination of UCC Statement 3032062

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
Eastern Connecticut Health Network, Inc.	3032921	UCC-1 Financing Statement	12/19/14	Winthrop Resources Corporation	Equipment Lease
Eastern Connecticut Health Network, Inc.	3034568	UCC-1 Financing Statement	1/6/15	Crestmark Equipment Finance, Inc.	Equipment Lease
Eastern Connecticut Health Network, Inc.	3069621	UCC-1 Financing Statement	7/31/15	CSI Leasing, Inc.	Equipment Lease
	3079088	UCC Amendment	9/28/15	CSI Leasing, Inc.	Amendment to UCC Statement 3069621 adding Collateral
Eastern Connecticut Health Network, Inc.	3074549	UCC-1 Financing Statement	9/2/15	Olympus America Inc.	Equipment Lease
Eastern Connecticut Health Network, Inc.	3086530	UCC-1 Financing Statement	1/3/15	Winthrop Resources Corporation	Equipment Lease
Eastern Connecticut Health Network, Inc.	3096014	UCC-1 Financing Statement	12/31/15	CSI Leasing	Equipment Lease
Eastern Connecticut Health Network, Inc.	3096763	UCC-1 Financing Statement	1/5/16	CSI Leasing	Equipment Lease

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
Eastern Connecticut Health Network, Inc.	3117858	UCC-1 Financing Statement	5/4/16	Intuitive Surgical, Inc.	One (i) daVinci Xi Surgical System single console
Eastern Connecticut Health Network, Inc.	3124053	UCC-1 Financing Statement	6/2/16	Winthrop Resources Corporation	Agreement #EA112107
Eastern Connecticut Health Network, Inc.	3138680	UCC-1 Financing Statement	9/1/16	CSI Leasing	Equipment Lease
Eastern Connecticut Health Network, Inc.	5917030003 Book 4209, Page 167-169	UCC-1 Financing Statement	11/06/14	Crestmark Equipment Finance, Inc. dba TIP Capital	Equipment Lease for Pharmacy Build Out
	5917030003 Book 4223, P. 287-289	UCC Amendment	1/13/15	MB Financial Bank, N.A.	Assignment of UCC Statement to MB Financial Bank, N.A.

ECHN Eldercare Services, Inc.

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
ECHN Eldercare Services, Inc. (f/k/a Tolland County Health Care, Inc.)	1979611	UCC Financing Statement	2/25/00	State Street Bank and Trust Company, as Master Trustee	All collateral and proceeds thereof
	2301592	UCC Amendment	11/22/04	State Street Bank and Trust Company, as Master Trustee	Amendment to UCC Statement 1979611 changing name of Debtor from Tolland County Healthcare, Inc. to ECHN Eldercare Services, Inc.
	2301593	UCC Amendment Assignment	11/22/04	U.S. Bank National Association	Assignment of UCC Statement 1979611 to U.S. Bank National Association
	2301594	UCC Amendment Continuation	11/22/04	U.S. Bank National Association	Continuation of UCC Statement 1979611
	2712759	UCC Amendment Continuation	9/9/09	U.S. Bank National Association	Continuation of UCC Statement 1979611
	3028883	UCC Amendment Continuation	11/25/14	U.S. Bank National Association	Continuation of UCC Statement 1979611
ECHN Eldercare Services, Inc.	2361293	UCC Financing	11/9/05	U.S. Bank National Association, as Master Trustee	Gross Receipts

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
		Statement			
	2759899	UCC Amendment Continuation	6/10/10	U.S. Bank National Association, as Series C Bond Trustee	Continuation of UCC Statement 2361293
	2884715	UCC Amendment	6/28/12	U.S. Bank National Association, as Trustee	Amendment to UCC Statement 2361293 deleting collateral
	3071231	UCC Amendment Continuation	8/11/15	U.S. Bank National Association, as Master Trustee	Continuation of UCC Statement 2361293
ECHN Eldercare Services, Inc.	2695326	UCC Financing Statement	5/19/09	U.S. Bank National Association, as Master Trustee	Gross Receipts
	2884717	UCC Amendment	6/28/12	U.S. Bank National Association, as Master Trustee	Amendment to UCC Statement 2695326 deleting collateral
	2976568	UCC Amendment Continuation	1/21/14	U.S. Bank National Association, as Master Trustee	Continuation of UCC Statement 2695326
ECHN Eldercare Services, Inc.	2695366	UCC Financing Statement	5/15/09	TD Bank, N.A.	Gross Receipts
	2884719	UCC Amendment	6/28/12	TD Bank, N.A.	Amendment to UCC Statement 2695366

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
					deleting collateral
	2974315	UCC Amendment Continuation	1/8/14	TD Bank, N.A.	Continuation of UCC Statement 2695366
ECHN Eldercare Services, Inc.	2790291	UCC Financing Statement	12/21/10	U.S. Bank National Association, as Master Trustee	Gross Receipts
	2884721	UCC Amendmnet	6/28/12	U.S. Bank National Association, as Master Trustee	Amendment to UCC Statement 2790291 deleting collateral
	2068296	UCC Amendment Continuation	7/23/15	U.S. Bank National Association, as Master Trustee	Continuation of UCC Statement 2790291
ECHN Eldercare Services, Inc.	2791048	UCC Financing Statement	12/22/10	TD Bank, N.A.	Gross Receipts
	2884723	UCC Amendmnet	6/28/12	TD Bank, N.A.	Amendment to UCC Statement 2791048 deleting collateral
ECHN Eldercare Services, Inc.	2897295	UCC Financing Statement	9/21/12	General Electric Capital Corporation	One Direct Supply the Blake Group Boiler DHW Upgrades system
	3097734	UCC Amendment	1/11/16	GE HFS, LLC	Assignment of UCC Statement 2897295 to GE

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
		Assignment			HFS, LLC
ECHN Eldercare Services, Inc.	3020870	UCC Financing Statement	10/7/14	TD Bank, N.A.	All Assets

ECHN Enterprises, Inc.

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
ECHN Enterprises, Inc.	2442834	UCC-1 Financing Statement	3/6/07	Rockville Bank	Goods, fixtures, equipment and inventory, except for furniture or equipment utilized in medical practice
	2860904	UCC Amendment Continuation	2/21/12	Rockville Bank	Continuation of UCC Statement 2442834

Haynes Street Property Management, LLC

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
Haynes Street Property Management, LLC	3093962	UCC-1 Financing Statement	12/18/2015	Town of Glastonbury	Furniture, Fixtures & Office/EDP Equipment, Accounts Receivable, Inventory, all other Goods & Chattels 2014 GL

The Manchester Memorial Hospital

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Manchester Memorial Hospital	1979610	UCC-1 Financing Statement	2/25/00	State Street Bank and Trust Company as Master Trustee	All receipts, revenues, income and other moneys received by or on behalf of any Obligated Group Member.
	2301595	UCC Amendment Assignment	11/22/04	U.S. Bank, National Association	Assignment of UCC Statement 1979610 to U.S. Bank, National Association
	2301596	UCC Amendment Continuation	11/22/04	U.S. Bank, National Association	Continuation of UCC Statement 1979610
	2712757	UCC Amendment Continuation	9/9/09	U.S. Bank, National Association	Continuation of UCC Statement 1979610
	2884712	UCC Amendment	6/28/12	U.S. Bank, National Association	Amendment to UCC Statement 1979610 deleting collateral
	3028881	UCC Amendment Continuation	11/25/14	U.S. Bank, National Association	Continuation of UCC Statement 1979610

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Manchester Memorial Hospital	2361293	UCC-1 Financing Statement	11/9/05	U.S. Bank National Association, as Master Trustee	Gross Receipts
	2759899	UCC Amendment Continuation	6/21/10	U.S. Bank National Association, as Master Trustee	Continuation of UCC Statement 2361293
	2884715	UCC Amendment	6/28/12	U.S. Bank National Association, as Master Trustee	Amendment to UCC Statement 2361293 deleting collateral
	3071231	UCC Amendment Continuation	8/11/15	U.S. Bank National Association, as Master Trustee	Continuation of UCC Statement 2361293
The Manchester Memorial Hospital	2361298	UCC-1 Financing Statement	11/9/05	U.S. Bank National Association, as Series A Bond Trustee	Service Equipment
	2411078	UCC Amendment	8/24/06	U.S. Bank National Association, as Series A Bond Trustee	Amendment to UCC Statement 2361298 deleting collateral
	2414848	UCC Amendment	9/18/06	U.S. Bank National Association	Amendment to UCC Statement 2361298 deleting collateral
	2624608	UCC Amendment	3/25/08	U.S. Bank National Association, as Series A Bond Trustee	Amendment to UCC Statement 2361298 deleting collateral

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2695329	UCC Amendment	5/18/09	U.S. Bank National Association, as Series A Bond Trustee	Amendment to UCC Statement 2361298 restating collateral
	2759896	UCC Amendment Continuation	6/21/10	U.S. Bank National Association, as Series A Bond Trustee	Continuation of UCC Statement 2361298
	2884713	UCC Amendment	6/28/12	U.S. Bank National Association, as Trustee	Amendment to UCC Statement 2361298 Deleting Collateral
	3068294	UCC Amendment Continuation	7/23/15	U.S. Bank National Association, as Series A Bond Trustee	Continuation of UCC Statement 2361298
The Manchester Memorial Hospital **[TERMINATED]**	2361303	UCC-1 Financing Statement	11/9/05	U.S. Bank National Association, as Series B Bond Trustee	Service Equipment
	2411077	UCC Amendment	8/24/06	U.S. Bank National Association, as Series B Bond Trustee	Amendment to UCC Statement 2361303 Deleting Collateral
	2414849	UCC Amendment	9/18/06	U.S. Bank National Association, as Series B Bond Trustee	Amendment to UCC Statement 2361303 Deleting Collateral
	2624610	UCC Amendment	3/25/08	U.S. Bank National Association, as Series B Bond Trustee	Amendment to UCC Statement 2361303 Deleting Collateral

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2695331	UCC Amendment	5/18/09	U.S. Bank National Association, as Series B Bond Trustee	Amendment to UCC Statement 2361303 Deleting Collateral
	2759897	UCC Amendment	6/21/10	U.S. Bank National Association, as Series B Bond Trustee	Amendment to UCC Statement 2361303
	2791064	UCC Amendment Termination	12/22/10	U.S. Bank National Association, as Series B Bond Trustee	Termination of UCC Statement 2361303
The Manchester Memorial Hospital	2361309	UCC-1 Financing Statement	11/9/05	U.S. Bank National Association	Service Equipment
	2411079	UCC Amendment	8/24/06	U.S. Bank National Association, as Series C Bond Trustee	Amendment to UCC Statement 2361309 Deleting collateral
	2414850	UCC Amendment	9/18/06	U.S. Bank National Association, as Series C Bond Trustee	Amendment to UCC Statement 2361309 deleting collateral
	2624613	UCC Amendment	3/25/08	U.S. Bank National Association, as Series C Bond Trustee	Amendment to UCC Statement 2361309 Deleting Collateral
	2695333	UCC Amendment	5/18/09	U.S. Bank National Association, as Series C Bond Trustee	Amendment to UCC Statement 2361309 Restating Collateral

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2759900	UCC Amendment Continuation	6/21/10	U.S. Bank National Association, as Series C Bond Trustee	Continuation of UCC Statement 2361309
	2884716	UCC Amendment	6/28/12	U.S. Bank National Association, as Trustee	Amendment to UCC Statement 2361309 – Deleting Collateral
	3071230	UCC Amendment Continuation	8/11/15	U.S. Bank National Association, as Series C Bond Trustee	Continuation of UCC Statement 2361309
The Manchester Memorial Hospital	2365603	UCC-1 Financing Statement	12/7/05	Siemens Financial Services, Inc.	Equipment
	2393479	UCC Amendment	5/15/06	Siemens Financial Services, Inc.	Amendment to UCC Statement 2365603 Amending Debtors Address
	2774210	UCC Amendment Continuation	9/21/10	Siemens Financial Services, Inc.	Continuation of UCC Statement 2365603
	3071941	UCC Amendment Continuation	8/11/15	Siemens Financial Services, Inc.	Continuation of UCC Statement 2365603
The Manchester Memorial Hospital	2365605	UCC-1 Financing Statement	12/7/05	Siemens Financial Services, Inc.	Equipment

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2370903	UCC Amendment	1/10/06	Siemens Financial Services, Inc.	Amendment to UCC Statement 2365605 Amending Debtors Address
	2384256	UCC Amendment	3/29/06	Siemens Financial Services, Inc.	Amendment to UCC Statement 2365605 Restating Collateral
	2774208	UCC Amendment Continuation	9/21/10	Siemens Financial Services, Inc.	Continuation of UCC Statement 2365605
	3070860	UCC Amendment Continuation	8/10/15	Siemens Financial Services, Inc.	Continuation of UCC Statement 2365605
The Manchester Memorial Hospital **[TERMINATED]**	2366260	UCC-1 Financing Statement	12/12/05	Siemens Financial Services, Inc.	Equipment
	2369620	UCC Amendment	12/30/05	Siemens Financial Services, Inc.	Amendment to UCC Statement 2366260
	2774209	UCC Amendment Continuation	9/21/10	Siemens Financial Services, Inc.	Continuation of UCC Statement 2366260
	3071661	UCC Amendment Continuation	8/14/15	Siemens Financial Services, Inc.	Continuation of UCC Statement 2366260

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	3071781	UCC Amendment Termination	8/14/15	Siemens Financial Services, Inc.	Termination of UCC Statement 2366260
The Manchester Memorial Hospital	2628913	UCC-1 Financing Statement	4/17/08	Cardinal Health 200, Inc.	Equipment
	2916968	UCC Amendment Continuation	1/23/13	Cardinal Health 200, Inc.	Continuation of UCC Statement 2628913
The Manchester Memorial Hospital	2636148	UCC-1 Financing Statement	5/23/08	Winthrop Resources Corporation	Equipment Lease
	2919300	UCC Amendment Continuation	2/11/13	Winthrop Resources Corporation	Continuation of UCC Statement 2636148
The Manchester Memorial Hospital	2671504	UCC-1 Financing Statement	12/19/08	Cardinal Health 200, Inc.	Equipment
	2959844	UCC Amendment Continuation	09/30/13	Cardinal Health 200, Inc.	Continuation of UCC Statement 2671504
The Manchester Memorial Hospital	2695326	UCC-1 Financing Statement	5/18/09	U.S. Bank National Association, as Master Trustee	Gross Receipts

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2884717	UCC Amendment	6/28/12	U.S. Bank National Association, as Trustee	Amendment to UCC Statement 2695326 Deleting Collateral
	2976568	UCC Amendment Continuation	1/21/14	U.S. Bank National Association, as Master Trustee	Continuation of UCC Statement 2695326
The Manchester Memorial Hospital	2695328	UCC-1 Financing Statement	5/18/09	U.S. Bank National Association, as Series D Bond Trustee	Service Equipment
	2884718	UCC Amendment	6/28/12	U.S. Bank National Association	Amendment to UCC Statement 2695328 Deleting Collateral
	2976569	UCC Amendment Continuation	1/21/14	U.S. Bank National Association, as Master Trustee	Continuation of UCC Statement 2695328
The Manchester Memorial Hospital	2695366	UCC-1 Financing Statement	5/15/09	TD Bank, N.A.	Gross Receipts
	2884719	UCC Amendment	6/28/12	TD Bank, N.A.	Amendment to UCC Statement 2695366 deleting collateral
	2974315	UCC Amendment Continuation	1/8/14	TD Bank, N.A.	Continuation of UCC Statement 2695366

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Manchester Memorial Hospital	2695367	UCC-1 Financing Statement	5/15/09	TD Bank, N.A.	Service Equipment
	2884720	UCC Amendment	6/28/12	TD Bank, N.A.	Amendment to UCC Statement 2695367 deleting collateral
	2974314	UCC Amendment Continuation	1/8/14	TD Bank, N.A.	Continuation of UCC Statement 2695367
The Manchester Memorial Hospital	2748250	UCC-1 Financing Statement	4/22/10	Winthrop Resources Corporation	Equipment Lease Agreement
	3036747	UCC Amendment Continuation	1/20/15	Winthrop Resources Corporation	Continuation of UCC Statement 2748250
The Manchester Memorial Hospital	2790291	UCC-1 Financing Statement	12/21/10	U.S. Bank National Association, as Master Trustee	Gross Receipts
	2884721	UCC Amendment	6/28/12	U.S. Bank National Association, as Master Trustee	Amendment to UCC Statement 2790291 deleting collateral
	3068296	UCC Amendment Continuation	7/23/15	U.S. Bank National Association, as Master Trustee	Continuation of UCC Statement 2790291

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Manchester Memorial Hospital	2790292	UCC-1 Financing Statement	12/21/10	U.S. Bank National Association, as Series E Bond Trustee	Service Equipment
	2884722	UCC Amendment	6/28/12	U.S. Bank National Association, as Trustee	Amendment to UCC Statement 2790292 Deleting Collateral
	3068297	UCC Amendment Continuation	7/23/15	U.S. Bank National Association, as Series E Bond Trustee	Continuation of UCC Statement 2790292
Manchester Memorial Hospital **[TERMINATED]**	2793757	UCC-1 Financing Statement	1/13/11	Toshiba America Medical Systems, Inc.	Equipment
	2890178	UCC Amendment Termination	8/1/12	Toshiba America Medical Systems, Inc.	Termination of UCC Statement 2793757
The Manchester Memorial Hospital	2816756	UCC-1 Financing Statement	5/23/11	Siemens Financial Services, Inc.	Equipment Lease
	2817250	UCC Amendment	5/25/11	Siemens Financial Services, Inc.	Amendment to UCC Statement 2816756 changing address of Debtor
	3099574	UCC Amendment Continuation	1/25/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2816756

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Manchester Memorial Hospital	2816883	UCC-1 Financing Statement	5/23/11	Siemens Financial Services, Inc.	Equipment Lease
	3099575	UCC Amendment Continuation	1/25/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2816883
The Manchester Memorial Hospital	2816885	UCC-1 Financing Statement	5/23/11	Siemens Financial Services, Inc.	Equipment Lease
	3099576	UCC Amendment Continuation	1/25/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2816885
The Manchester Memorial Hospital	2817010	UCC-1 Financing Statement	5/24/11	Siemens Financial Services, Inc.	Equipment Lease
	3099699	UCC Amendment Continuation	1/26/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2817010
The Manchester Memorial Hospital	2817015	UCC-1 Financing Statement	5/24/11	Siemens Financial Services, Inc.	Equipment Lease
	3099698	UCC Amendment Continuation	1/26/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2817015

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Manchester Memorial Hospital	2817106	UCC-1 Financing Statement	5/25/11	Siemens Financial Services, Inc.	Equipment Lease
	3099905	UCC Amendment Continuation	1/27/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2817106
The Manchester Memorial Hospital	2817175	UCC-1 Financing Statement	5/25/11	Siemens Financial Services, Inc.	Equipment Lease
	3099907	UCC Amendment Continuation	1/27/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2817175
The Manchester Memorial Hospital	2817176	UCC-1 Financing Statement	5/25/11	Siemens Financial Services, Inc.	Equipment Lease
	3099906	UCC Amendment Continuation	1/27/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2817176
The Manchester Memorial Hospital	2830413	UCC-1 Financing Statement	8/11/11	De Lage Landen Financial Services, Inc.	Equipment

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2837591	UCC Amendment	9/30/11	De Lage Landen Financial Services, Inc.	Amendment to UCC Statement 2830413 Amending name of Debtor from Eastern Connecticut Health Network to The Manchester Memorial Hospital
	2842067	UCC Amendment	10/26/11		Amendment to UCC Statement 2830413 changing name of Debtor from The Manchester Memorial Hospital to Eastern Connecticut Health Network
The Manchester Memorial Hospital	2830978	UCC-1 Financing Statement	8/15/11	Sovereign Bank, National Association	Equipment
	2978057	UCC Amendment	1/31/14	Philips Medical Capital, LLC	Amendment to UCC Statement 2830978 changing name of Debtor to A Caring Hand, LLC
The Manchester Memorial Hospital	2846408	UCC-1 Financing Statement	11/22/11	Siemens Financial Services, Inc.	Equipment Lease
The Manchester Memorial Hospital	2865170	UCC-1 Financing Statement	3/16/12	Siemens Financial Services, Inc.	Equipment

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Manchester Memorial Hospital	2883103	UCC-1 Financing Statement	6/18/12	Siemens Financial Services, Inc.	Equipment Lease
The Manchester Memorial Hospital	2885198	UCC-1 Financing Statement	6/29/12	Sovereign Bank, National Association	Master Financing
The Manchester Memorial Hospital	2885201	UCC-1 Financing Statement	6/29/12	Sovereign Bank, National Association	Master Financing
The Manchester Memorial Hospital	2896985	UCC-1 Financing Statement	9/19/12	Siemens Financial Services, Inc.	Equipment Lease
The Manchester Memorial Hospital	2901978	UCC-1 Financing Statement	10/15/12	Siemens Financial Services, Inc.	Equipment Lease
The Manchester Memorial Hospital	2908898	UCC-1 Financing Statement	11/30/12	Corporation Service Company, as Representative	Master Equipment Lease
The Manchester Memorial Hospital	2912275	UCC-1 Financing Statement	12/21/12	General Electric Capital Corporation	GE Helathcare OEC 9900 Digital C-Arm
	3096701	UCC Amendment Assignment	1/5/16	GE HFS, LLC	Assignment of UCC Statement 2912275 to GE HFS, LLC

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Manchester Memorial Hospital	2919901	UCC-1 Financing Statement	2/13/13	Winthrop Resources Corporation	Equipment Lease
The Manchester Memorial Hospital	2933828	UCC-1 Financing Statement	4/30/13	Rockville Bank	Inventory, Chattel Paper, Accounts, Equipment and General Intangibles
The Manchester Memorial Hospital	2956249	UCC-1 Financing Statement	9/9/13	Siemens Financial Services, Inc.	Equipment Lease
The Manchester Memorial Hospital	2961388	UCC-1 Financing Statement	10/11/13	Winthrop Resources Corporation	Equipment Lease
	2983727	UCC Amendment Assignment	3/13/14	Banc of America Leasing & Capital, LLC	Assignment of UCC Statement 2961388 to Banc of America Leasing & Capital, LLC
The Manchester Memorial Hospital	2961555	UCC-1 Financing Statement	10/15/13	Siemens Financial Services, Inc.	Equipment Lease
The Manchester Memorial Hospital	2972503	UCC-1 Financing Statement	12/19/13	Winthrop Resources Corporation	Equipment Lease

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2984186	UCC Amendment Assignment	3/17/14	Banc of America Leasing & Capital, LLC	Assignment of UCC Statement 2972503 to Banc of America Leasing & Capital, LLC
The Manchester Memorial Hospital	2976605	UCC-1 Financing Statement	1/21/14	Philips Medical Capital, LLC	Equipment
The Manchester Memorial Hospital	2976606	UCC-1 Financing Statement	1/21/14	Philips Medical Capital, LLC	Equipment
The Manchester Memorial Hospital	2980004	UCC-1 Financing Statement	2/14/14	Philips Medical Capital, LLC	Equipment
The Manchester Memorial Hospital	2997249	UCC-1 Financing Statement	5/27/14	General Electric Capital Corporation	Six (6) Soma Technology Skytron 6701 Electro-Hydraulik Table Standard Systems
	3097878	UCC Amendment Assignment	1/12/16	GE HFS, LLC	Assignment of UCC Statement 3097878 to GE HFS, LLC
The Manchester Memorial Hospital	3017218	UCC-1 Financing Statement	9/23/14	Crestmark Equipment Finance, Inc. Technology Investment Partners, L.L.C.	Equipment Lease

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Manchester Memorial Hospital	3020870	UCC-1 Financing Statement	10/7/14	TD Bank, N.A.	All Assets
The Manchester Memorial Hospital	3032898	UCC-1 Financing Statement	12/19/14	Winthrop Resources Corporation	Equipment Lease
The Manchester Memorial Hospital	3042207	UCC-1 Financing Statement	2/27/15	Siemens Financial Services, Inc.	Equipment Lease
The Manchester Memorial Hospital	3049908	UCC-1 Financing Statement	4/17/15	MB Financial Bank, N.A.	Equipment Lease
	3072272	UCC Amendment	8/18/15	MB Financial Bank, N.A.	Amendment to UCC Statement 3049908 restating collateral
	3073210	UCC Amendment	8/21/15	MB Financial Bank, N.A.	Amendment to UCC Statement 3049908 restating collateral
The Manchester Memorial Hospital	3049909	UCC-1 Financing Statement	4/17/15	MB Financial Bank, N.A.	Equipment Lease

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	3052267	UCC Amendment	4/29/15	MB Financial Bank, N.A.	Amendment to UCC Statement 3049909 adding Debtor (The Rockville General Hospital, Incorporated)
	3093430	UCC Amendment	12/10/15	MB Financial Bank, N.A.	Amendment to UCC Statement 3049909 amending collateral to include detailed equipment description and serial numbers
The Manchester Memorial Hospital	3056251	UCC-1 Financing Statement	5/19/15	MB Financial Bank, N.A.	Equipment Lease
	3088886	UCC Amendment	11/17/15	MB Financial Bank, N.A.	Amendment to UCC Statement 3056251 amending collateral to include detailed equipment description and serial numbers
The Manchester Memorial Hospital	3070451	UCC-1 Financing Statement	8/5/15	Stryker Finance, A Division of Stryker Sales Corporation	Equipment Lease
The Manchester Memorial Hospital	3071631	UCC-1 Financing Statement	8/11/15	Roche Diagnostics Corporation	Equipment Lease

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Manchester Memorial Hospital	3084003	UCC-1 Financing Statement	10/19/15	MB Financial Bank, N.A.	Leased Property (Lease Schedule No. 3556A04 to Master Lease No. PML-3557A)
	3095846	UCC Amendment	12/30/15	MB Financial Bank, N.A	Amendment to UCC Statement 3084003 amending collateral to include detailed equipment description and serial numbers
The Manchester Memorial Hospital	3086531	UCC-1 Financing Statement	11/3/15	Winthrop Resources Corporation	Lease Agreement #EA112107 Lease Schedule #D01
The Manchester Memorial Hospital	3098683	UCC-1 Financing Statement	1/14/16	MB Financial Bank, N.A	Leased Property (Lease Schedule No. 3557A04 to Master Lease No. PML-3557A)
	3113324	UCC Amendment	4/11/16	MB Financial Bank, N.A	Amendment to UCC Statement 3098683 amending collateral to include detailed equipment description and serial numbers

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	3115920	UCC Amendment	4/22/16	MB Financial Bank, N.A	Amendment to UCC Statement 3098683 amending collateral to include detailed equipment description and serial numbers
The Manchester Memorial Hospital	3114131	UCC-1 Financing Statement	4/13/16	MB Financial Bank, N.A	Leased Property (Lease Schedule No. 3557A06 to Master Lease No. PML-3557A)
	3124093	UCC Amendment	6/2/16	MB Financial Bank, N.A	Amendment to UCC Statement 3114131 amending collateral to include detailed equipment description and serial numbers
The Manchester Memorial Hospital	3124051	UCC-1 Financing Statement	6/2/16	Wintrhop Resources Corporation	Lease Agreement # EA112107 Schedule # D02
The Manchester Memorial Hospital	2896150	UCC-1 Financing Statement	9/13/12	Winthrop Resources Corporation	Equipment

Medical Practice Partners LLC

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
Medical Practice Partners, LLC	2745233	UCC Financing Statement	4/7/10	Rockville Bank	All Inventory, Chattel Paper, Accounts, Equipment and General Intangibles
	3045959	UCC Amendment	3/30/15	United Bank	Amendment to UCC Statement 2745233 changing name of Secured Party to United Bank
	3046047	UCC Amendment Continuation	3/30/15	United Bank	Continuation of UCC Statement 2745233
Medical Practice Partners, LLC **[TERMINATED]**	2751640	UCC Financing Statement	5/11/10	Rockville Bank	All Inventory, Chattel Paper, Accounts, Equipment and General Intangibles
	2938094	UCC Amendment Termination	5/14/13	Rockville Bank	Termination of UCC Statement 2751640
	3052464	UCC Amendment	4/30/15	United Bank	Amendment of UCC Statement 2751640 changing name of Secured Party to United Bank

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	3052544	UCC Amendment Continuation	4/30/15	United Bank	Continuation of of UCC Statement 2751640
Medical Practice Partners, LLC	2803997	UCC Financing Statement	3/22/11	Rockville Bank	All Inventory, Chattel Paper, Accounts, Equipment and General Intangibles
	3103180	UCC Amendment	2/18/16	United Bank	Amendment to UCC Statement 2803997 changing name of Secured Party to United Bank
	3103219	UCC Continuation	2/18/16	United Bank	Continuation of UCC Statement 2803997
Medical Practice Partners, LLC	2861158	UCC Financing Statement	2/21/12	CIT Finance LLC	True Lease - Xerox Copiers
Medical Practice Partners, LLC	2944632	UCC Financing Statement	6/21/13	Susquehanna Commercial Finance, Inc. and assignor, Baytree National Bank & Trust Company	Kaseya Perpetual P-ONP-K-2-ESP Essentials for Service Providers including Kaeya Success Track 1 Services
Medical Practice Partners, LLC	2971340	UCC Financing Statement	12/17/13	Var Resources, Inc.	Equipment

The Rockville General Hospital, Incorporated

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
Rockville General Hospital, Incorporated	1979612	UCC-1 Financing Statement	2/25/00	State Street Bank and Trust Company as Master Trustee	All collateral and proceeds thereof
	2301598	UCC Amendment Continuation	11/22/04	State Street Bank and Trust Company as Master Trustee	Continuation of UCC Statement 1979612
	2301597	UCC Amendment	11/22/04	U.S. Bank, National Association	Amendment to UCC Statement 1979612 changing name of Secured Party to U.S. Bank, National Association
	2712889	UCC Amendment Continuation	9/10/09	U.S. Bank, National Association	Continuation of UCC Statement 1979612
	3028884	UCC Amendment Continuation	11/25/14	U.S. Bank, National Association	Continuation of UCC statement 1979612
The Rockville General Hospital, Incorporated	2361293	UCC-1 Financing Statement	11/9/05	U.S. Bank National Association, as Trustee	Gross Receipts

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2759899	UCC Amendment Continuation	6/21/10	U.S. Bank National Association, as Trustee	Continuation of UCC Statement 2361293
	2884715	UCC Amendment	6/28/12	U.S. Bank National Association, as Trustee	Amendment to UCC Statement 2361293 Deleting Collateral
	3071231	UCC Amendment Continuation	8/11/15	U.S. Bank National Association, as Trustee	Continuation of UCC Statement 2361293
The Rockville General Hospital, Incorporated	2361298	UCC-1 Financing Statement	11/9/05	U.S. Bank National Association, as Series A Bond Trustee	Service Equipment
	2411078	UCC Amendment	8/24/06	U.S. Bank National Association, as Trustee	Amendment to UCC Statement 2361298 deleting collateral
	2414848	UCC Amendment	9/18/06	U.S. Bank National Association, as Trustee	Amendment to UCC Statement 2361298 deleting collateral
	2624608	UCC Amendment	3/25/08	U.S. Bank National Association, as Trustee	Amendment to UCC Statement 2361298 deleting collateral
	2695329	UCC Amendment	5/18/09	U.S. Bank National Association, as Trustee	Amendment to UCC Statement 2361298 restating collateral

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2759896	UCC Amendment Continuation	6/21/10	U.S. Bank National Association, as Trustee	Continuation of UCC Statement 2361298
	2884713	UCC Amendment	6/28/12	U.S. Bank National Association, as Trustee	Amendment to UCC Statement 2361298 Deleting Collateral
	3068294	UCC Amendment Continuation	7/23/15	U.S. Bank National Association, as Series A Bond Trustee	Continuation of UCC Statement 2361298
The Rockville General Hospital, Incorporated **[TERMINATED]**	2361303	UCC-1 Financing Statement	11/9/05	U.S. Bank National Association, as Series B Bond Trustee	Service Equipment
	2411077	UCC Amendment	8/24/06	U.S. Bank National Association, as Series B Bond Trustee	Amendment to UCC Statement 2361303 Deleting Collateral
	2414849	UCC Amendment	9/18/06	U.S. Bank National Association, as Series B Bond Trustee	Amendment to UCC Statement 2361303 Deleting Collateral
	2624610	UCC Amendment	3/25/08	U.S. Bank National Association, as Series B Bond Trustee	Amendment to UCC Statement 2361303 Deleting Collateral
	2695331	UCC Amendment	5/18/09	U.S. Bank National Association, as Series B Bond Trustee	Amendment to UCC Statement 2361303 Deleting Collateral

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2759897	UCC Continuation	6/21/10	U.S. Bank National Association, as Series B Bond Trustee	Continuation of UCC Statement 23611303
	2791064	UCC Amendment Termination	12/21/10	U.S. Bank National Association, as Series B Bond Trustee	Termination of UCC Statement 23611303
The Rockville General Hospital, Incorporated	2361309	UCC-1 Financing Statement	11/9/05	U.S. Bank National Association, as Series C Bond Trustee	Service Equipment
	2411079	UCC Amendment	8/24/06	U.S. Bank National Association	Amendment to UCC Statement 2361309 Deleting Collateral
	2414850	UCC Amendment	9/18/06	U.S. Bank National Association, as Series C Bond Trustee	Amendment to UCC Statement 2361309 Deleting Collateral
	2624613	UCC Amendment	3/25/08	U.S. Bank National Association, as Series C Bond Trustee	Amendment to UCC Statement 2361309 Deleting Collateral
	2695333	UCC Amendment	5/18/09	U.S. Bank National Association, as Series C Bond Trustee	Amendment to UCC Statement 2361309 restating collateral
	2759900	UCC Amendment Continuation	7/21/10	U.S. Bank National Association, as Series C Bond Trustee	Continuation of UCC Statement 2361309

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2884716	UCC Amendment	6/28/12	U.S. Bank National Association, as Trustee	Amendment to UCC Statmeent 2361309 – Deleting Collateral
	3071230	UCC Amendment Continuation	8/11/15	U.S. Bank National Association, as Series C Bond Trustee	Continuation of UCC Statement 2361309
The Rockville General Hospital, Incorporated	2365603	UCC-1 Financing Statement	12/7/05	Siemens Financial Services, Inc.	Equipment Lease
	2393479	UCC Amendment	5/15/06	Siemens Financial Services, Inc.	Amendment to UCC Statement 2365603 amending Debtor's address
	2774210	UCC Amendment Continuation	9/21/10	Siemens Financial Services, Inc.	Continuation of UCC Statement 2365603
	3071941	UCC Amendment Continuation	8/11/15	Siemens Financial Services, Inc.	Continuation of UCC Statement 2365603
The Rockville General Hospital, Incorporated	2365605	UCC-1 Financing Statement	12/7/05	Siemens Financial Services, Inc.	Equipment Lease

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2370903	UCC Amendment	1/10/06	Siemens Financial Services, Inc.	Amendment to UCC Statement 2365605 amending Debtor's Address
	2384256	UCC Amendment	3/29/06	Siemens Financial Services, Inc.	Amendment to UCC Statement 2365605 restating collateral
	2774208	UCC Amendment Continuation	9/21/10	Siemens Financial Services, Inc.	Continuation of UCC Statement 2365605
	3070860	UCC Amendment Continuation	8/10/15	Siemens Financial Services, Inc.	Continuation of UCC Statement 2365605
The Rockville General Hospital, Incorporated **[TERMINATED]**	2366260	UCC-1 Financing Statement	12/12/05	Siemens Financial Services, Inc.	Equipment Lease
	2369620	UCC Amendment	12/30/05	Siemens Financial Services, Inc.	Amendment to UCC Statement 2366260
	2774209	UCC Amendment Continuation	9/21/10	Siemens Financial Services, Inc.	Continuation of UCC Statement 2366260
	3071661	UCC Amendment Continuation	8/14/15	Siemens Financial Services, Inc.	Continuation of UCC Statement 2366260

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	3071781	UCC Amendment Termination	8/14/15	Siemens Financial Services, Inc.	Termination of UCC Statement 2366260
The Rockville General Hospital, Incorporated	2695326	UCC-1 Financing Statement	5/18/09	U.S. Bank National Association, as Master Trustee	Gross Receipts
	2884717	UCC Amendment	6/28/12	U.S. Bank National Association, as Master Trustee	Amendment to UCC Statement 2695326 Deleting Collateral
	2976568	UCC Amendment Continuation	1/21/14	U.S. Bank National Association, as Master Trustee	Continuation of UCC Statement 2695326
The Rockville General Hospital, Incorporated	2695328	UCC-1 Financing Statement	5/18/09	U.S. Bank National Association, as Series D Bond Trustee	Service Equipment
	2884718	UCC Amendment	6/28/12	U.S. Bank National Association, as Series D Bond Trustee	Amendment to UCC Statement 2695328 Deleting Collateral
	2976569	UCC Amendment Continuation	1/21/14	U.S. Bank National Association, as Series D Bond Trustee	Continuation of UCC Statement 2695328
The Rockville General Hospital, Incorporated	2695366	UCC-1 Financing Statement	5/15/09	TD Bank, N.A.	Gross Receipts

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2884719	UCC Amendment	6/28/12	TD Bank, N.A.	Amendment to UCC Statement 2695366 Deleting Collateral
	2974315	UCC Amendment Continuation	1/8/14	TD Bank, N.A.	Continuation of UCC Statement 2695366
The Rockville General Hospital, Incorporated	2695367	UCC-1 Financing Statement	5/15/09	TD Bank, N.A.	Service Equipment
	2884720	UCC Amendment	6/28/12	TD Bank, N.A.	Amendment to UCC Statement 2695367 deleting collateral
	2974314	UCC Amendment Continuation	1/8/14	TD Bank, N.A.	Continuation of UCC Statement 2695367
The Rockville General Hospital, Incorporated	2748249	UCC-1 Financing Statement	4/22/10	Winthrop Resources Corporation	Equipment Lease
	3036748	UCC Amendment Continuation	1/20/15	Winthrop Resources Corporation	Continuation of UCC Statement 2748249
The Rockville General Hospital, Incorporated	2790291	UCC-1 Financing Statement	12/21/10	U.S. Bank National Association, as Master Trustee	Gross Receipts

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	2884721	UCC Amendment	6/28/12	U.S. Bank National Association, as Trustee	Amendment to UCC Statement 2790291 Deleting Collateral
	3068296	UCC Amendment Continuation	7/23/15	U.S. Bank National Association, as Master Trustee	Continuation of UCC Statement2790291
The Rockville General Hospital, Incorporated	2790292	UCC-1 Financing Statement	12/21/10	U.S. Bank National Association, as Series E Bond Trustee	Service Equipment
	2884722	UCC Amendment	6/28/12	U.S. Bank National Association, as Trustee	Amendment to UCC Statement 2790292 deleting collateral
	3068297	UCC Amendment Continuation	7/23/15	U.S. Bank National Association, as Series E Bond Trustee	Continuation of UCC Statement 2790292
The Rockville General Hospital, Incorporated **[TERMINATED]**	2793756	UCC-1 Financing Statement	1/13/11	Toshiba America Medical Systems, Inc.	Equipment
	2890177	UCC Amendment Termination	8/1/12	Toshiba America Medical Systems, Inc.	Termination of UCC Statement 2793756
The Rockville General Hospital, Incorporated	2816953	UCC-1 Financing Statement	5/24/11	Siemens Financial Services, Inc.	Equipment Lease

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	3099700	UCC-1 Amendment Continuation	1/26/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2816953
The Rockville General Hospital, Incorporated	2817028	UCC-1 Financing Statement	5/24/11	Siemens Financial Services, Inc.	Equipment Lease
	3099701	UCC-1 Amendment Continuation	1/26/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2817028
The Rockville General Hospital, Incorporated	2817038	UCC-1 Financing Statement	5/24/11	Siemens Financial Services, Inc.	Equipment Lease
	3099702	UCC-1 Amendment Continuation	1/26/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2817038
The Rockville General Hospital, Incorporated	2817122	UCC-1 Financing Statement	5/25/11	Siemens Diagnostic Finance Co. LLC	Equipment Lease
	2819052	UCC Amendment	6/3/11	Siemens Financial Services, Inc.	Amendment to UCC Statement 2817122 adding Siemens Financial Services, Inc. as Secured Party

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
	3099908	UCC Amendment Continuation	1/27/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2817122
The Rockville General Hospital, Incorporated	2817675	UCC-1 Financing Statement	5/27/11	Siemens Financial Services, Inc.	Equipment
	3100317	UCC Amendment Continuation	1/29/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2817675
The Rockville General Hospital, Incorporated	2819211	UCC-1 Financing Statement	6/3/11	Siemens Financial Services, Inc.	Equipment Lease
	3101302	UCC Amendment Continuation	2/5/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2819211
The Rockville General Hospital, Incorporated	2819224	UCC-1 Financing Statement	6/3/11	Siemens Financial Services, Inc.	Equipment Lease
	3101301	UCC Amendment Continuation	2/5/16	Siemens Financial Services, Inc.	Continuation of UCC Statement 2819224
The Rockville General Hospital, Incorporated	2858872	UCC-1 Financing Statement	2/8/12	Siemens Financial Services, Inc.	Equipment Lease

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Rockville General Hospital, Incorporated	2858873	UCC-1 Financing Statement	2/8/12	Siemens Financial Services, Inc.	Equipment Lease
The Rockville General Hospital, Incorporated	2897293	UCC-1 Financing Statement	9/21/12	General Electric Capital Corporation	Equipment
	2920529	UCC Amendment (deleted Debtor)	2/20/13	General Electric Capital Corporation	Amendment to UCC Statement 2897293 deleting The Rockford General Hospital, Incorporated as a Debtor
	3096699	UCC Amendment Assignment	1/5/16	GE HFS, LLC	Assignment of UCC Statement 2897293 to GE HFS, LLC
	3097549	UCC Amendment Assignment	1/7/16	GE HFS, LLC	Assignment of UCC Statement 2897293 to GE HFS, LLC
	3098482	UCC Amendment Assignment	1/13/16	GE HFS, LLC	Assignment of UCC Statement 2897293 to GE HFS, LLC
The Rockville General Hospital, Incorporated	2919905	UCC-1 Financing Statement	2/13/13	Winthrop Resources Corporation	Equipment Lease

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Rockville General Hospital, Incorporated	2961364	UCC-1 Financing Statement	10/11/13	Winthrop Resources Corporation	Equipment Lease
	2983739	UCC Amendment Assignment	3/13/14	Banc of America Leasing & Capital, LLC	Assignment of UCC Statement 2961364 to Banc of America Leasing and Capital, LLC
The Rockville General Hospital, Incorporated	2972502	UCC-1 Financing Statement	12/19/13	Winthrop Resources Corporation	Equipment
	2983926	UCC Amendment Assignment	3/14/14	Banc of America Leasing & Capital, LLC	Assignment of UCC Statement 2972502 to Banc of America Leasing and Capital, LLC
The Rockville General Hospital, Incorporated	2976605	UCC-1 Financing Statement	1/21/14	Philips Medical Capital, LLC	Equipment
The Rockville General Hospital, Incorporated	2976606	UCC-1 Financing Statement	1/21/14	Philips Medical Capital, LLC	Equipment
The Rockville General Hospital, Incorporated	2980003	UCC-1 Financing Statement	2/14/14	Philips Medical Capital, LLC	Equipment

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Rockville General Hospital, Incorporated	3020870	UCC-1 Financing Statement	10/7/14	TD Bank, N.A.	All Assets
The Rockville General Hospital, Incorporated	3032876	UCC-1 Financing Statement	12/19/14	Winthrop Resources Corporation	Equipment
The Rockville General Hospital, Incorporated	3042107	UCC-1 Financing Statement	3/3/15	Winthrop Resources Corporation	Equipment Lease
The Rockville General Hospital, Incorporated	3049909	UCC-1 Financing Statement	4/17/15	MB Financial Bank, N.A.	Equipment
	3052267	UCC Amendment	4/29/15	MB Financial Bank, N.A.	Amendment to UCC Statement 349909 adding The Rockford General Hospital, Inc. as a Debtor (Original Debtor Was Manchester)
	3093430	UCC Amendment	12/10/15	MB Financial Bank, N.A.	Amendment to UCC Statement 3049909 to include detailed equipment description and serial numbers

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
The Rockville General Hospital, Incorporated	3086543	UCC-1 Financing Statement	11/3/15	Winthrop Resources Corporation	Lease Agreement #EA112107 Lease Schedule # D01
The Rockville General Hospital, Incorporated	3124048	UCC-1 Financing Statement	6/2/16	Winthrop Resources Corporation	Lease Agreement #EA112107 Lease Schedule # D02

Tolland Imaging Center, LLC

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
Tolland Imaging Center, L.L.C.	2640167	UCC-1 Financing Statement	6/18/08	National City Commercial Capital Company, LLC	Equipment Lease
	2937355	UCC Amendment Continuation	5/14/13	National City Commercial Capital Company, LLC	Continuation of UCC Statement 2640167
Tolland Imaging Center, L.L.C.	2650236	UCC-1 Financing Statement	8/15/08	National City Commercial Capital Company, LLC	Equipment Lease
	2948369	UCC Amendment Continuation	7/16/13	National City Commercial Capital Company, LLC	Continuation of UCC Statement 2650236

Visiting Nurse and Health Services of Connecticut, Inc.

Debtor	Filing Number	Type of Filing	Filing Date	Secured Party	Collateral
Visiting Nurse & Health Services of Connecticut, Inc.	2724846	UCC-1 Financing Statement	12/1/09	General Electric Capital Corporation	Equipment Lease
	3005606	UCC Continuation	7/14/14	General Electric Capital Corporation	Contiuation of UCC Statement 2724846
Visiting Nurse & Health Services of Connecticut, Inc.	2856311	UCC-1 Financing Statement	1/23/12	De Lage Landen Financial Services, Inc.	Equipment Lease
Visiting Nurse & Health Services of Connecticut, Inc.	3103562	UCC-1 Financing Statement	2/19/16	Bekrshire Bank	All of Debtor's right, title and interest in and to the Debtor's Account No. 422470713

Schedule 3.12(a)

Permitted Real Property Encumbrances

Property Address	City	State	Zipcode	Property Description	Encumbrance
17-27-29 Haynes Street	Manchester	CT	06040		Parking Easement
Russell/Alpine/Haynes Street	Manchester	CT	06040		Reciprocal Drainage Easement
71 Haynes Street	Manchester	CT	06040	Parking lot	Reciprocal Access & Parking Easement for 100 Haynes Street, Manchester
71 Haynes Street	Manchester	CT	06040	Parking lot	Parking Easement to use 10 spaces granted to 29 Haynes Street, Manchester
West Middle Turnpike	Manchester	CT	06040	Parking lot	Utility Easement
18 Haynes Street	Manchester	CT	06040	Commercial Bldg	Mortgage
36 Haynes Street	Manchester	CT	06040	Commercial Bldg	Mortgage
44 Haynes Street	Manchester	CT	06040	Commercial Bldg	Mortgage
56 Haynes Street	Manchester	CT	06040	Lot	Mortgage
71 Haynes Street	Manchester	CT	06040	Hospital	Mortgage
945 Main Street	Manchester	CT	06040	Office Condominium	Mortgage
353 Main Street	Manchester	CT	06040	Commercial Bldg	Mortgage
150 North Main Street	Manchester	CT	06040	Commercial Bldg	Mortgage
31 Union Street	Vernon	CT	06066	Hospital	Mortgage*

*The mortgage on 31 Union Street (The Rockville General Hospital, Incorporated) is being filed in advance of the Closing Date at the request of Buyer to permit the release of the cash collateral used to secure the loan granted pursuant to that certain Loan Agreement dated as of February 19, 2016 pursuant to which Berkshire Bank extended a loan to Visiting Nurse & Health Services of Connecticut, Inc. in the original principal amount of up to $5,000,000.

Schedule 3.12(c)

Buildings Not Structurally Sound or in Need of Material Repairs

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.12(g)

Rent Roll

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.12(i)

Tenant Lease Encumbrances

None.

Schedule 3.13(a)

Environmental Claims

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.13(b)

Materials of Environmental Concern Storage Locations/Underground Storage Tanks

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.14

Intellectual Properties and Information Systems

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.15

Insurance

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.17

Unexpected Occurrences

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]

Schedule 3.18

Contracts Related to the Hospital Businesses

Please refer to Schedule 2.01(f), which contains the information required for this schedule.

Schedule 3.19(d)

Prohibitions on Competition

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.19(e)

Contract Change of Control Provisions.

Please refer to Schedule 3.02 for a List of Contracts that Require Consent Prior to Assignment.

Schedule 3.21(c)

Claims Involving Legal Requirements of Employment

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]

Schedule 3.21(d)

Recently Terminated Employees

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]

Schedule 3.21(e)

Non-Competition Agreements

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.21(f)

Pending Labor Disputes

None.

Schedule 3.21(g)

Pending Immigration Proceedings

None.

Schedule 3.22

Employee Benefit Plans

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.22(f)

Employee Pension Benefit Plans Complete or Partial Termination and Reportable Events

None.

Schedule 3.22(g)

Employee Welfare Benefit Plan

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.23

Proceedings and Claims

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]

Schedule 3.25(a)

Medical Staff

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]

Schedule 3.25(a)

Medical Staff Members Reported to National Practitioner Databank Reports within Past Three Years

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]

Schedule 3.25(b)

Material Medical Staff Disputes

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]

Schedule 3.26

Restricted Assets

State and Federal Grants

Awarding Agency(ies)	Program Name	Program Description	Grant Award and Period
US Department of Health and Human Services, passed through City of Hartford Department of Health and Human Services	Ryan White I Program	Outpatient/Ambulatory medical care services for the treatment of HIV infection.	$89,935 (March 1, 2015 – February 28, 2016)
US Department of Health and Human Services, passed through State of Connecticut Department of Public Health	National Bioterrorism Program (RGH)	Hospital emergency preparedness activities.	$26,605 (July 1, 2014 - June 30, 2015)
US Department of Health and Human Services, Administration for Children and Families	Early Head Start Program	Early Head Start provides early, continuous, intensive, and comprehensive child development and family support services to low-income infants and toddlers and their families, and pregnant women and their families.	$555,153 (September 1, 2014 – August 31, 2015)
State of CT Department of Education	Manchester Family Resource Center	To promote the optimal growth and development of children and their families through the establishment of a comprehensive, integrated, community-based system of family support and early childhood services linked to the public schools.	$109,500 (July 1, 2014 – June 30, 2015)
State of CT Department of Education	Vernon Family Resource Center	To promote the optimal growth and development of children and their families through the establishment of a comprehensive, integrated, community-based system of family support and early childhood services linked to the public schools.	$109,500 (July 1, 2014 – June 30, 2015)

Awarding Agency(ies)	Program Name	Program Description	Grant Award and Period
State of CT Department of Social Services	Nurturing Families Network	To promote positive parenting and reduce the incidence of child abuse and neglect.	$390,980 (October 1, 2014 – September 30, 2015)
US Department of Health and Human Services, passed through State of CT Department of Social Services	MIEC Visiting	To improve outcomes for families that reside in at risk areas.	$243,750 (March 31, 2015 – December 31, 2015)
US Department of Health and Human Services, passed through State of CT Department of Public Health	National Bioterrorism Program (MMH)	Hospital emergency preparedness activities.	$26,605 (July 1, 2014 – June 30, 2015)
State of CT Department of Children and Families	Positive Parenting Program (Triple P)	A CT State Department of Children and Families funded grant program. Triple P is suitable for parents with concerns about child's behavior or who wish to learn a variety of parenting skills that will promote their child's/teenager's development and potential.	$122,027 (July 1, 2014 – June 30, 2015)
Town of Manchester, Connecticut	Teen Parent Program	The program is a grant funded through the Town of Manchester, which has developed intervention strategies to ensure that teen mothers avoid second pregnancies, are empowered to provide for their child's immediate needs, and are prepared for a prosperous future. Services offered are one-to-one mentoring, group sessions, and parenting workshops	$6,429 (November 1, 2014 – June 30, 2015)

Awarding Agency(ies)	Program Name	Program Description	Grant Award and Period
State of Connecticut Department of Public Health	Early Detection Program	The Connecticut Cancer and Heart Disease Integrated Health Screening Program (CHDIHSP) will deliver integrated early detection health screening services that must include breast and cervical cancer screening for women ages 21-64 with a focus on women rarely or never screened, cardiovascular risk reduction screening for women ages 40-64 who have participated in the breast and cervical cancer program, and colorectal cancer screening for women and men ages 50-64. Twenty-five percent (25%) of all participants screened for colorectal cancer in the CHDIHSP must be men. Program services are targeted to persons who are at or below 250% of the Federal Poverty Level (FPL), are uninsured, or underinsured.Providers may deliver these services directly, via satellite sites, or through providers in subcontractor capacities	$180,732 (July 1, 2014 – June 30, 2015)
US Department of Health and Human Services, passed through State of CT Department of Public Health	Hospital Emergency Preparedness – Ebola (RGH)	Funding for work that enables the hospitals to plan and respond appropriately to Ebola and/or other emerging infectious diseases while maintaining patient and health care worker safety.	$6,614 (July 1, 2015 – June 30, 2016)
US Department of Health and Human Services, passed through State of CT Department of Public Health	Hospital Emergency Preparedness – Ebola (MMH)	Funding for work that enables the hospitals to plan and respond appropriately to Ebola and/or other emerging infectious diseases while maintaining patient and health care worker safety.	$24,063 (July 1, 2015 – June 30, 2016)

Schedule 3.30(a)

Outstanding Capital Stock of Seller's Subsidiaries that are Stock Corporations

Corporation	Ownership of Outstanding Shares of Capital Stock
ECHN Enterprises, Inc.	Eastern Connecticut Health Network, Inc. – 100%
ECHN Corporate Services, Inc.	Eastern Connecticut Health Network, Inc. – 100%

Schedule 3.30(b)

Outstanding Capital Stock of Joint Ventures

Corporation	Ownership of Outstanding Shares of Capital Stock
Aetna Ambulance Service, Inc.	**2,548 Total Issued and Outstanding Shares Owned as Follows:** Eastern Connecticut Health Network, Inc. - 1,274 Shares Hartford Health Care Corporation - 1,274 Shares
Metro Wheelchair Service, Inc.	**78 Total Issued and Outstanding Shares Owned as Follows:** Eastern Connecticut Health Network, Inc. - 39 Shares Hartford Health Care Corporation - 39 Shares

Schedule 3.30(c)

Outstanding Membership Interests

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 3.31

Ten Largest Non-Governmental Payors of Hospital Businesses

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 5.01

Material Hospital Business Changes

None.

Schedule 5.01(b)

Asset Expenditures

None.

Schedule 5.02(c)

Compensation Increases

None.

Schedule 5.03(b)

Written Severance Agreements

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]

Schedule 5.16

Charity Care and Community Obligations

Policies and Procedures

- MMH Lobby Coffee Cart – Revised 3/31/2011
- Credit & Collection / Bad Debt Policy – Revised 2/2/2014
- Escort Messenger Volunteer – Revised 1/20/2012
- Eucharistic Volunteers
- Greeter Volunteer – Revised 1/9/2012
- Family Development Center Advisory Council Bylaws
- Financial Assistance Policy and Procedure – Revised 6/30/2015
- Healing Hands Volunteer Program – 1/9/2012
- Kitchen Work Experience Volunteer (Shadowing Program) –1/9/2012
- Notice of Availability for Uncompensated Care – Revised 2/1/2016
- Patient Care Visiting Volunteer – 1/9/2012
- Pet Therapy Volunteer Program – Revised 1/20/2012
- Pharmacy Volunteer – 1/9/2012
- Pre-Collect and Bad Debt Policy – 3/2011
- Read to Grow Volunteer
- Student Educational Affiliation Agreement – Revised 2016
- Visiting Nurse and Health Services of Connecticut Professional Advisory Committee Charter – 4/2013
- Visiting Nurse and Health Services of CT Hospice Volunteer
- Volunteer Patient Safety Program -1/3/2012
- Woodlake at Tolland Recreation Volunteer

Other Documents

- Manchester Memorial Hospital – A Summary of Community Benefits Activities – Fiscal Year 2015
- Manchester Memorial Hospital – Executive Summary Including Non Community Benefit (Medicare and Bad Debt) for Period October 1, 2014 through September 30, 2015 – Dated June 1/2016
- New Adult Volunteer Packet
- New Teen Volunteer Packet
- Rockville General Hospital - A Summary of Community Benefit Activities – Fiscal Year 2015
- Rockville General Hospital - Executive Summary Including Non Community Benefit (Medicare and Bad Debt) for Period October 1, 2014 through September 30, 2015 – Dated June 1/2016

Policies Included on Schedule 5.16
(Charity Care and Community Obligations)

Policies and Procedures

- MMH Lobby Coffee Cart – Revised 3/31/2011
- Credit & Collection / Bad Debt Policy – Revised 2/2/2014
- Escort Messenger Volunteer – Revised 1/20/2012
- Eucharistic Volunteers
- Greeter Volunteer – Revised 1/9/2012
- Family Development Center Advisory Council Bylaws
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- New Teen Volunteer Packet
- Rockville General Hospital - A Summary of Community Benefit Activities – Fiscal Year 2015
- Rockville General Hospital - Executive Summary Including Non Community Benefit (Medicare and Bad Debt) for Period October 1, 2014 through September 30, 2015 – Dated June 1/2016

I. TITLE: MMH Lobby Coffee Cart

II. Purpose and Scope:

A. Volunteers make and sell coffee for employees and visitors in the lobby of MMH. The proceeds from the Coffee Cart are proudly given to support cancer programs. Coffee is provided from approximately 7AM-6PM.

I. Procedure

A. Make a variety of coffee flavors as needed.
B. Order milk and cream, sugar and napkins from Food Services using the Food Services order form and leaving it with the kitchen supervisor or in the kitchen office.
C. Retrieve necessary supplies (i.e. coffee packages, cups, sleeves and lids from the storage area).
   1. Make sure supplies are available for the next shift.
D. Once per day, take and record the temperature of the refrigerator and record on form.
   1. If the temperature is above 42 degrees F., please contact the Volunteer Coordinator.
   2. The Volunteer Coordinator will collect the sheets monthly and file for a period of one year.
E. Keep area clean and presentable.
   1. Have the front desk concierge call Environmental Services for any spills.
F. Count and roll money at the end of the shift.
   a) Fill out a deposit slip.
   b) Leave some change and approximately $10.00 in one-dollar bills.
   c) Place money and deposit slip in a canvas bag and deposit in the deposit box or give to the Volunteer Coordinator or designee.
G. Return pots, milk and creamers to the Kitchen by 6:00 pm to get washed for the next day.

IV. INDIVIDUAL RESPONSIBLE FOR REVISION: Volunteer Coordinator

V. ORIGINATED: 5/29/00 Revised: 3/31/11 - Ellen Barnes

Department: Patient Financial Services

Effective Date: 11/06/04
Revised Date: 02/02/14

ECHN Eastern Connecticut Health Network

EASTERN CONNECTICUT HEALTH NETWORK
CREDIT & COLLECTION / BAD DEBT POLICY
POLICY AND PROCEDURE

TITLE: Credit & Collection / Bad Debt

APPROVING AUTHORITY: Director, Patient Financial Services

DATE: 02/02/14

TOPIC
The Credit & Collection / Bad Debt policy for ECHN - Manchester Memorial and Rockville General Hospitals Patient Financial Services.

PURPOSE
To ensure that collection efforts are administered for self-pay deductibles co-pays, co-insurances, and other outstanding patient due balances. ECHN will extend collection efforts which are reasonable and compliant with state and federal guidelines on the pursuit of patient due balances and referral to a collection agency.

POLICY
ECHN is committed to assuring that bad debt write-off will take place only after exhausting all reasonable follow-up efforts for the collection of a unpaid debt. This collections process includes billing third party payers (insurance carriers, etc), direct billing, dunning, and phone calls to the patient/ guarantor, as well as referral to outside collection agencies.

PROCEDURE

The following guidelines will apply for patients with no insurance or for self pay balances after insurance has paid.

1. Once the charging and coding process concludes, a final bill will be generated and sent to the third party payer for payment. If the patient does not have health insurance (registered as Self-Pay) an itemized statement will be sent directly to the patient for payment.
    a. After the initial bill has generated self-pay encounters are referred to an outsourced vendor (American Adjustment Bureau) which acts as an extension of the business office and handles all Self-Pay balances.
        i. Registered Self Pay is sent to the Outsourced Vendor at day 1.
        ii. Self Pay after insurance is sent to the Outsourced Vendor 1 day after insurance (primary, secondary, or tertiary) has paid the claim.
        iii. The outsourced vendor (American) receives a daily electronic billing file as self pay claims are generated to initiate account resolution actives.
        iv. The outsourced vendor submits a daily acknowledgement file to the hospital to confirm receipt of the assigned inventory. The acknowledgment file is posted on the z-Early Out folder in the business office shared drive.
2. In accordance with hospital policy, self-pay patients receive:
    a. A series of four (4) statements at approximately 30-day intervals and a pre-collect letter/final notice at approximately 15 days after the 4th statement, from the outsourced self-pay vendor (American).
    b. Automated outbound call campaigns are approximately at 30 day intervals to contact patient/guarantor to resolve outstanding accounts.

ECHN Eastern Connecticut Health Network

EASTERN CONNECTICUT HEALTH NETWORK
CREDIT & COLLECTION / BAD DEBT POLICY
POLICY AND PROCEDURE

c. The statements include dunning messages which are progressive in informing the patients of their obligation, and include notices that the account may be referred to a collection agency if the balance remains outstanding.

Note: At any point along the self-pay collection cycle a patient can inquire and/or request to be considered for a charity care discount. Signage is posted in all Registration and Customer Service areas and all patient statement include information instructing them on the methods of accessing financial counseling assistance. Financial assistance may include charity care, payment arrangements, or other applicable programs.

d. ECHN currently applies an uninsured discount of 30% on all self-pay accounts (uninsured patients registered as self pay) at the time of billing with the exception of a few outpatient services that have been set up with established discounted rates.(Cardiac Rehab Phase III, Massage Therapy) The hospital's billing and accounts receivable system automatically discounts the account at the time of bill generation.

e. ECHN will approve payment arrangements for patients who agree to a minimum of $50 and the monthly payment will be determined by the total amount due and the number of months contracted, which does not extend more than 24 months. Management has the authority to make exceptions to the policy on a case-by-case basis for special circumstances. ECHN is not required to accept patient-initiated payment arrangements and may refer accounts for collection if the patient is unwilling to make acceptable payment arrangements or has defaulted on ECHN approved payment plans.

3. Account balances which have not been resolved after a series of 4 patient statements and a pre-collect notice during the dunning cycle becomes eligible for bad debt write-off.
   a. Bad debt qualification criteria – an account may be referred to collection if it meets one or more of the following;
      i. Self-pay balance not paid 120 days after bill date when all reasonable follow-up efforts have been exhausted.
      ii. Guarantor has received 4 statements and a pre-collect letter
      iii. No reasonable response from the patient
      iv. No payment has been received and no financing could be arranged to pay the account in full in the previous 120 days despite at least four contacts with the responsible party.
      v. Guarantor has defaulted on an "agree to payment plan".
      vi. Exclusions to this protocol are mail returns, small balances write off (under $5.00), unresolved patient disputes or billing issues and bankruptcy discharges, which may result in early placement to bad debt or early discharge of an account.
4. Any outstanding balances that pertain to a self pay or self pay after insurance that all dunning is complete; the outsourcing vendor (American) sends a monthly electronic file to ECHN for bad debt review and referral to outside bad debt agencies. This report identifies those accounts which have progressed through the complete billing cycle and are ready to be written off to Bad Debt.
5. ECHN reviews the potential bad debt file for any accounts that are not eligible for bad debt write off due to established criteria. The accounts are reviewed for any insurance balances, active pay plans, and accounts with recent payments. Once the pre-collect accounts have been determined, the self-pay collector is changed in Meditech.
6. The collector is changed to reflect the corresponding assignment of the bad debt to one of two contracted collection agents. Claim inventory is split alphabetically with patient last names beginning with letter A – L being associated to American adjustment Bureau (PC-AMER) and letter M – Z being assigned to Transcontinental Credit (PC-TRANS).

ECHN Eastern Connecticut Health Network

EASTERN CONNECTICUT HEALTH NETWORK
CREDIT & COLLECTION / BAD DEBT POLICY
POLICY AND PROCEDURE

7. The account balance is subsequently removed from the active accounts receivable and at month end, the system will automatically write off accounts to the assigned collectors/agencies and becomes part of the bad debt receivable.
8. Accounts are refered to collections agencies on a monthly basis. The electronic inventory files are sent to the contracted collection agencies to pursue recoveries of the referred accounts.

I. Purpose:

A. Escort Messenger Volunteers assist hospital staff, patients and visitors by transport patients, specimens, medications, documents, etc. throughout the hospital.

I. Procedure

A. Take calls from staff requesting service.

B. Log requesting department and destination (ie: 3North to Lab; Pharmacy to Bissell 2, 2East – discharge, etc.).

C. Wash hands between each run using proper hand washing protocol with hand sanitizer or soap and water.

D. Transporting specimens

1. Lab specimens and pharmaceuticals are transported in bags placed in a lab box to prevent dropping.

2. Do not touch specimen tube or container with bare hands.

3. If spillage occurs, contact the nursing unit or Environmental Services for clean-up.

E. Transporting blood

1. Volunteer name and signature must be on file with the blood bank.

2. Please reference Blood Product Delivery training presentation.

F. Transporting patients

1. Never leave a patient unattended. Wait for staff to acknowledge the patient has arrived or for their ride to arrive for them before leaving.

2. Do not lift or move patients. If a patient needs more than "courtesy" assistance (a steadying hand) in getting out of or into a wheelchair, seek staff assistance.

3. Do not wheel patients off the curb/sidewalk right outside an entrance.

4. Volunteers should not be asked to transport morbidly obese patients.

a) If you feel a patient is too heavy for you, do not transport the individual. Very discreetly tell the staff that you are unable to handle this task and staff will handle the transport.

IV. INDIVIDUAL RESPONSIBLE FOR REVISION: Volunteer Coordinator

V. ORIGINATED: 5/29/00 Revised: 1/20/2012

Volunteer Coordinator, Human Resources, date

Eucharistic Volunteers

Main Objective: Responsible for bringing Communion Host to patients.

Eucharistic Volunteers are vetted and trained by the Catholic Church. They also go through ECHN Volunteer Services to be on boarded and to receive an ID badge.

Eucharistic Volunteers need to have the ability to present themselves as warm, caring persons who compassionately with the ill, disabled, elderly, and dying. They also need to exercise discretion with patients and family members and maintain confidentiality.

Eucharistic Volunteers show his/her badge in order to review the Patient/Religion list to learn who is appropriate to visit.

Eucharistic Volunteers check in with nursing to make sure that the patient may receive Communion (not NPO etc.)

Eucharistic Volunteers leave messages for Pastoral Care Staff if there are any questions or concerns which need to be passed along.

ECHN
Eastern Connecticut Health Network, Inc.

Volunteer Services
Volunteer Role Descriptions

Role: *Greeter Volunteer*
Date: *01/09/2012*

Department:
- Volunteer Services

Reports to:
- Sr. Business Partner, Volunteer Services (MMH)

Role Objective:
- Provide a warm and welcoming presence in the lobby
- Greet guests and patients and direct or escort them to their destination

Qualifications:
- Friendly, people-oriented individual, having ability to interact with all types of people
- Must be able to communicate in English
- Excellent interpersonal, communication and listening skills
- Excellent customer service skills
- Able to stand and walk for prolonged periods

Competencies:
- Able to follow directions and work cooperatively with others with limited supervision
- Able to maintain strict confidentiality at all times
- Using discretion in the open-lobby environment
- Knowledge of the hospital department locations and able to give clear directions to guests
- Able to accept feedback and develop, acquire and utilize new knowledge and skills as necessary
- Valuing differences in all people; avoiding demonstrating any bias toward individuals or groups by words and actions
- Able to push a wheelchair

Training:
- ECHN Hospital orientation
- HIPAA Education
- Hand Hygiene
- Wheelchair
- Two shifts with a preceptor (staff or volunteer)
- Continuing education as required

Responsibilities:
- Sign in at Volunteer Sign-in Book.
- Report to duty with appropriate attire and identification badge
- Introduce self and volunteer role in an appropriate manner
- Escort patients and visitors to appropriate destination
- Offer wheelchair assistance if appropriate
- Offering to escort guests to their destination
- If unable to help a guest, finding someone who can

Physical Demands:
- Able to stand and walk for prolonged periods
- Able to push a wheelchair

The Family Development Center only uses volunteers in the capacity of serving on various councils and/or committees.

-Head start, Nurturing Families Network and Maternal Infant Early Childhood Home Visiting programs are required by grant stipulation to have an active Advisory Council consisting of community providers and parents. The Advisory Council consists of no fewer than six members.

The Early Head Start program is also required to have a Policy Council, which is a group consisting of parents (51%) and community providers (49%) to oversee the administration of the program (policies and procedure, funding decisions, etc.). The number of parent volunteers varies each program year.

All the FDC program, with the exception of Triple P, are affiliates of the National Parents as Teachers Program, which is the home visiting curriculum used. A requirement of PAT is to have an Advisory Council consisting of community members and parents.

Eastern Connecticut Health Network
Family Development Center Advisory Council
Bylaws

ARTICLE I: Name and purpose of organization

Section 1: The ECHN Family Development Center Advisory Council is established with the approval of the ECHN Board of Trustees to oversee key responsibilities related to program governance and improvement of the Family Development Center programs. These include, but are not limited to: Early Head Start, Nurturing Families Network, Family Resource Centers, Positive Parenting Program, and Successful Teens Excelling as Parents and Partners.

Council members advise the Family Development Center on needs of families within the department's service area and how to effectively and efficiently address them via existing department programs, within the parameters of individual program mandates and guidelines. The Council also suggests partnerships and new directions that may enhance the work and success of the Family Development Center, within the context of ECHN's mission: "To improve your health and well-being by providing high-quality, compassionate care."

Section 2: Roles and Responsibilities

a. To collaborate with the ECHN Board of Trustees in administering and overseeing Family Development Center programs, including the safeguarding of federal and state funds;

b. To provide feedback on direction, appropriateness and quality of services provided by the Family Development Center;

c. To advise the Family Development Center Manager and Program Coordinators as to the best fit of the Family Development Center activities for the community and the region;

d. To suggest new activities and collaborative relationships for the Family Development Center to best meet community/regional needs;

e. To suggest funding sources to allow expansion and continuation of Family Development Center activities; to offer feedback on efficient use of funding;

f. To recommend membership for the Advisory Council;

g. To assist in recruiting parents and volunteers for the Family Development Center;

h. To represent the needs of their own constituency to the Family Development Center and to bring issues and announcements back to their constituency;

i. To determine the best methods of giving feedback , advice and suggestions for measuring/maintaining quality programming; to participate in program self-assessments and quality checks recommended by funding agencies;

j. Other special responsibilities for the Early Head Start program (see Appendix A).

ARTICLE II: Membership

The Family Development Center Advisory Council will consist of, but, is not limited to (1) at least one member of ECHN's senior management, as a non-voting member, to serve as a link with the ECHN upper management and Board of Trustees; (2)representatives of community agencies and groups with which the Family Development Center collaborates; (3) staff of the schools where Family Resource Centers are located; (4)at least, one parent from Early Head Start; (5) parents from the Family Development Center programs; and, (6) additional members which reflect the communities to be served (i.e. parents of children who were formerly enrolled and/or individuals with expertise in education, business administration, or community affairs).

Section 1: Composition

At least one member of the governing body shall have a background and expertise in each of the following areas: fiscal management or accounting; early childhood education and development; be a licensed attorney familiar with issues that come before the Council. In the event that a person with the above specified background/expertise is not available to serve on the Advisory Council, members of ECHN's Board of Trustees with the relevant experience and qualifications will be available to consult with the Advisory Council, as necessary.

Section 2: Council Size

The Advisory Council shall have no fewer than six members.

Section 3: New Members

Members shall be recommended by Advisory Council members, Family Development Staff members and community partners. All new members shall be voted in by a majority of those present at an annual meeting. Notice of the annual meeting must be sent to all members at least 14 days in advance.

Section 4: Term

Advisory Council members may serve indefinitely or as deemed appropriate.

Section 5: Resignation
Resignation from the Advisory Council must be in writing and received by the Family Development Center Manager and Advisory Council Chair.

Section 6: Vacancies
Vacancies shall be filled by the Advisory Council and approved by vote of a simple majority of those attending a meeting.

Section 7: Representation
Each member organization/agency will have one vote. Each individual member (not affiliated with an agency/organization) will have one vote.

Section 8: Officers
Officers will consist of a Chair and Vice Chair. The Chair will preside at the Advisory Council meetings and perform other duties as associated with the office. The Vice Chair will assume the duties of the Chair in his/her absence.

ARTICLE III: Conflict of Interest
Members of the Advisory Council shall: (a). not have financial conflicts of interest with ECHN; (b). not receive compensation for serving on the Advisory Council or for providing service to ECHN; (c). not be employed, nor shall members of their immediate family be employed by ECHN; (d) operate as an entity independent of staff employed by ECHN.

ARTICLE IV: Meetings

Section 1: Membership meetings. The Family Development Center Advisory Council will meet at least four (4) times yearly.

Section 2: Notice. Notice of each meeting shall be given to each member by mail or email, not less than 14 days before the meeting.

Section 3: Special meetings. Special meetings may be called, should the need arise.

Section 4: Voting. Decisions of the Advisory Council will be made by a simple majority of the members voting. A quorum will consist of 50% of the membership.

Section 5: Approvals. Should approval be required for business when no meeting of the Advisory Council is scheduled or when there is no quorum of the membership, pertinent information may be mailed or emailed to Advisory Council members for review and comment, and a vote via email or return mail will be accepted.

ARTICLE IV: Committees
Special committees or task forces may form as needed to carry out the work of the Advisory Council. Membership on committees should be determined by the charge to the committee or task force and need not be confined to the membership of the Advisory Council. The Chair of any appointed task force or committee must be a member of the Advisory Council.

ARTICLE V: Amendments
Bylaws may be altered, amended or repealed by an affirmative vote of a majority of members present and voting at any of the general meetings, provided that written notification of the proposed amendment(s) is included in the general membership meeting notice.

These Bylaws were approved at a meeting of the Advisory Council on: _____

(See appendix on next page, specific to the Early Head Start program)

Appendix A

Responsibilities of the Governing Body Regarding the Early Head Start Program

The ECHN Board of Trustees will have legal responsibility for administering and overseeing the Early Head Start program, including the safeguarding of Federal funds. The Board of Trustees is responsible for primary agency policies and procedures regarding human resources, personnel (including employee code of conduct), and financial issues. For specific issues regarding the Early Head Start program, the Board of Trustees (**BOT**) will share responsibilities with the Advisory Council (**AC**), as described below.

The governing body shall:

(i) Adopt practices that assure active, independent, and informed governance of the Head Start agency, including practices consistent with subsection (d)(1) of the Head Start Performance Standards, and fully participate in the development, planning, and evaluation of the Head Start programs involved; **(AC)**

(ii) Be responsible for ensuring compliance with Federal laws (including regulations) and applicable State, tribal, and local laws, including regulations; **(BOT)**

(iii) Be responsible for other activities, including:

I. Selecting delegate agencies and the service areas for such agencies; **(BOT) (AC)**

II. Establishing procedures and criteria for recruitment, selection and enrollment of children; **(AC)**

III. Reviewing all applications for funding and amendments to applications for funding for the Early Head Start program; **(AC)**

IV. Establishing procedures and guidelines for accessing and collecting information described in subsection (d)(2); **(AC)**

V. Reviewing and approving all major policies of the agency, including:
(aa) the annual self-assessment **(AC)** and financial audit; **(BOT)**
(bb) such agency's progress in carrying out the programmatic and fiscal provisions in such agency's grant application, including implementation of corrective action; **(AC) (BOT)**
(cc) personnel policies of such agencies regarding the hiring, evaluation, termination, and compensation of agency employees. **(BOT)**

VI. Developing procedures for how members of the Policy Council are selected, consistent with paragraph (2) (B); **(AC)**

VII. Approving financial management, accounting, and reporting policies; and compliance with laws and regulations related to financial statements, including the
(aa) approval of all major financial expenditures of the agency; **(BOT)**
(bb) annual approval of the operating budget of the agency/program; **(BOT)(AC)**
(cc) selection of independent financial auditors who shall report all critical accounting policies and practices to the governing body. **(BOT)**

VIII. Reviewing results from monitoring conducted under section 641A(c), including appropriate follow-up activities; **(BOT) (AC)**

IX. Approving personnel policies and procedures, including policies and procedures regarding hiring, evaluation, compensation, and termination of the Executive Director, Head Start Director, Director of Human Resources, Chief Fiscal Officer, and any other person in an equivalent position with the agency; **(BOT)**

X. Establishing, adopting, and periodically updating written standards of conduct that establish standards and formal procedures for disclosing, addressing, and resolving:
(aa) any conflict of interest and any appearance of conflict of interest by the members of the governing body, officers, employees of the Head Start agency, consultants, and agents who provide services or furnish goods to the Head Start agency; **(BOT)**
(bb) complaints, including investigations, when appropriate. **(BOT)**

XI. To the extent practicable and appropriate, at the discretion of the governing body, establishing advisory committees to oversee key responsibilities related to program governance and improvement of the Head Start program involved. **(BOT)**

ECHN Eastern Connecticut Health Network

EASTERN CONNECTICUT HEALTH NETWORK
POLICY AND PROCEDURE

TITLE: Financial Assistance Policy and Procedure **Policy: 500**

TOPIC

Financial Assistance / Charity Care

ECHN is committed to providing financial assistance to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with their mission to deliver compassionate and high quality healthcare services and to advocate those who are poor and disenfranchised, ECHN strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

In accordance with the Federal Poverty Level (FPL) guidelines, all other uninsured patient will not be charged more than the amount generally billed to insured patients for emergency or medically necessary care.

PURPOSE

To identify those patients that qualify for charitable assistance and to complete write-off procedures that is in keeping with state and federal regulations.

A. ECHN is committed to providing financial assistance to persons who have health care needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for emergency or medically necessary care based on their individual financial situation.
B. It is the policy of ECHN to provide Financial Assistance based on indigence or high medical expenses for patients who meet specified financial criteria and request such assistance. The purpose of the following policy is to describe how applications for Federal Assistance should be made, the criteria for eligibility, and the steps for processing each application.
C. Financial assistance may be extended when a review of a patient's individual financial circumstances has been conducted and documented. This should include a review of the patient's existing medical expenses and obligations (including any accounts having gone to bad debt except those accounts that have gone to lawsuit and a judgment has been obtained) and any projected medical expenses. Financial Assistance Applications may be offered to patients whose accounts are with a collection agency and will apply only to those accounts on which a judgment has not been granted.
D. Race, gender, sexual orientation, religious or political affiliation, social or immigration status will not be taken into consideration.
E. To further ECHN's commitment to their mission to provide healthcare to patients seeking emergency care, ECHN will utilize an abbreviated application for financial assistance for their uninsured patients being seen in the Emergency Room. The patients eligible for this financial assistance must not be eligible for any other insurance benefits or have exhausted their insurance benefits, and do not have active medical assistance coverage. Eligibility will be granted in this case for the one visit only.

POLICY:

In order to provide the level of aid necessary to the greatest number of patients in need, and protect the resources needed to do so, the following guidelines apply:

A. Patient
    a. Services are provided under charity care only when deemed emergency or medically necessary and after patients are found to have met all financial criteria based on the disclosure of proper information and documentation.

b. Any patient who believes that they are qualified may apply for financial assistance under the hospitals' charity care policy or discount policy.
c. Patients are expected to contribute payment for care based on their individual financial situation; therefore, each case will be reviewed separately.
d. Charity Care is not considered an alternative option to payment and patients may be assisted in finding other means of payment or financial assistance before approval for charity care.
e. Uninsured patients who are believed to have the financial ability to purchase health insurance may be encourage to do so in order to ensure healthcare accessibility and overall well-being.

B. Hospital
   a. ECHN will maintain an understandable, written financial assistance policy, clearly stating the eligibility criteria.
   b. ECHN will ensure that all financial assistance policies will be applied consistently.
   c. In applying the Financial Assistance policy, ECHN will assist the patent in determining if he/she is eligible for government- sponsored programs.

C. COMMUNICATION:
   a. Notices regarding availability of Financial Assistance at ECHN will be posted in public places around the hospital, on patient bills, and on our website.
   b. Financial Assistance Applications are available at all ECHN registration locations as well as on the ECHN Website, ECHN.org.
   c. Copies of this policy as well as the Financial Assistance Application can be obtained via the U.S. mail by calling our Customer Service Representative at 1-888-943-6042 or 860-646-1222 x2768.

D. FEDERAL POVERY LEVEL GUIDELINES (UPDATED ANNUALLY)

Family Gross Income Levels

2016 Federal Poverty Guidelines	125%	150%	175%	200%	250%	300%	400%

% of Write Off	100%	90%	80%	70%	60%	50%	40%
Family Size							
1	14,850	17,820	20,790	23,760	29,700	35,640	47,520
2	20,025	24,030	28,035	32,040	40,050	48,060	64,080
3	25,200	30,240	35,280	40,320	50,400	60,480	80,640
4	30,375	36,450	42,525	48,600	60,750	72,900	97,200
5	35,550	42,660	49,770	56,880	71,100	85,320	113,760
6	40,725	48,870	57,015	65,160	81,450	97,740	130,320
7	45,913	55,095	64,278	73,460	91,825	110,190	146,920
8	51,113	61,335	71,558	81,780	102,225	122,670	163,560

Add $4,160 for each additional member

Patient Responsibility	0%	10%	20%	30%	40%	50%	60%

E. DISCOUNT GUIDELINES:

	UNINSURED	UNDERINSURED
Basis for calculating discount:	Hospital Gross Charges. Discounts apply to medically necessary services. Patients eligible for financial assistance will not be charged more than the amount generally billed to patients with insurance for emergency or other medically necessary care.	Hospital Gross Charges or the patient's balance after insurance payments. Discounts apply to medically necessary services. Patients eligible for financial assistance will not be charged more than the amount generally billed to patients with insurance for emergency or other medically necessary care.
Income Requirement for 100% discount	Income at or below 150% of FPL Guidelines	Income at or below 150% of FPL Guidelines
Income Requirements for other discounts	If household gross income is between 150% -400% of the FPL guidelines, the patient may qualify for a discount that is equal to or greater than the average discount received for the same services covered by Medicare, Medicaid and other private insurers. *Information on the discount calculation can be requested from our financial counselor.*	If household gross income is between 150% -400% of the FPL guidelines, the patient may qualify for a discount that is equal to or greater than the average discount received for the same services covered by Medicare, Medicaid and other private insurers. This discount will apply to the account balance. *Information on the discount calculation can be requested from our financial counselor.*
Catastrophic Circumstances	Special circumstances are handled on a case-by-case basis. We will take into consideration those circumstances that affect a patient's ability to pay, such as catastrophic event.	Special circumstances are handled on a case-by-case basis. We will take into consideration those circumstances that affect a patient's ability to pay, such as catastrophic event.

DEFINITIONS

The following terms are meant within this policy to be interpreted as follows:

a. Charity Care means free or discounted health care services rendered by a hospital to persons who cannot afford to pay, including but not limited to, care to the uninsured patient or patients who are expected to pay all or part of a hospital bill based on income guidelines and other financial criteria set forth in statute or in the hospital's charity care policies on file at OCHA.

b. Emergency Care: Immediate care which is necessary to prevent putting the patient's health in serious jeopardy, serious impairment to bodily functions, and serious dysfunction of any organs or parts.

c. Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal revenue Services rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposed of the provision of financial assistance.

d. Family Income: family income is determined using the census Bureau definition, which uses the following income when computing federal poverty guidelines.
   i. Includes earnings, unemployment compensation, workers' compensation, Social security, Supplemental security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income form estates, trusts, educational assistance, alimony, child support, assistance form outside the household, and other miscellaneous sources.
   ii. Noncash benefits (such as food stamps and housing subsidies) do not count.
   iii. Determined on a before-tax basis
   iv. If a person lives with a family, includes the income of all family members (non-relatives, such as housemates do not count)

e. Medically Necessary: hospital services or care rendered (both inpatient and outpatient) to a patient in order to diagnose, alleviate, correct, cure or prevent the onset of worsening conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or aggravate a handicap or result in overall illness.

f. Presumptive: other financial assistance, not charity care.

g. Underinsured: Patients who carry insurance of have third party assistance to help pay for medical services, but who accrue or have the likelihood of accruing out-of-pocket expenses which exceed their financial ability.

h. Uninsured: means a patient who is without health insurance for whom the payer responsible for payment of the bill for hospital services rendered is the patient, the patient's parent or guardian or another responsible person, who is not a third party payer and who is not subsequently reimbursed by another payer for the cost of any of the services rendered to the patient. A patient shall not be classified an uninsured patient, is such subsequent reimbursement takes place.

i. Urgent Care: Services necessary in order to avoid the onset of illness or injury, disability, death, or serious impairment or dysfunction if treated within 12 hours.

PROCEDURE

a. Services Eligible Under This Policy
   i. The following healthcare services are eligible for charity:
      1. Emergency medical services provided in an emergency room setting;
      2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
      3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
      4. Medically necessary services, evaluated on a case-by-case basis at ECHN's discretion.

b. Eligibility for Charity Care
   1. Eligibility for Charity Care will be based on an individual's assessment of financial need.
   2. Requires an application process.
   3. We expect cooperation from patients and guardians.
   4. May rely upon publicly available information and resources to determine the financial resources of the patient or a potential guardian.
   5. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
   6. The need for financial assistance shall be re-evaluated every six months or at any time additional information relevant to the eligibility of the patient for charity care becomes known.

c. Presumptive Financial Assistance Eligibility
   i. There are instances when a patient may appear eligible for charity care discounts, but are unable to provide supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with charity care assistance such as
      1. State-funded prescription programs;
      2. Patient is homeless or received care from a homeless clinic;
      3. Patient files bankruptcy
      4. Participation in Women, Infants and Children programs (WIC);
      5. Patient is eligible for assistance under the Crime Victims Act or Sexual Assault Act
      6. Food stamp eligibility;
      7. Subsidized school lunch program eligibility;
      8. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
      9. Low income/subsidized housing is provided as a valid address; and
      10. Patient is deceased with no known estate.

F. ASSESSMENT PROCESS
   1. The application must be fully completed and signed by the patient / responsible party

2. Proof of income for applicant (and spouse if applicable) is verified by two forms of documentation which could include:
    a. Last four pay stubs
    b. Previous Year Federal Income Tax Form
    c. Previous Year W-2 Form
    d. Social Security Statement
    e. Unemployment Benefit Statement
3. Other documentation that may be required:
    a. Proof of disability compensation
    b. For Medicare patients a copy of their social security benefits, pension and retirement benefits and/or bank statements showing deposits
    c. Workers compensation deposits

i. The level of Charity Care provided will be determined based on the Federal Poverty Level in effect (please refer to the current year's sliding scale).

ii. Once a patient has been granted financial assistance, that patient shall not receive any future bills based on undiscounted gross charges.

E. COLLECTION PRACTICES FOR CHARITY CARE PATIENTS

a. Internal and external collection policies and procedures will take into account the extent to which a patient is qualified for charity care or discounts. In additional, patients who qualify for partial discounts are required to make a good faith effort to honor payment agreements with ECHN, including payment plans and discounted hospital bills. ECHN is committed to working with patients to resolve their accounts, and at it discretion, may provide extended payment plans to eligible patients. ECHN will not pursue legal action for non-payment of bills against charity care patients who have cooperated with the hospital to resolve their accounts and have demonstrated their income and/or assets are insufficient to pay medical bills.

b. During the eligibility process, other forms of financial assistance will be considered such as Medicare and Medicaid.

c. All billing is put on hold during the financial assistance application process. Patients are given the opportunity to provide any missing or incomplete information.

Hospital Billing and Collections Practices can be found on the ECHN Website (ECHN.org) or obtained by calling our Customer Service Representative at 1-888-943-6042.

INDIVIDUAL RESPONSIBLE FOR REVISION: Director Patient Financial Services

ORIGINATED: 07/29/02

REVISION DATE:
11/26/12
04/15/13
08/20/14
06/30/15

ECHN
Eastern Connecticut Health Network, Inc.

Volunteer Services
Volunteer Role Descriptions

Role: *Patient Care Healing Hands Volunteer*
Date: *01/09/2012*

Department:
- Volunteer Services

Reports to:
- Sr. Business Partner, Volunteer Services

Role Objective:
- To provide comfort and relaxation to patients and guest through relaxing hand massage and/or guided imagery.

Qualifications:
- Friendly, people-oriented individual, having ability to interact with all types of people
- Having a caring and compassionate disposition
- Must be able to communicate in English
- Excellent interpersonal, communication and listening skills
- Excellent customer service skills

Competencies:
- Able to follow directions and work cooperatively with others with limited supervision
- Able to maintain strict confidentiality at all times
- Able to accept feedback and develop, acquire and utilize new knowledge and skills as necessary
- Valuing differences in all people; avoiding demonstrating any bias toward individuals or groups by words and actions

Training:
- ECHN Hospital orientation
- HIPAA Education
- Hand Hygiene
- Hand Massage with guided imagery
- Healing Hands Procedure
- Two shifts with a preceptor (staff or volunteer)
- Continuing education as required

Responsibilities:
- Sign in at Volunteer Sign-in Book.
- Report to duty with appropriate volunteer attire and identification badge
- Introduce self and volunteer role in an appropriate manner
- ALWAYS wash hands when entering and leaving a patient room and in between errands
- Provide relaxing hand massage and/or guided imagery to patients and guests
- Communicate any concerns about a patient to their nurse or other staff member

Volunteer will NOT:
- Move/boost a patient
- Assist patient getting in/out of a bed or chair.
- Offer medical advice.

- Offer advice on hospital/unit policies/procedures.
- Enter isolation rooms

Physical Demands:

- Able to stand/walk for short periods of time

ECHN
Eastern Connecticut Health Network, Inc.

Volunteer Services
Volunteer Role Descriptions

Role: *Kitchen Work Experience Volunteer*
Date: *01/09/2012*

Department:
- Food Service

Reports to:
- Food Service Supervisor

Role Objective:
- Provide special needs youth work experience and assist the Food Service Staff

Qualifications:
- Special needs youth that is part of a program that partners with ECHN.
- Must be accompanied and supervised during work time by a case manager/job coach from their program.

Competencies:
- Able to follow directions and work cooperatively with others under the supervision of their case manager/job coach
- Able to stand for the duration of the shift
- Able to follow basic directions
- Valuing differences in all people; avoiding demonstrating any bias toward individuals or groups by words and actions

Training:
- ECHN Hospital orientation
- HIPAA Education
- Hand Hygiene
- Preceptor (staff or volunteer with case manager/job coach)
- Continuing education as required

Responsibilities:
- Report to duty with appropriate attire and identification badge
- Washing dishes
- Kitchen clean-up
- Emptying trash

Physical Demands:
- Able to stand for extended periods of time
- Light lifting

Notice of Availability for Uncompensated Care

Eastern Connecticut Health Network, Inc. will provide assistance for those patients who fall within the guidelines below.

To be eligible to receive uncompensated care, your family must be at or below the following current guidelines.

Family Gross Income Levels

2016 Federal Poverty Guidelines	125%	150%	175%	200%	250%	300%	400%

% of Write Off	100%	90%	80%	70%	60%	50%	40%
Family Size							
1	14,850	17,820	20,790	23,760	29,700	35,640	47,520
2	20,025	24,030	28,035	32,040	40,050	48,060	64,080
3	25,200	30,240	35,280	40,320	50,400	60,480	80,640
4	30,375	36,450	42,525	48,600	60,750	72,900	97,200
5	35,550	42,660	49,770	56,880	71,100	85,320	113,760
6	40,725	48,870	57,015	65,160	81,450	97,740	130,320
7	45,913	55,095	64,278	73,460	91,825	110,190	146,920
8	51,113	61,335	71,558	81,780	102,225	122,670	163,560

Add $4,160 for each additional member

Patient Responsibility	0%	10%	20%	30%	40%	50%	60%

If you feel you may be eligible, you may request free or discounted services at the Patient Financial Service Office. Requests may be made prior to admission, during the stay or at time of discharge. A financial evaluation form and application will be provided for the applicant upon request. The Hospital will make a final determination of your eligibility for uncompensated services.

When Third Party coverage is available (Medicare, State, Medicaid LIA, etc) all applicable benefits must be applied first. Patient convenience items such as private room differentials are not covered.

Refusal to take reasonable actions necessary to obtain these available benefits can exclude the granting of uncompensated services.

Source – Federal Register Income Poverty Guidelines

Revised 2/01/2016

ECHN
Eastern Connecticut Health Network, Inc.

Volunteer Services
Volunteer Role Descriptions

Role: *Patient Care Visiting Volunteer*
Date: *01/09/2012*

Department:
- Assigned Inpatient Nursing Unit

Reports to:
- Sr. Business Partner, Volunteer Services

Role Objective:
- To help increase patient and visitor comfort by providing a caring environment, companionship and/or assistance to appropriate patients and staff.

Qualifications:
- Friendly, people-oriented individual, having ability to interact with all types of people
- Having a caring and compassionate disposition
- Must be able to communicate in English
- Excellent interpersonal, communication and listening skills
- Excellent customer service skills
- Must be able to walk and stand for majority of shift

Competencies:
- Able to follow directions and work cooperatively with others with limited supervision
- Able to maintain strict confidentiality at all times
- Able to accept feedback and develop, acquire and utilize new knowledge and skills as necessary
- Able to determine and meet the needs of the customer and provide them with excellent service within the scope of this role
- Valuing differences in all people; avoiding demonstrating any bias toward individuals or groups by words and actions

Training:
- ECHN Hospital orientation
- HIPAA Education
- Hand Hygiene
- Two shifts with a preceptor (staff or volunteer)
- Continuing education as required

Responsibilities:
- Sign in at Volunteer Sign-in Book.
- Report to duty with appropriate volunteer attire and identification badge
- Introduce self and volunteer role in an appropriate manner
- Always honor the patients right to refuse volunteer assistance
- ALWAYS wash hands when entering and leaving a patient room
- Communicate any concerns about the patient to their nurse before leaving the unit
- Visiting may include:
  - Providing food or drink only after approval from the nurse
  - Getting warm blankets
  - Offering reading materials, puzzles, etc.
  - Assisting patients with meal trays—opening containers, cutting

food, etc.

Volunteer will NOT:

- Move/boost a patient
- Assist patient getting in/out of a bed or chair.
- Offer medical advice.
- Offer advice on hospital/unit policies/procedures.
- Enter isolation rooms

Physical Demands:

- Able to stand/walk for moderate periods of time

Subject: Pet Therapy Volunteer Program
Policy Number: 010

Released:

I. Purpose:

A. To allow for safe visits by certified pet therapy volunteers and their certified pet dogs to lift the spirits of patients and visitors.

II. Policy

A. Pet Therapy Volunteer

1. Volunteer must be a certified handler for their pet

2. Volunteer must handle pet according to the below.

3. Volunteer must shadow a current pet therapy volunteer a minimum of two times or until they are comfortable in their position prior to working on their own.

B. Pet Therapy certification for pet and handler from a recognized pet therapy society.

C. Proof of up-to-date vaccinations and good health from veterinarian.

D. Pets must be well groomed and clean prior to visiting.

E. The Pet Therapy Volunteer must ask if the patient would like to have a visit from a dog prior to entering the patient room.

F. The Pet Therapy Volunteer must request to enter Behavioral Health.

1. Visits to behavioral health are best pre-arranged so patients have time to visit with the animal.

G. Care of the dog is responsibility of owner (not staff or patient) at all times. The pet must be under the control of the handler at all times.

H. Pet visits will not be allowed isolation rooms, the intensive care unit or in the perinatal area.

I. Pets must be on a leash or caged during the visit.

J. Pets should not be visiting/working for more than 1 1/2 hrs per-day up to a maximum or three days per week, or as mandated by the pet therapy society certifying the pet, whichever is less.

K. The handler will immediately remove the pet from visitation for any of the following:

1. patient/staff request,

2. allergic responses,

3. medical emergency,

4. animal fatigue or signs of stress, improper behavior (growling/barking).

L. If a patient or staff injury occurs: i.e., scratch, bite, etc., the pet must be removed.

1. The handler must notify the nursing staff.

2. The patient or staff will need to be assessed and appropriate measures will be undertaken.

3. An incident report must be filed.

M. If the pet is injured, the handler will notify the nursing staff, and the handler will bring the pet to a veterinarian for follow-up. An incident report must be filled out.

N. If the pet defecates, urinates or vomits on the unit, either the dog's handler or staff member will be responsible for its removal and placement in a biohazard bag. Hospital staff will be responsible for spraying disinfectant on the affected area and following hand washing procedures.

III. RESPONSIBLE FOR REVISION: Head of Volunteer Services

IV. Revised: 01/20/2012 by Ellen Barnes

V. ORIGINATED: 5/29/2000

ECHN
Eastern Connecticut Health Network, Inc.

Volunteer Services
Volunteer Role Descriptions

Role: *Pharmacy Volunteer*
Date: *01/09/2012*

Department:
- Pharmacy

Reports to:
- Pharmacy Director, Manager, Supervisor or designee

Role Objective:
- Speed delivery of orders to floors and relieve staff of routine duties.

Qualifications:
- Friendly, people-oriented individual, having ability to interact with all types of people
- Must be able to communicate in English
- Excellent interpersonal, communication and listening skills
- Excellent customer service skills
- Must be physically able to make round trips to Nursing Units in the course of a day
- Typing skills helpful but not necessary
- Some lifting and bending

Competencies:
- Able to follow directions and work cooperatively with others with limited supervision
- Able to maintain strict confidentiality at all times
- Able to accept feedback and develop, acquire and utilize new knowledge and skills as necessary
- Valuing differences in all people; avoiding demonstrating any bias toward individuals or groups by words and actions

Training:
- ECHN Hospital orientation
- HIPAA Education
- Hand Hygiene
- Two shifts with a preceptor (staff or volunteer)
- Continuing education as required

Responsibilities:
- Sign in at Volunteer Sign-in Book.
- Report to duty with appropriate volunteer attire and identification badge
- Introduce self and volunteer role in an appropriate manner
- ALWAYS wash hands in between errands
- Transport pharmaceuticals to nursing units as requested
- Filing, Typing, restocking shelves
- Unpack orders, check in and put away on shelves
- Other related duties and errands as requested

Physical Demands:
- Able to walk round trips to nursing units
- Light lifting and bending

ECHN
Eastern Connecticut Health Network, Inc.

SUBJECT: **Pre-Collect and Bad Debt Policy** **POLICY NO: 4005**
SECTION: **PAGE**

I. TITLE: Departmental Pre-Collect and Bad Debt Policy and Procedures

II. POLICY: This policy applies to the Manchester Memorial and Rockville General Hospitals Patient Financial Services

III. PURPOSE: To ensure that bad debt accounts are appropriately identified and consistently processed within the guidelines of the hospital's credit and collection policy.

IV. RESPONSIBILITES:

A. To ensure that accounts with outstanding patient balances beyond 120 days are written off to bad debt. Accounts are considered bad debt once reviewed by the Self Pay Team and the Pre-Collections Unit as uncollectible. It must be determined that the accounts meet the following criteria:
   a. The account has aged 120 days from the date the balance became the responsibility of the patient / guarantor without payment in full.
   b. No reasonable response from the patient in the previous 120 days.
   c. Guarantor has received at least four statements.
   d. Third party carrier has denied in writing the responsibility for any payment (partial or full) towards the account and the collector has documented the patient / guarantor's refusal for payment or financing when applicable.
   e. Guarantor has defaulted on an "agree to payment plan" (for two consecutive months or more)
   f. The account has been flagged as a "bad address" or "mail return".

B. If the above criteria has been met, and at the 4th statement, the account is transferred to the pre-collection list for potential bad debt and is designated to be analyzed for the month end bad debt / write off function. Steps to occur are:
   a. On the 25th of the month
      i. Run is run to capture all accounts set to receive 4 statements from the 25th thru the 24th of the next month.
      ii. Individually review each account to determine if meets criteria for pre-collect letter
         1. Guarantor has received at least 4 statements
         2. Account not paid in full
         3. defaulted on pay plan
            A. PFS will ensure that the guarantor has been notified in writing that they are in default and in danger of going to collection, after first missed month.
         4. Identified as return mail. Researched, collector changed, and 2 months noted on account.
         5. "Dirty buckets" (money in insurance and self pay) need to be resolved prior to pre-collect letter.
         6. The total pre-collect dollars can not exceed the established bad debt turnover number.
         7. Only one pre-collect letter will go out on each account.
         8. Identify accounts that are not eligible for write off-due to established criteria, Medicaid eligibility, bankruptcy, or the patient is deceased.
         9. Document in financial comments the reason that any account is not eligible for bad debt write off.

b. Once the monthly pre-collect accounts have been identified and worked, change the self pay collector for the pre-collect code designated for that month and year .
c. On the fourth day of the month
    i. Finalize pre-collect review
        1. Produce and send out pre-collect letters.
            A. Ensuring that the total dollars do not exceed the bad debt turnover number
            B. No account has been previously send a pre-collect letter
        2. Retain copy of pre-collect report for our records.
d. By the 3rd Friday of the month
    i. Review pre-collect accounts for payments
    ii. Review pre-collect accounts for Medicaid Eligibility
    iii. Request bad debt write off according to the following monetary guidelines:
        1. Balance of between $20 and $999 - no approval necessary
        2. Balances between $1,000 and $3,900 – reviewed by Non Governmental Specialist
        3. Balances between $4,000 and $9,999 – reviewed and approved by Non Gov Manager
        4. Balances greater than $10,000- reviewed and approved by Department Manager
    iv. Report bad debt turnover number to management
e. On the twenty fifth of the month
    i. Review pre-collect accounts for payments
    ii. Review pre-collect accounts for Medicaid Eligibility
    iii. Received appropriate approval from management according to established monetary guidelines, which are retained for our records.
    iv. Review reports to agree with final dollar amount and account age prior to account transfer
    v. Electronically transfer the selected accounts to bad debt status
f. On the last day of the month
    i. Ensure that the self pay payments have been posted for the month
    ii. Review bad debt accounts for payments
    iii. Review bad debt accounts for Medicaid Eligibility
    iv. Report final month end Bad Debt totals to management
g. On the third business day after conclusion of month end process
    i. Final review of bad debt accounts for payments
    ii. Final review of bad debt accounts for Medicaid Eligibility
    iii. Transmit electronic file to collection agency
    iv. Run bad debt report and retain copy of our records

C. It is essential that in conjunction with the bad debt process, that the following areas also need to be kept current and worked daily
    a. Bankruptcies to be worked daily
    b. Mail Return to be worked daily
    c. Charity Care to be worked daily
    d. Pay Plans to be reviewed and worked daily

VII. INDIVIDUAL RESPONSIBLE FOR REVISION: Director, PFS

VIII. ORIGINATED: 11/04 REVISION DATE: 3/11
11/09

Read to Grow
Building literacy from birth
53 School Ground Rd., Branford, CT 06405 • 203.488.6800 • readtogrow@readtogrow.org

Job Description: Books for Babies Volunteer

Purpose: To visit hospitals and provide families on maternity unit information about: infant brain development; infant capabilities; and the importance of talking, reading, singing, and playing with their infants from birth. Also to answer questions that families might have about Read to Grow's Literacy Packet they receive for free.

Objective: To work cooperatively with the hospitals, following their guidelines, in order to bring parents of newborns the information and tools to build their children's early language skills.

Qualifications:

- Ability to work independently within hospital framework/requirements *and* to seek help/direction from site supervisors/unit staff if needed.
- Good listening and effective communication skills.
- Strong interpersonal skills; caring, mentoring personality

Orientation/Evaluation: A Books for Babies orientation with Read to Grow representatives takes place after completing the necessary on-site orientation at the hospital's Volunteer Service Department, per the institution's policy. As a preliminary stage to the Books for Babies orientation, a new volunteer is invited to the office in Branford. The main orientation, however, will be at the hospital.

After two months at the hospital, a volunteer will be mailed an evaluation form from Read to Grow to fill out and return. Sometime between two and three months after starting, a volunteer will speak (on phone or in-person) with a Books for Babies staffer about the job.

Times: to be determined with Read to Grow and the hospitals

Responsibilities:

- Read orientation material and literacy data from Read to Grow;
- Notify site supervisor *and* Read to Grow if unable to volunteer as scheduled;
- Respect patient privacy. Know and comply with hospital policy on patient confidentiality (HIPAA);
- Know and follow hospital emergency procedures and any safety/health requirements;

- Be consistent, dependable and enthusiastic about work;
- Maintain communications with Read to Grow as set out and agreed upon;
- Share ideas and concerns with Read to Grow staff and hospital staff when appropriate.

Other responsibilities on the maternity unit:

- Wear identification badge as directed by the hospital;
- Sign in and out, per hospital policy;
- Let unit secretary know you are on the unit;
- Accurately maintain the Books for Babies **log book**. (This log book—usually a three-ring binder—holds **log sheets** that are filled out by individual volunteers during and after their rounds. A log sheet is passed on from one volunteer to the next and is always found in the log book.)

- Visit with families in a timely, appropriate manner, as outlined here:
  - Check with the appointed staff person to see if there are any patients who should not be visited. Jot down names and reasons in the Books for Babies log sheet so that the volunteer following you will be informed. (For example: patient had surgery, baby ill, etc.)
  - The unit staff is responsible for the actual distribution of Literacy Packets to the mothers. Hospitals usually provide the Literacy Packets upon patient admission or shortly thereafter.
  - Proceed to a patient's room with log sheet. Check for signs alerting you **not** to enter. If none is there, knock and enter room quietly.
  - Introduce yourself as a Books for Babies volunteer. Ask if it is a convenient time for a short visit. If not, check to see if the patient has the Literacy Packet, point it out and wish patient well. (Also ask if there is a good time to return.)
  - If the time is convenient, provide literacy information in a friendly, concise and upbeat manner. Do not tire the patient or overstay your welcome. Remember new mothers may have difficulty learning something new when they are overly tired or excited after giving birth.
  - Continue on rounds, noting patients' names and room numbers on the log sheet. This will prevent your co-volunteers from visiting the same patients. Describe the quality of visits on the log sheet with your own comments about patients' reactions and interactions. These can be brief but to the point.

- When finished with rounds, complete any remaining paperwork, put the log sheet in the log book, sign out, and let your site supervisor know you are leaving.
- Notify Books for Babies staff if supplies are low (203-488-6800).
- Maintain strict adherence to the institution's confidentiality policy (HIPAA). Do not discuss patients, situations, or staff in or out of the hospital.

Limitations: Volunteers must always be aware of their limitations.

- Never perform a task outside of your job description.
- Never give a patient any food or water.
- Never reposition a baby or mother. Seek staff member.
- Never hold a baby, even at the mother's request. Seek staff member.
- Never read the patient's medical record.
- Never comment or offer advice as it relates to the patient's or baby's condition.
- Before entering room of a patient on isolation, read all posted signs and check with staff.
- Step out of the room if a doctor, nurse or clergy arrives.
- Always check with staff if you are uncertain about a situation.

* * * *

STUDENT EDUCATIONAL AFFILIATION AGREEMENT

This Student Educational Affiliation Agreement ("Agreement") is made and entered into as of May 1, 2016 ("Effective Date") by and between _____ and Eastern Connecticut Health Network, Inc. ("ECHN") including but not limited to Manchester Memorial Hospital at 71 Haynes Street, Manchester, CT 06040, Rockville General Hospital at 31 Union Street, Vernon, CT 06066, ECHN ElderCare Services, Inc. d/b/a Woodlake at Tolland Nursing & Rehabilitation Center at 26 Shenipsit Lake Road, Tolland, CT 06084, Visiting Nurse and Health Services of Connecticut at 8 Keynote Drive, Vernon, CT 06066 and any other ECHN affiliates (individually or collectively, as applicable, the "Hospital").

WHEREAS, the School desires to provide supervised clinical, non-clinical or other fieldwork experience and instruction as part of its educational program for its students ("Students"); and

WHEREAS, the Hospital, in the interest of furthering the educational objectives of the School, desires to make its facilities available to the Students for such experience;

NOW THEREFORE, in consideration of the promises and the mutual covenants, agreements and undertakings hereinafter set forth, it is hereby AGREED:

1. Planning of Educational Program. The School shall be responsible for the planning and implementation of all educational aspects of the Students' clinical or other fieldwork experience and instruction, including the requirements for matriculation, promotion and graduation (the "Program"). The purpose of the practicum experiences, which are supplemented with didactic experience, is to develop competence on the part of the Students. The School will designate a faculty member, known as the Academic Coordinator of Clinical Education (ACCE), to work with the designated coordinator at the Hospital on the administrative and academic aspects of the Students' experience at the Hospital.

2. Philosophy and Objectives of Program. The School will convey to Hospital personnel information about the philosophy and objectives of the Program. The School shall also provide the Hospital with current information about its curriculum, clinical or fieldwork educational goals and faculty.

3. Instruction and Supervision. If required by the Program or the Hospital, the School shall provide competent faculty (the "Faculty") for supervision of Students assigned to the Hospital for practicum experience. The Faculty will be available for consultation with Hospital personnel at all times that Students are at the Hospital. Faculty shall be responsible for planning Student assignments and for evaluating and grading Student performance. Faculty may consult with Hospital personnel as appropriate in conducting evaluations of Student performance. The Hospital shall be responsible for assigning Students to clinical areas and patients.

4. Notice of Program. At least thirty (30) days prior to commencement of the Program each term, the School shall submit to the Hospital a description of the types of clinical or other

fieldwork experiences needed, the dates during which such experiences will be needed, the number of Students expected to participate in the Program(s), and the names and professional credentials of the Faculty who will supervise the Students. The School shall inform the Hospital as soon as practicable of any changes in information previously provided to the Hospital regarding the Program. If it becomes necessary to cancel a reserved space or change a Student assignment, the School will promptly notify the Hospital.

5. Compliance with Hospital Rules by the Faculty. The School will instruct its Faculty that they must comply with all rules and regulations of the Hospital. Upon Hospital's request, the School agrees to promptly withdraw any member of the Faculty who fails to comply. The School shall provide evidence of Connecticut licensure, certification and/or registration for Faculty if such is required for the Program, upon the request of Hospital.

6. Compliance with Hospital Rules by the Students. The School will instruct its Students that they must comply with all rules and regulations of the Hospital. The School will notify each Student that he/she is responsible for:

   a. respecting the confidentiality of information regarding patients/clients of the Hospital and maintaining all patient/client records in accordance with Federal and Connecticut law and the Hospital's policies and procedures;

   b. adhering to all policies and procedures of the Hospital;

   c. adhering to the Hospital's dress code, including appropriate uniform and name/identification badge, as required by the Hospital;

   d. arranging for their own transportation;

   e. reporting to the Hospital as scheduled;

   f. obtaining housing and meals when not provided by the Hospital;

   g. providing evidence of required health insurance;

   h. obtaining prior written approval from the Hospital and School before publishing any material relating to their clinical or other fieldwork experience at the Hospital; and

   i. any loss or damage to their own personal property while on Hospital's premises.

7. Confidential Information. The School will instruct Students, Faculty, and other School personnel not to disclose any confidential material or information connected with the Hospital or any of its patients/clients; and, further, the School will ensure that all such information is maintained as confidential in accordance with Federal and Connecticut law. The School shall also enforce compliance by Students and Faculty with the Hospital's policies on confidentiality. In addition, each Student and Faculty (if Faculty will be on-site at the Hospital) shall execute the Confidentiality Statement attached hereto

as Appendix B prior to starting the clinical/fieldwork experience at the Hospital. Each student shall also review the Code of Conduct, sign it and return to the appropriate department.

8. Withdrawal of Students from the Program. The Hospital may immediately withdraw any Student from the clinical or other fieldwork area due to health, academic deficiency, failure to follow Hospital policy, unacceptable performance, inappropriate behavior or other reasons, if such Student's continued participation in the Program is detrimental to the Student and/or any patient/client of the Hospital. The Hospital shall promptly inform the School of such withdrawal.

9. Program Experience. The School shall be responsible for selecting only those Students who have successfully completed all the prerequisite courses and/or previous clinical or other fieldwork experiences as specifically required by the Program or Hospital. In advance of the Students' placement, the parties will develop a planned, supervised educational program at the Hospital that is compatible with the Program goals and objectives of the Student's academic education at the School. The Hospital shall provide the opportunity for qualified Students to perform appropriate clinical procedures or other practical fieldwork under the ultimate supervision of the Faculty, in conjunction with personnel of the Hospital and in accordance with the terms of this Agreement. The Hospital shall at all times retain authority and responsibility for the delivery of patient care.

10. Equipment and Use of Facilities. The Hospital shall provide appropriate space and facilities for use by Students and Faculty. Students and Faculty may use the Hospital's cafeteria at their own expense. There shall be no charges between the parties with respect to the services and responsibilities each undertakes to provide pursuant to this Agreement.

11. Orientation for Faculty and Students. As appropriate, the Hospital shall provide an orientation for the Faculty so that they may familiarize themselves with the Hospital, the physical plant, and relevant policies and procedures prior to bringing Students to the Hospital. The School shall provide appropriate orientation to the Students.

12. Medical Care. The Hospital shall provide emergency medical care to Students and/or Faculty who become ill or who are injured while on duty at the Hospital. The cost of such care shall be the sole responsibility of the individual receiving it. In addition, the School agrees that the School provides adequate medical benefits covering Students for any injuries or illnesses that may occur while on duty at the Hospital, and that the School is fully responsible for any payments or loss related to any such injury or illness, provided that the payment or loss is not the direct result of negligence or wrongdoing by the Hospital. The School acknowledges and agrees that the Hospital is not responsible for providing the Students with medical benefits of any kind.

13. Required Inservices. If the Student(s) will have any direct patient contact, the School shall provide the Hospital with evidence that the mandatory inservices have been provided to Students and Faculty in advance of the first clinical or other fieldwork

experience (unless the Hospital has agreed to provide such inservices to the Students). Mandatory inservices include, as appropriate to the Program, general safety, infection control, OSHA blood borne pathogens and universal precautions, TB, fire safety, hazardous materials, Safe Medical Devices Act, use of electrical equipment and CPR.

14. Immunizations and Physical. The School shall provide the Hospital with evidence that Students, and all on-site Faculty meet the Hospital's requirements for immunizations and physical exam as set forth in Appendix A, which is incorporated herein by reference.

15. Insurance. Upon Hospital's request, the School shall provide professional liability insurance with limits of not less than $1,000,000 per claim and $3,000,000 in the aggregate for Students and Faculty while participating in the Program at the Hospital. The School shall also maintain comprehensive general liability insurance in an amount satisfactory to the Hospital. If required by the Hospital, each Faculty member, while acting within the scope of his/her required duties, shall be covered by Teachers Professional Liability insurance with limits of at least $1,000,000 per occurrence and $3,000,000 in the aggregate.

16. Evaluations. Appropriate Hospital personnel and the School's ACCE shall meet periodically to discuss issues of mutual concern and for the purpose of evaluating the educational rotation at Hospital.

17. Term and Termination of Agreement. This Agreement shall be effective on March 1, 2016 and shall continue in effect for three (3) years until February 28, 2019. Thereafter, this Agreement may be renewed for successive three (3) year terms by the mutual written consent of the parties. Either Party may terminate this Agreement at any time, without cause, by giving sixty (60) days prior written notice to the other Party; provided, however, and subject to Paragraph 8, above, that any Student assigned to the Hospital shall be permitted to complete the current educational term.

17.1 Termination Due to Risk of Safety. Hospital may terminate this Agreement immediately in the event the Student poses a risk of safety to Hospital employees or patients.

17.2 Termination Due to Exclusion. Either Party may terminate this Agreement, upon written notice effective immediately, in the event that the other Party is convicted of a criminal offense related to health care and/or related to the provision of services paid for by Medicare, Medicaid or such other federal health care programs or in the event that the other Party or an officer, director, member, employee or agent of such Party is excluded or suspended from participation in any federal health care program, including Medicare and Medicaid, and such individual is not immediately terminated by such Party.

17.3 Termination for Cause. In the event that either Party shall fail to keep, observe or perform any covenant, term or provision of this Agreement applicable to such Party, the other Party shall give the defaulting Party notice in writing of such default specifying the nature of such default. If the defaulting Party fails to cure

the breach or fails to arrange for a cure of the breach to the satisfaction of the non-breaching Party within five (5) days of receipt of such notice, the non-defaulting Party may terminate this Agreement upon two (2) days written notice.

18. Students and Faculty Not Employees or Agents. Both the School and the Hospital acknowledge that neither Students nor Faculty are to be considered employees or agents of the Hospital. Neither the Faculty nor Students shall receive any compensation from Hospital for the services provided pursuant to this Agreement.

19. Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Connecticut applying to contracts made and performed in Connecticut without regard to its conflicts of law principles and the parties hereto submit to the courts of such jurisdiction as the sole forum for resolving any disputes.

20. Entire Agreement and Amendment. This Agreement is the entire agreement between the parties and supersedes and rescinds all prior agreements relating to the subject matter hereof. This Agreement may be amended only in writing signed by both parties.

21. Notices. Any notice required to be given pursuant to the terms of this Agreement shall be in writing and shall be sent, postage prepaid, by certified mail, return receipt requested, to the Hospital or the School at the addresses set forth below. The notice shall be effective on the date of delivery indicated on the return receipt.

If to the Hospital:

Eastern Connecticut Health Network, Inc.
Attn: Legal Department
71 Haynes Street
Manchester, CT 06040

If to the School:

[_____]
[_____]
[_____]
[_____]

22. Assignment. No Party may assign this Agreement without written consent of the other, except that ECHN may assign this Agreement to any entity that directly or indirectly owns or controls ECHN, or is directly or indirectly owned or controlled by ECHN or is an affiliate of ECHN, or to an entity that directly or indirectly acquires all or substantially all of its assets or majority control. Any assignment made without such consent shall be void.

23. Accommodations for Persons with Disabilities. In the event that a Student, Faculty, or other School personnel requires accommodation for a disability beyond those accommodations that are currently available at the Hospital, the School shall be

responsible, at its sole cost, for making arrangements that are necessary to effectuate the additional accommodation.

24. Nondiscrimination. The School and the Hospital, respectively, agree that in the performance of this Agreement, they will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, or mental retardation, physical disability, blindness, or other handicap, in any manner prohibited by the laws of the United States or of the State of Connecticut.

25. Indemnification. To the extent not otherwise inconsistent with the laws of the State of Connecticut, each Party shall indemnify and hold harmless the other from any fines, claims, demands, suits or actions of any kind whatsoever arising from the indemnifying Party's acts or omissions in the course of its performance of its obligations under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Student Educational Affiliation Agreement as of the date written below their signatures.

By: _____

Print name: _____

Title: _____

Date: _____

Eastern Connecticut Health Network, Inc.

By: _____

Print name: _____

Title: _____

Date: _____

Eastern Connecticut Health Network, Inc.

APPENDIX A

REQUIRED HEALTH DATA FOR FACULTY AND STUDENTS

1) Physical Exam - Satisfactory completion of physical exam within the past twelve (12) months or signed statement from student and program director that the student is fit to participate in clinical rotation or fieldwork

2) PPD - Documentation of a mantoux skin test for tuberculosis within the previous twelve (12) months, including the date done and size of reaction. For those with a previous positive reaction, documentation attesting to the fact that the individual is not infectious along with any prophylaxis used and the date and size of reaction must be provided by a physician.

3) Rubella (German Measles) - Written evidence of at least one dose of rubella vaccine, given on or after the first birthday, or serological evidence (blood test) of immunity to rubella, regardless of the age or job status of the person.

4) Rubeola (Regular Measles) - Written evidence of two doses of live measles vaccine or serological evidence (blood test) of immunity. One dose should have been given on or after the first birthday, and at least one dose should have been given after 1968. The two doses should be separated by at least 30 days.

5) Varicella Zoster

   (a) Known history of chicken pox is acceptable evidence of immunity

   (b) Two doses of varicella zoster live virus vaccine given 4-8 weeks apart if age 13 or older

   (c) Serologic testing (blood test) if history of disease is unknown or unclear

6) Hepatitis-B - Vaccination series completed or declination statement on file at the School (if exposure to blood/body fluids is likely).

7) Tetanus booster - Within past ten (10) years recommended not required.

8) Seasonal Flu Vaccine - If clinical rotation or fieldwork occurs during flu season (normally between the months of August and April) proof of vaccination has to be provided by November [•].

Evidence of compliance with these requirements must be submitted to ECHN prior to the first clinical or fieldwork day. The Student(s) will not be permitted to start the clinical/fieldwork experience at Hospital until such documentation is provided.

Eastern Connecticut Health Network, Inc.

APPENDIX B

CONFIDENTIALITY AND SECURITY OF INFORMATION AGREEMENT

ECHN Employees and Workforce Members

This Confidentiality and Security of Information Agreement (hereafter referred to as the "Agreement") applies to Eastern Connecticut Health Network (ECHN), its wholly-owned subsidiaries and affiliates, as well as, anyone conducting business with ECHN or its affiliates. I understand that the ECHN affiliated facility or business entity (the "Organization") for which I work, volunteer or provide services manages health information as part of its mission to treat patients. Further, I understand that the Organization has a legal and ethical responsibility to safeguard the privacy of all patients and to protect the confidentiality of their patients' health information. Additionally, the Organization must assure the confidentiality of its human resources, payroll, fiscal, research, internal reporting, strategic planning information, credentialing, intellectual property, or any information that contains Social Security numbers, health insurance claim numbers, passwords, PINs, encryption keys, credit card or other financial account numbers (collectively, with patient identifiable health information, "Confidential Information").

In the course of my employment/assignment at the Organization, I understand that I may come into the possession of this type of Confidential Information. I will access and use this information only when it is necessary to perform my job related duties in accordance with ECHN's Privacy and Security Policies, which are available on the ECHN SharePoint site under Corporate Administrative Policies and Procedures. I further understand that I must sign and comply with this Agreement in order to obtain authorization for access to Confidential Information or Organizational systems.

General Rules

1. I will act in the best interest of the Organization and in accordance with its Code of Conduct at all times during my relationship with the Organization.

2. I understand that I should have no expectation of privacy when using Organizational information systems. The Organization may log, access, review, and otherwise utilize information stored on or passing through its systems, including e-mail, in order to manage systems and enforce security.

3. I understand that violation of this Agreement may result in disciplinary action, up to and including termination of employment, suspension, and loss of privileges, and/or termination of authorization to work within the Organization, in accordance with ECHN's policies and procedures.

Protecting Confidential Information

4. I will not disclose or discuss any Confidential Information with others, including friends or family, who do not have a need to know it. I will not take media or documents containing Confidential Information home with me unless specifically authorized to do so as part of my job.

5. I will not publish or disclose any Confidential Information to others using personal email, or to any Internet sites, or through Internet blogs, including but not limited to sites such as Facebook or Twitter. I will not use Social Media while performing my job responsibilities unless expressly permitted by management. I will not access social media websites using ECHN's equipment unless prior authorization is provided (see Human Resources Policy #619: Social Media).

6. I will not in any way divulge copy, release, sell, loan, alter, or destroy any Confidential Information except as properly authorized. I will only reuse or destroy media in accordance with ,ECHN Information Security Standards and the ECHN record retention policy (CAP Policy #752: Retention and Destruction of Records).

7. In the course of treating patients, I may need to orally communicate health information to or about patients. While I understand that my first priority is treating patients, I will take reasonable safeguards to protect conversations from unauthorized listeners. Such safeguards include, but are not limited to: lowering my voice or using private rooms or areas where available.

8. I will not make any unauthorized transmissions, inquiries, modifications, or purgings of Confidential Information.

9. I will not transmit Confidential Information outside the Organizational network unless I am specifically authorized to do so as part of my job responsibilities. If I do transmit Confidential Information outside of the Organization using email or other electronic communication methods, I will ensure that the Information is encrypted according to ECHN Information Security Standards.

Following Appropriate Access

10. I will only access or use systems or devices I am officially authorized to access, and will not demonstrate the operation or function of systems or devices to unauthorized individuals.

11. I will only access software systems to review patient records or Organizational information when I have a business need to know, as well as any necessary consent. By accessing a patient's record or Organizational information, I am affirmatively representing to the Organization at the time of each access that I have the requisite business need to know and appropriate consent, and the Organization may rely on that representation in granting such access to me.

Using Applications, Mobile Devices, Portable Devices and Removable Media

12. I will not copy or store Confidential Information on any applications including storage applications, mobile devices, portable devices or removable media such as laptops, personal digital assistants (PDAs), cell phones, COs, thumb drives, external hard drives, etc., unless within the scope of my employment responsibilities. If I do copy or store Confidential Information on applications, removable media or devices, it will be while using ECHN approved applications, removable media or devices with appropriate encryption according to ECHN Information Security Standards.

13. I understand that any mobile device (smart phone, PDA, etc.) that synchronizes Organizational data (e.g., Organizational e-mail) may contain Confidential Information and as a result, must be protected as required by ECHN Information Security Standards.

Doing My Part- Personal Security

14. I understand that I will be assigned a user-ID and password to track my access and use of Confidential Information and that the identifier is associated with my personal data provided as part of the initial and/or periodic credentialing and/or employment verification processes.

15. I will:

    a. Use only my officially assigned user-10 and password.

    b. Use only approved licensed software.

    c. Use a device with virus protection software.

16. I will never:

    a. Disclose passwords, PINs, or access codes.

    b. Allow another individual to use my digital identity to access, modify, or delete data and/or use a computer system.

    c. Allow another individual to use my identification badge.

    d. Use tools or techniques to break/exploit security measures.

    e. Connect unauthorized systems or devices to the Organizational network.

17. I will practice good workstation security measures such as locking up electronic storage media when not in use, using screen savers with activated passwords, and positioning screens away from public view in accordance with CAP Policy #730: Safeguarding Confidential Information in the Workplace.

18. I will immediately notify my manager, Chief Information Officer (CIO) or ECHN HelpDesk if:

    a. My password has been seen, disclosed, or otherwise compromised;

    b. Media with Confidential Information stored on it has been lost or stolen;

    c. I suspect a virus infection on any system;

    d. I am aware of any activity that violates this agreement, privacy and security policies; or

    e. I am aware of any other incident that could possibly have any adverse impact on Confidential Information or ECHN systems.

Upon Termination of Employment

19. I agree that my obligations under this Agreement will continue after termination of my employment, expiration of my contract, or my relationship ceases with the Organization.

20. Upon termination, I will immediately return any documents or media containing Confidential Information to the Organization.

21. I understand that I have no right to any ownership interest in any Confidential Information accessed or created by me during and in the scope of my relationship with the Organization.

By signing this document, I acknowledge that I have read this Agreement and I agree to comply with all the terms and conditions stated above.

_____

Employee/Workforce Member Printed Name

_____

Employee/Workforce Member Signature

_____

Department/Business Entity Name Date/Time

As far as volunteer committee participation, we also have our Professional Advisory Committee (9) which is required by CT DPH regulations.

Visiting Nurse & Health Services of Connecticut, Inc.

Professional Advisory Committee Charter

Mission Statement

The Professional Advisory Committee is a group of professionals who participate in the agency's overall Quality Assurance Program. The Committee's role is to advise the agency on professional issues, assist in maintaining relationships with community practitioners and to participate in the evaluation of the agency's programs, and policies. The committee must be composed of professionals in active practice or who have been retired less than five years. Membership must include at least one physician, one community health nurse, one therapist representing one of the skilled therapies offered by the agency, a medical social worker, a pharmacist, a volunteer and members of the other professional disciplines as appropriate.

Goals

1) To improve processes and outcomes in client care and services.
2) To recommend and review annually the agency's policies on:
    a. Scope of services offered
    b. Admission and Discharge Criteria
    c. Medical and Dental supervision and plans of treatment
    d. Clinical records
    e. Personnel Qualifications
    f. Quality assurance activities
    g. Standards of care
    h. Professional issues especially as they related to the delivery of service and findings of the quality assurance program
    i. Emergency care
3) Assist with maintaining Liaison with other health care providers in the community
4) Assist in identifying how the agency can best serve the needs of the community

Hospice Volunteers-These volunteers visit people who are on hospice care and serve needs by reading to patients, sitting with them to talk or listen--some play music, and provide reiki or pet therapy services. Our Hospice volunteers are required by CMS regulations as a condition of participation.

The following policies were developed by Visiting Nurse & Health Services of Connecticut Hospice, a program of Visiting Nurse & Health Services of Connecticut, Inc. Policies are reviewed yearly and revised as necessary.

I. **Purpose of Visiting Nurse & Health Services of Connecticut Hospice and Palliative:** To improve the quality of life of terminally ill patients and their families in North Central Connecticut.

Volunteer services are a very integral part of the Hospice Program of VNHSC. Patients will have appropriate volunteer support provided to them as determined by the IDT and set forth in the IDT Plan of Care. These volunteer services will be coordinated to meet the individual needs based on place of residence, patient level of care, and specific problems, issues, and goals of Plan of Care.

II. **Mission of Visiting Nurse & Health Services of Connecticut Hospice and Palliative:** The mission of Visiting Nurse & Health Services of Connecticut Hospice and Palliative is to provide assistance and care for terminally ill patients and their families. We provide palliative and bereavement care by professionals and volunteers to meet the physical, psychosocial, spiritual and emotional needs arising in the patient and family at the time of terminal illness. Caregivers provide a loving, effective presence to the terminally ill person and his/her loved ones so that life, as long as it continues, is as free from pain and as meaningful as possible.

III. **Range of Services**

Visiting Nurse & Health Services of Connecticut Hospice and Palliative provides both direct patient/family contact and organizational opportunities for volunteers:

A. Patient/Family Volunteer: The Patient/Family volunteer provides services to patients and families under the direction of the Volunteer Coordinator in accordance with the Interdisciplinary Team plan of care at patient's home, Skilled Nursing Facility or in the inpatient facility.

B. Spiritual Care Volunteer: The Spiritual Care volunteer provides spiritual care support to terminally-ill patients and their family members under the direction of the Spiritual Care Coordinator in accordance with the Interdisciplinary Team plan of care.

C. Bereavement Volunteer: The Bereavement volunteer provides bereavement services to families in accordance with the Interdisciplinary Team plan of care.

D. Clerical Volunteer: This volunteer completes office duties (filing, typing, copying, mailings, telephoning) and/or work on a special organizational project, event or fundraising event. Supervision provided by Director of Volunteer Services, Bereavement Coordinator, Spiritual Care Coordinator, and Supervisor of Clinical Services or Vice President of Development.

E. Reiki Volunteer: The Reiki Hospice volunteer provides Reiki treatment to terminally-ill patients and their family members under the direction of the Volunteer Coordinator and in accordance with the Interdisciplinary Team plan of care.

F. Caring Canines: The goal of the Caring Canines Program is to decrease anxiety and isolation while creating a positive interactive experience with North Central Hospice clients, under the direction of the Volunteer Coordinator in accordance with the IDT Plan of Care.

G. Music by Bedside: The goal of the Music by Bedside volunteers allows the patient and their family to experience what they need through music, under the direction of the Volunteer Coordinator.

H. Living Reflections: The Living Reflections volunteer photography provides a photo session to patient and family. It provides a framed photograph and CD of photos to patient, under the direction of the Volunteer Coordinator and in accordance of IDT Plan of Care. Patient will sign release (see Exhibit 8).

I. Aroma Therapy: The Aroma Therapy volunteer provides Aroma Therapy intervention to the identified terminally ill patient and family, under direction of the Volunteer Coordinator and in accordance with the IDT Plan of Care,

IV Volunteer Personnel Policy:

A. Equal Employment Opportunity: Discrimination against any person in recruitment, examination, appointment, training, promotion, retention or any other personnel action because of race, color, creed, national origin, age, sex, sexual orientation, handicap, political affiliation, or any other non-merit factor is prohibited except where such a factor is a bona fide occupational requirement.

B. Insurance: Volunteers are covered by insurance purchased by NCH for claims alleging errors, omissions, mistakes, or negligence while working with patients and families.

C. Hours of Work

C.1 Hours worked by volunteers are assigned according to their specific role and their availability. Volunteers with direct patient/family contact are oriented to their responsibilities and work hours mutually agreeable to themselves and the patient/family.

C.2 All volunteer hours are recorded by the volunteer and reported in a timely manner.

D. Evaluation: It is the belief of NCH that evaluation is an ongoing process. Informal evaluation on a continual basis consists of requesting feedback from and giving feedback to volunteers. Volunteers are formally evaluated at least annually.

;

E. Grievance: In the event that problems are not resolved in the course of informal attempts to do so, the volunteer may use the following procedure:

E.1 Present the complaint in writing to the Volunteer Coordinator.

E.2 If the complaint is not resolved, the volunteer can meet with the Hospice Program Director. The problem must be presented in writing, and the specific relief sought must be stated.

E.3 If the problem remains unresolved, the complainant can request that the problem be presented in written form to the President of VNHSC. The President may bring the complaint to the Executive Committee of the Board if it remains unresolved. This committee will report the results to the Board at the next regularly scheduled Board meeting.

E.4 At each intervention above, a reply is written to the complainant within ten (10) business days.

F. Resignation: Volunteers with direct patient/family contact who plan to resign should do so after completing a case. If it is necessary for a volunteer to resign while working with a patient/family, (s)he should give two weeks' notice so a replacement can be found. Exit interviews are conducted with volunteers upon resignation.

G. Volunteers have signed a Confidentiality Statement and have annual instruction on HIPAA Regulations. All patient information is considered confidential and only information necessary to perform their volunteer role is shared with volunteers. Volunteers report all appropriate information only to Hospice staff.

H. Appointment as a volunteer with direct patient/family contact is contingent upon:

H.1 Completion of application accompanied by three written references and an interview.

H.2 Successful completion of an approved Hospice volunteer education program, commitment to ongoing Hospice education and a commitment to the Hospice philosophy.

H.3 Proof of a negative Mantoux test within one calendar year previous to completion of training or completion of two-step Mantoux test.

H.4 A physician's statement that the volunteer is in good health, has no communicable disease, and has no physical limitations that would hinder being a Hospice volunteer. The statement must be signed and dated prior to becoming an active volunteer and updated every two years.

H.5 Valid Connecticut driver's license and proof of current no-fault car insurance.

H.6 No volunteer will be placed with a patient/family until 12 months after a major loss. Normally, a "major loss" is defined as the death of an immediate family member or close friend, death of a person with whom the volunteer resides, divorce, separation from a spouse or significant other, or at the discretion of the Volunteer Coordinator.

H.7 Documentation of the Plan of Care requested to be fulfilled by the Patient Care/Reiki Bereavement volunteer will be made in the patient's chart. Any subsequent changes in the Plan of Care are documented in the patient chart.

I. The Volunteer would update the Volunteer Coordinator or the Hospice Primary Care Nurse or Hospice Clinical Supervisor on any problems relating to the patient diagnosis or family concerns.

I.1 The Volunteer would report any acute changes in patient's physical or emotional condition or other crisis situation immediately to the Hospital primary care nurse, the Hospice Primary Care Nurse, Volunteer Coordinator or Hospice Clinical Supervisor.

I.2 The Volunteer would follow the Hospice Team's plan of care. At the end of each visit, the Volunteer reports <u>significant</u> information to the Hospice primary care nurse about concerns or changes for the patient/family situation consistent with the Hospice plan of care.

V. DELIVERY OF SERVICE

A. The Volunteer Coordinator

1. The Volunteer Coordinator under the supervision of the Hospice Program Director is responsible for the recruitment, training, in-service presentation, support, and assignment of Hospice volunteers. The Volunteer Coordinator maintains complete and current personnel files on all volunteers in compliance with agency policy and maintains volunteers' participation in mandatory in-service/support meetings.

2. The Volunteer Coordinator also works with Development Staff in fund-raising efforts, to increase the public awareness of Visiting Nurse & Health Services of Connecticut Hospice and Palliative, to coordinate special projects (e.g., the "Holiday Baskets", and to assist with the annual Volunteer Recognition Reception.

3. The Volunteer Coordinator also attends weekly Interdisciplinary Team meetings to up-date the Plan of Care every two weeks, assesses the need for volunteer services with members of the team, assigns volunteers to a family and arranges for orientation by Primary Care Nurse or the Volunteer Coordinator.

B. Assignment of Volunteers with Direct Patient/Family Contact

1. Requests for Volunteer support come from a Hospice Primary Care Nurse to the Volunteer Coordinator.

2. The Volunteer Coordinator assigns an appropriate volunteer to the patient/family based on the request and fills out a Hospice Volunteer Assignment Form Volunteer Exhibit 1). This is given to the Primary Care Nurse, who then puts it in the patient's chart.

3. Volunteers file a Volunteer Time and Visit Report (Volunteer Exhibit 2) weekly. The upper portion of the form, the time sheet, is recorded in the volunteer database; the lower portion of the form is given to Primary Care Nurse and then filed in the patient's chart.

4. Changes to a Volunteer Plan of Care are reported on a Volunteer Contact Sheet (Volunteer Exhibit 3) and placed in the volunteer's file.

5. At each volunteer's initial assignment, the Volunteer Coordinator arranges for a one time orientation of the patient care volunteer by either the PCN, the Volunteer Coordinator, or other appropriate team member. This orientation visit is documented on the Hospice Volunteer Evaluation Home Visit form (Exhibit 4). After this initial visit, joint visit for evaluation of the volunteer will be conducted by the Volunteer Coordinator annually and documented on the Volunteer Evaluation Home Visit form and the appropriate Hospice Volunteer Competency Checklist (direct care or clerical). Evaluation will completed (Exhibit 5 and 6).

North Central Hospice and Palliative Care
A Program of
Visiting Nurse & HEALTH SERVICES OF CONNECTICUT

"Leading the Way in Home Health and Hospice Care Since 1913"

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Toll-free: 866-265-4953 · Business Fax: 860-872-3030 · Referral Fax: 860-872-2419

HOSPICE VOLUNTEER ASSIGNMENT

Client's Name:_____ PCN:_____
Person to be Visited/Phoned:_____

- ❑ Home
- ❑ Inpatient Town:_____ Facility:_____
- ❑ ECF

Date Referral Received:_____ Date Referral Accepted:_____

- ❑ Volunteer Services Refused Reason for refusal:_____
- ❑ Patient died before completion of volunteer placement

Volunteer Information

(#1)Volunteer's Name:_____ Volunteer Category:_____
Phone Number (W):_____ (H):_____ (C):_____
(#2)Volunteer's Name:_____ Volunteer Category:_____
Phone Number (W):_____ (H):_____ (C):_____
(#3)Volunteer's Name:_____ Volunteer Category:_____
Phone Number (W):_____ (H):_____ (C):_____
(#4)Volunteer's Name:_____ Volunteer Category:_____
Phone Number (W):_____ (H):_____ (C):_____

Volunteer Plan of Care

- ❑ Socialization for Patient
- ❑ Respite
- ❑ Errands
- ❑ Aromatherapy
- ❑ Bereavement Visitation/Phone Contact
- ❑ Caring Canines
- ❑ Other
- ❑ Life Review
- ❑ Living Reflections
- ❑ Music by Bedside
- ❑ Reiki
- ❑ Spiritual Care Visitation
- ❑ Vigil

Narrative/case conference:_____

_____

_____ _____
Signature: Volunteer Coordinator or Supervisor Date

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VOLUNTEER TIME

(PLEASE COMPLETE AFTER EACH DATE OF SERVICE IN BLACK INK ONLY)

Volunteer's Name:_____ Date of Service:_____

Check off Type(s) of Care Provided and Document Time:

❑ Patient Care: Regular Visit	Time:		❑ Clerical	Time:
❑ Patient Care: Phone Visit	Time:		❑ Fundraising	Time:
❑ Aromatherapy	Time:		❑ Living Reflections	Time:
❑ Bereavement: Clerical	Time:		❑ Music by Bedside	Time:
❑ Bereavement:Visit/Phone	Time:		❑ Reiki	Time:
❑ Bereavement:Reiki	Time:		❑ Special Event	Time:
❑ Bereavement: Support Group	Time:		❑ Spiritual Care Visit	Time:
❑ Caring Calls	Time:		❑ Team Meeting	Time:
❑ Caring Canines	Time:		❑ Vigil	Time:

VOLUNTEER VISIT REPORT

Patient's Name:_____ Date of Service:_____

Volunteer's Name:_____ Person Visited/Phoned (if NOTPatient):_____

Care Provided

❑ Provided socialization/companionship	❑ Provided Music by Bedside
❑ Provided respite	❑ Provided Living Reflections Photo
❑ Assisted with errands	❑ Provided Reiki
❑ Provided aromatherapy	❑ Supported patient/caregiver w/active listening
❑ Provided Vigil	❑ Directed patient/caregiver in life review
❑ Notified Brvmt. Coord. Re: bereaved's grief responses	❑ Provided prayer/spiritual readings
❑ Provided support to bereaved in identifying strengths, coping skills & support systems	❑ Identified patient/caregiver requests for other rites/rituals & notified Hospice Chaplain
❑ Provided Caring Canine visit	❑ Provided Spiritual Presence

❑ Client was responsive to visit

❑ Client declined visit

Date of Next Visit:_____

Comments:_____

_____

Volunteer's Signature: _____ **PCN Signature**_____

Supervisor's Signature:_____

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VOLUNTEER CONTACTS

Volunteer's Name: _____ ID#: _____

DATE: _____

Volunteer Exhibit 4

VISITING NURSE & HEALTH SERVICES OF CONNECTICUT, INC.

Hospice Volunteer Evaluation
Home Visit

Volunteer's Name: _____

Date of Visit: _____

Hospice Volunteer Coordinator: _____
or
Hospice Nurse: _____

Scale of 0-3

_____ Volunteer kept appointment and was on time.

_____ Volunteer was suitably dressed.

_____ Volunteer asked appropriate questions of Hospice Volunteer Coordinator or Hospice Nurse.

_____ Volunteer showed understanding and confidentiality.

_____ Volunteer showed appropriate behavior/demeanor with patient.

_____ Volunteer's interaction with patient/family was appropriate.

_____ Volunteer seemed to understand role of volunteer and the interdisciplinary team approach.

_____ Volunteer shared appropriate information about self.

_____ Volunteer shared inappropriate information about own personal problems.

Additional information/comments: _____

_____

_____

_____ _____
Signature of Hospice Volunteer Coordinator or Hospice Nurse Date

Volunteer Exhibit 5

VISITING NURSE & HEALTH SERVICES OF CONNECTICUT, INC.

DIRECT CARE HOSPICE VOLUNTEER COMPETENCY CHECKLIST/EVALUATION

Name: _____ **Date:** _____

Skill	Satisfactory	Needs Follow Up	Follow Up Complete	Not Applicable
Able to verbalize hospice goals, philosophy and mission.				
Documentation is completed, appropriate, signed and returned on time.				
Demonstrates understanding and proper use of Universal Precautions/OSHA requirement.				
Demonstrates the ability to respond appropriately to patient/family concerns regarding death and dying.				
Demonstrates appropriate active listening skills.				
Is able to articulate and/or demonstrate principles of bereavement support and intervention.				
Is able to articulate an understanding of high-risk behaviors in patients and families and verbalizes an understanding of when to refer to team members.				
Demonstrates an understanding of the principles of confidentiality.				
Demonstrates the ability to set goals with patient and family and establish an appropriate plan of care. Reinforces the role of the volunteer while setting goals.				

Volunteer Manager Comments: _____

_____

_____

_____

Supervisor Comments: _____

_____

_____

_____

_____ _____

Supervisor Signature **Date**

_____ _____

Volunteer Signature **Date**

Volunteer Exhibit 6

VISITING NURSE & HEALTH SERVICES OF CONNECTICUT, INC.

VOLUNTEER CLERICAL SUPPORT
YEARLY EVALUATION/COMPETENCY REPORT

	Meets Program Criteria	Recommended Changes
Commitment to the Program:		
1. Accepts clerical assignments when asked:	_____	_____
2. Adheres to agreed upon work schedule:	_____	_____
3. Volunteer contacts Volunteer Coordinator if unable to make assignment due to illness or vacation plans:	_____	_____
In-Office Evaluation:		
4. Maintains patient confidentiality:	_____	_____
5. Time sheets are completed following each assignment:	_____	_____
6. Work is completed in a neat and timely fashion:	_____	_____
7. Exhibits good communication and listening skills.	_____	_____

_____ _____
Volunteer's Signature Date

_____ _____
Volunteer Coordinator's Signature Date

Exhibit 7

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RELEASE FORM

I hereby consent that Visiting Nurse & Health Services 5of CT, (VNHSC), or any other person or agent authorized by this organization, may use photogenic, videotape images and/or voice recordings in which I may be included in whole or in any part of any purpose they find appropriate for the purposes of creating promotional materials. I also understand that these photographs, video, or film may be used for the following:

Brochures ❑ Employee Functions ❑ Press Releases ❑
Life Reflection Program ❑ Marketing/Advertising ❑

I hereby waive the right that I may have to approve the unfinished or finished product or the copy, script that may apply.

I have read this authorization and release and agree with the above contents.

Date: _____

Signature of Patient/Legal Guardian: _____

Name (Please Print) _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone (____) _____

VNHSC Representative _____

Subject: Volunteer Patient Safety Program
Policy/Procedure Number: 011

Released: 01/13/12

I. Purpose:

A. Patient Safety Volunteers help improve the safety of our patients who are at risk of falling by verifying certain falls-prevention safety precautions are in place and implementing those that are not.

II. Procedure:

A. Obtain from charge nurse or unit secretary the list of all high risk for falls patients on unit including name and bed number.

B. Wash hands or use Purell on hands prior to entering and leaving each room and between patients in the same room.

C. If you are scheduled to come in on a unit for safety rounds and has a cold or flu – like symptoms, volunteer should not be on unit that day.

D. Do not enter isolation rooms.

E. Do not help position or move patients.

F. Use Safety Volunteer Checklist for reference/documentation of safety rounds.

G. Check that all high risk for falls patients have one or more of the below items place:

1. Red Star magnet on door frame
2. Remember Red sign over bed
3. Red slippers on patient
4. Red blanket on patient's bed

H. If high risk for fall patients do not have any of the above in place, mark this on the check list and implement one or more of the High Fall Risk items.

I. Check if the patient's personal items are within reach.

J. Check if call bell is within patient's reach.

K. If the patient is in the bed:

1. Verify that the bed alarm is "on". Turn on alarm if it is off.
2. Verify the call system adapter (circle plug) is plugged in to the wall. Plug in if not plugged in correctly.
3. Verify that the bed's power cord is plugged into the wall. Plug in if not plugged in correctly.

L. If the patient is sitting in a chair:

1. Verify that a TABS chair alarm is in place. Implement a TABS alarm if not.

M. Confirm patients know how to use their call bell and remind patients to use their call bell to call for assistance and to not get up alone.

N. Ask if there is anything else that they need at this time i.e. fill water pitcher if appropriate for the patient (check with the patient's nurse). Help the patient request staff assistance for all other needs.

O. Contact charge nurse or patient's nurse for any questions or problems incurred on safety rounds.

P. Return safety checklist to the nursing station upon completing safety rounds for follow-up.

III. RESPONSIBLE FOR REVISION: Head of Volunteer Services

IV. ORIGINATED: 09/17/2009 – Linda Quirice, Nursing Education

Signature Title Date

ECHN Woodlake at Tolland Volunteers

Volunteers at WAT work under the supervision of the Recreation Director.

They are on boarded by Volunteer Services. In addition to the standard requirements, new adult volunteers at WAT (since the fall of 2015) are required by state law to be screened by fingerprinting prior to volunteering.

Volunteers are involved/help in a variety of ways:

-Cooking groups

-Book Club Reader

-Weaving/Yard club

-Cheer cart & friendly visits

-St Matthews Rosary Service

-Bingo

-Bowling

-Garden club/Indoor plants

-Card games

In addition, we have volunteers who play music and do Pet Therapy. We also have volunteers who assist with transporting patients to activities.

There are groups from the community who come in to visit. These include:

-Tolland Senior Center Singers (they sing appropriately 3 times a year)

-Golden Tone-Stafford Senior Center (sing twice a year)

-Ellington Singers (twice a year)

-From the Heart (once a month for two hours)

-Girl Scout troop visits (once a month)

A Summary of Community Benefit Activities*
Manchester Memorial Hospital
Fiscal Year 2015

Towns Served

Manchester Memorial Hospital, part of the Eastern Connecticut Health Network, primarily serves the following towns with community-based health programs: Manchester, South Windsor, Bolton, Coventry, Andover, Ellington, Tolland, Vernon, and Willington. Its secondary service area includes the towns of Ashford, Somers, Stafford, Union, East Hartford, East Windsor, Glastonbury, Hebron, Columbia and Mansfield. The service areas contain municipalities in Hartford, Tolland and Windham Counties.

Community Health Needs Assessments

Manchester Memorial Hospital regularly conducts community health needs assessments to gather current statistics and qualitative input to determine the key health issues facing residents of its 19-town service area.

With the support of a Community Program Advisory Committee, consisting of medical staff leadership and ECHN Administration, the organization's Community Benefit & Education Department evaluates, coordinates and implements programs to address these needs. Efforts include free health education lectures presented by the medical staff, health screenings, health fair participation, and support groups.

Community health needs are also identified through regular solicitation of the general public and the medical community to identify pertinent health needs they feel need to be addressed.

Community Benefit Activities

- Based on the identified health needs, community health education initiatives/programs are offered to the community and include lecture presentations such as Diabetes Made Simple and Pre-diabetes, Let's Take Action; development and distribution of a wellness magazine to more than 150,000 households in the service area; lactation consultants for new mothers; and demonstrations and health fair participation. For example, a Freedom from Smoking Program is available that is facilitated by an ALA Certified Health Care Professional and includes eight 1½- to 2-hour sessions over 7 weeks, the 4th session being Quit Day. The sessions can be provided at the worksite or other location, daytime or evening. Another example is presentations to the community about breast cancer, preventative/screening recommendations, bone density exams, and free screening programs. These presentations were made at the Greater Hartford Women's Conference; a Women and Youth Advisory Panel Discussion at Manchester Community College; the Town of South Windsor Health and Wellness Fair; Crossroads Community Cathedral Church Health Fair; Women to Women-A Comfortable Conversation; Let's Talk Menopause panel community program; the Vernon Center Middle School; and the Office of Migration, Refugee, and Immigration Services at Catholic Charities of Hartford. Other areas of particular focus include: Heart disease, Cancer, Diabetes, Arthritis, Alzheimer's disease, Multiple Sclerosis, Substance Abuse, and Childhood Lead Screening, which were identified as areas of need in the community health needs assessment conducted in 2013. Over 97,000 people benefitted from these initiatives and programs in FY 15.
- Free health screenings including diabetic foot checks, mammograms, heart disease screenings, blood pressure, bone density, glucose readings, injury screenings and vital sign checks are offered in the

community. For example, blood pressure screenings were done during Wear Red Day. Targeting uninsured/underinsured populations, 156 people benefitted from all these services in FY 15.

- Healthcare support services are provided by the hospital to increase access and quality of care to individuals in need. Efforts include free transportation to behavioral health patients, assistance to enroll in public programs, referrals to social services, and help in finding physicians who accept Medicaid or other government programs. Nurse navigation services help patients and their loved ones navigate through the healthcare system, finding support and resources to manage symptoms, get a second opinion, schedule tests and treatment, find homecare services and coordinate care. A social worker who serves as a survivorship navigator is available to provide supportive counseling and assistance in locating resources to help with finances, disability, medical insurance, advance directives and post treatment survivorship care planning. Four thousand eight hundred and forty (4,840) people benefitted from these efforts in FY 15.

- Partnering with local educational institutions, Manchester Memorial Hospital provides a clinical setting for medical students, nursing students, radiologic technicians, phlebotomy students, respiratory technicians, dietetic interns, pharmacy students, physical therapists and others from the University of New England College of Osteopathic Medicine, University of Connecticut, Manchester Community College, Central Connecticut State University, Goodwin College, Capital Community College, Springfield Technical Community College, University of St. Joseph, Quinnipiac University, Asnuntuck Community College and the University of Hartford. Presentations are also given to local groups on new emergency management services guidelines and updates, EMT education, paramedic skills training, specialty care transport courses, and Narcan and CPAP training.

- Health services which are subsidized by the hospital include neonatal services, diabetes self-management, dialysis services and the behavioral health clinic.

- Specific research initiatives conducted by the hospital include an Institutional Review Committee, which has the primary responsibility to protect the rights and welfare of research subjects and to approve all research studies in accordance with federal regulations.

- Financial and in-kind services and goods are donated to community groups and other not for profit organizations, including patient meals, local fundraisers, facility space to host blood drives, conference rooms for health support groups organizations' meetings, and for oncology clinical research. For example, the hospital provides free meeting space for the ACOA Support Group Adult Children of Alcoholics, Al-Anon, Alcoholics Anonymous, Not So Typical Autism Support Group, Brain Injury Alliance of CT, Multiple Sclerosis Society Caregiver Meeting, Narcotics Anonymous, National Alliance on Mental Illness, Older Adults Recovery & Support Group, and Sweet Talk - Diabetes Support Group.

- The expertise and resources of the organization are dedicated to a number of community building activities that support associations, businesses, programs, initiatives and other valuable local community assets.
    - Through grants provided by the federal and state governments, MMH offers free support programs to prenatal individuals and parents to promote positive family life skills and child

development. In FY 2015, these programs benefited 1,091 individuals with MMH providing over $118,000 in in-kind resources and services.

Other community building activities performed in FY 2015 include participation in regional exercises to evaluate the readiness of the hospital's emergency preparedness capabilities; participation in the Baby Friendly Practices Statewide Collaborative and the statewide CPQC Initiative; serving on the Board and Executive Committee of regional Chambers of Commerce in support of the local business industry; hosting art exhibits of the Manchester Art Association; working with the Manchester Veterans Council to honor veterans in an annual Veterans Day ceremony for the community; partnering with the local school systems and colleges in various workforce development programs; attending School Readiness Council meetings; providing vocational services and employment assistance to residents; serving on the American Hospital Association's Regional Policy Board; and serving on the Department of Public Health's Office of Emergency Medical Service Medical Advisory Committee, the Connecticut EMS Advisory Board, the Connecticut EMS Advisory Committee, the Regional Medical Advisory Committee, the Regional ED Standards Board, the State EMS Education and Training Committee, and EMS Clinical Coordinators.

**Charity care and government-sponsored health care are not included in this summary.*

6/1/2016
Manchester Memorial Hospital
Executive Summary Including Non Community Benefit (Medicare and Bad Debt)
For period from 10/1/2014 through 9/30/2015

	Persons	Benefits
Community Health Improvement Services (A)		
Community Health Education (A1)	97,229	393,404
Community Based Clinical Services (A2)	156	25,665
Health Care Support Services (A3)	4,840	461,965
****** Community Health Improvement Services**	102,225	881,034
Health Professions Education (B)		
Physicians/Medical Students (B1)	92	1,778,938
Nurses/Nursing Students (B2)	281	527,530
Other Health Professional Education (B3)	270	104,752
****** Health Professions Education**	643	2,411,220
Subsidized Health Services (C)		
Neonatal Intensive Care (C2)	193	1,614,666
Hospital Outpatient Services (C3)	5,527	300,066
Renal Dialysis Services (C6)	283	153,062
Behavioral Health Services (C8)	0	513,248
****** Subsidized Health Services**	6,003	2,581,042
Research (D)		
Other Research (D3)	0	30,264
****** Research**	0	30,264
Financial and In-Kind Contributions (E)		
Cash Donations (E1)	0	15,991
Grants (E2)	0	64,268
In-kind Donations (E3)	13,081	111,244
****** Financial and In-Kind Contributions**	13,081	191,503
Community Building Activities (F)		
Economic Development (F2)	0	100
Community Support (F3)	1,091	139,488
Coalition Building (F6)	1	39,439
Community Health Improvement Advocacy (F7)	0	2,454
Workforce Development (F8)	32	71,794
****** Community Building Activities**	1,124	253,275
Community Benefit Operations (G)		
Dedicated Staff (G1)	0	103,618
****** Community Benefit Operations**	0	103,618
Financial Assistance		
Financial Assistance	808	441,332
****** Financial Assistance**	808	441,332
Government Sponsored Health Care		
Medicaid	47,894	10,350,906
****** Government Sponsored Health Care**	47,894	10,350,906
Totals - Community Benefit	171,778	17,244,194

	Persons	Benefits
Totals Including Medicare and Bad Debt	**171,778**	**17,244,194**

NEW ADULT VOLUNTEER PACKET

Name: _____ Date: _____

The following documents must be completed and signed and placed to your file:

1) Contact/Emergency Contact Information
2) Interview Date:_____
3) Commitment to Caring through ECHN Core Values-sign form
4) Confidentiality Agreement-sign form
5) Acknowledgement of HIPAA Privacy and Security-sign form
6) Volunteer Handbook/Orientation-sign form
7) Code of Conduct-sign form
8) 2015 Mandatory Education
9) Medical Clearance by CorpCare
10) Background Check Form
11) Badge form-badge Issued-copy of picture for office

Thank you for volunteering for ECHN.

Please know that volunteers are entitled to a complimentary beverage-1 drink per day when they are in working.

Also- All volunteers are invited to our Annual Volunteer Recognition which usually takes place in April.

Welcome! We appreciate your help and the unique gifts that you bring to all we serve.

NEW TEEN VOLUNTEER PACKET

Name: _____ Date: _____

The following documents must be completed and signed and placed to your file:

1) Contact/Emergency Contact Information
2) *Parent Permission*
3) Reference-*Parents sign*
4) Interview Date:_____
5) Commitment to Caring through ECHN Core Values-sign form
6) Confidentiality Agreement-sign form
7) Acknowledgement of HIPAA Privacy and Security-sign form
8) Volunteer Handbook/Orientation Book-sign form
9) Code of Conduct-sign form
10) 2015 Mandatory Education
11) Medical Clearance by CorpCare-*Parents accompany*

Thank you for volunteering for ECHN.

Please know that volunteers are entitled to a complimentary beverage-1 drink per day when they are in working.

Also- All volunteers are invited to our Annual Volunteer Recognition which usually takes place in April.

Welcome! We appreciate your help and the unique gifts that you bring to all we serve.

A Summary of Community Benefit Activities*
Rockville General Hospital
Fiscal Year 2015

Towns Served

Rockville General Hospital, part of the Eastern Connecticut Health Network, primarily serves the following towns located east of the Connecticut River in northern Connecticut: Vernon, Ellington, Tolland, Willington, Manchester, South Windsor, Bolton, Coventry and Andover. Its secondary service area includes the towns of Ashford, Somers, Stafford, Union, East Hartford, East Windsor, Glastonbury, Hebron, Columbia and Mansfield.

Community Health Needs Assessments

Rockville General Hospital regularly conducts community health needs assessments to gather current statistics and qualitative input to determine the key health issues facing residents of its 19-town service area.

With the support of a Community Program Advisory Committee, consisting of medical staff leadership and ECHN Administration, the organization's Community Benefit & Education Department evaluates, coordinates and implements programs to address these needs. Efforts include free health education lectures presented by the medical staff, health screenings, health fair participation, and support groups.

Community health needs are also identified through regular solicitation of the general public and the medical community to identify pertinent health needs they feel need to be addressed.

Community Benefit Activities

- Community health education initiatives/programs are offered to the community and include lecture presentations, development and distribution of a wellness magazine to more than 150,000 households in the service area, demonstrations, and health fair participation. For example, presentations were made to the community about breast cancer, preventative/screening recommendations, bone density exams, and free screening programs. These presentations were made at the Greater Hartford Women's Conference; a Women and Youth Advisory Panel Discussion at Manchester Community College; the Town of South Windsor Health and Wellness Fair; Town of Vernon Employee Health and Benefit Fair; the Town of Manchester Health and Safety Fair; Crossroads Community Cathedral Church Health Fair; Women to Women-A Comfortable Conversation; Let's Talk Menopause panel community program; the Vernon Center Middle School; and the Office of Migration, Refugee, and Immigration Services at Catholic Charities of Hartford. Other areas of particular focus include: Heart disease, Cancer, Diabetes, Arthritis, Alzheimer's disease, Multiple Sclerosis, Substance Abuse, and Childhood Lead Screening, which were identified as areas of need in the community health needs assessment conducted in 2013. More than 40,000 people benefitted from these initiatives and programs in FY 15.

- Free health screenings including diabetic foot checks, mammograms, heart disease screenings, bone density, glucose readings, injury screenings, blood pressure, vital sign checks and medical exams are offered in the community. For example, blood pressure screenings were done at the American Heart

Association Heart Walk. Risk Factor screenings were done during Wear Red Day. Targeting uninsured/underinsured populations, 53 people benefitted from these services in FY 15.

- Healthcare support services are provided by the hospital to increase access and quality of care to individuals in need. Efforts include assistance to enroll in public programs, referrals to social services, and help in finding physicians who accept Medicaid or other government programs. Twenty-eight (28) people benefitted from these efforts in FY 15.

- Partnering with local educational institutions, Rockville General Hospital provides a clinical setting for medical students, nursing students, radiologic technicians, phlebotomy students, respiratory technicians, dietetic interns, pharmacy students, physical therapists and others from the University of New England College of Osteopathic Medicine, University of Connecticut, Manchester Community College, Central Connecticut State University, Goodwin College, Capital Community College, Springfield Technical Community College, University of St. Joseph, Quinnipiac University, Asnuntuck Community College, Stone Academy, and the University of Hartford. For example, a college senior completed her practicum by spending approximately 525 hours with the hospital's cardiac/pulmonary rehabilitation RN.

- Health services which are subsidized by the hospital include the Early Detection Program, the Maternity Care Center, dialysis services, and the Ryan White Part A program.

- Specific research initiatives conducted by the hospital include an Institutional Review Committee, which has the primary responsibility to protect the rights and welfare of research subjects and to approve all research studies in accordance with federal regulations.

- Financial and in-kind services and goods are donated to community groups and other not for profit organizations, including local fundraisers, facility space to host blood drives, and conference rooms for health support groups organizations' meetings. For example, the hospital provides free meeting space for Compassionate Friends- Providing Grief Support After the Death of a Child, Overeaters Anonymous, and the North Central District Health Department.

- The expertise and resources of the organization are dedicated to a number of community building activities that support associations, businesses, programs, initiatives and other valuable local community assets. For example, the hospital and its employees participate in regional exercises to evaluate the readiness of the hospital's emergency preparedness capabilities, serve on the board and executive committees of regional chambers of commerce in support of the local business industry; partner with the local school systems and colleges in various workforce development programs; serve on the Vernon School Readiness Council, the Cancer Community Outreach Committee and the American Hospital Association's Regional Policy Board; and host art exhibits of the Vernon Art Association.

**Charity care and government-sponsored health care are not included in this summary.*

6/1/2016
Rockville General Hospital
Executive Summary Including Non Community Benefit (Medicare and Bad Debt)
For period from 10/1/2014 through 9/30/2015

	Persons	Benefits
Community Health Improvement Services (A)		
Community Health Education (A1)	40,462	64,249
Community Based Clinical Services (A2)	53	141
Health Care Support Services (A3)	28	24,705
****** Community Health Improvement Services**	40,543	89,095
Health Professions Education (B)		
Physicians/Medical Students (B1)	16	34,220
Nurses/Nursing Students (B2)	76	152,114
Other Health Professional Education (B3)	147	94,583
****** Health Professions Education**	239	280,917
Subsidized Health Services (C)		
Hospital Outpatient Services (C3)	126	34,464
Women's and Children's Services (C5)	1,357	531,059
Renal Dialysis Services (C6)	163	38,105
Behavioral Health Services (C8)	0	0
****** Subsidized Health Services**	1,646	603,628
Research (D)		
Other Research (D3)	0	12,493
****** Research**	0	12,493
Financial and In-Kind Contributions (E)		
Cash Donations (E1)	0	6,608
In-kind Donations (E3)	421	8,795
****** Financial and In-Kind Contributions**	421	15,403
Community Building Activities (F)		
Community Support (F3)	0	13,050
Community Health Improvement Advocacy (F7)	0	1,054
Workforce Development (F8)	5	213
****** Community Building Activities**	5	14,317
Community Benefit Operations (G)		
Dedicated Staff (G1)	0	42,079
****** Community Benefit Operations**	0	42,079
Financial Assistance		
Financial Assistance	322	236,019
****** Financial Assistance**	322	236,019
Government Sponsored Health Care		
Medicaid	15,846	5,926,536
****** Government Sponsored Health Care**	15,846	5,926,536
Totals - Community Benefit	59,022	7,220,487
Totals Including Medicare and Bad Debt	59,022	7,220,487

Schedule 5.25(b)

ECHN – Extended Reporting Period Options

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 5.30

Tax Claims

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 7.04(d)

Certain Other Consents

[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]

Schedule 10.03(a)

Certain Subsidiaries of Seller

TIC, LLC (as successor to the business operations of Tolland Imaging Center, LLC)

Greer, Leslie

Subject: FW: Independent Monitor

From: Michele Volpe [mailto:mmv@bvmlaw.com]
Sent: Friday, November 04, 2016 3:08 PM
To: Martone, Kim
Cc: Shapiro, Daniel R.; Cass, Barbara; Lazarus, Steven; Jennifer O'Donnell
Subject: Independent Monitor

Hi □im
Prospect is moving along with the selection of the Independent Monitor for the three hospitals, Manchester, Rockville and Waterbury. Colleen Smith is the candidate that has gone the furthest in the vetting process and has been selected to proceed. She was interviewed via phone and in person by hospital representatives, licensure division within DPH also interviewed Colleen and there are phone interviews set up for next week with PMH Corporate. I will send you Colleen Smith□s resume and contact information so OHCA can make arrangements to speak directly with Ms. Smith as well. I also spoke with Dan Shapiro regarding OHCA participation in the process. Please contact me anytime if I can provide additional information or be of further assistance. Thank you

Michele M. Volpe
Bershtein, Volpe & Mc□eon P.C
105 Court Street
New Haven, CT 06511
Phone: (203) 777-6995
Fax: (203) 777-5806

Greer, Leslie

From: Martone, Kim
Sent: Monday, November 07, 2016 7:58 AM
To: Roberts, Karen; Cotto, Carmen
Cc: Greer, Leslie
Subject: FW: Colleen Smith Resume oct 14, 2012 V4 Jan.13.2015 v5 5.16 .doc
Attachments: Colleen Smith Resume oct 14, 2012 V4 Jan.13.2015 v5 5.16 .doc; ATT00001.htm

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
Phone: 860-418-7029 Fax: 860-418-7053
Email: Kimberly.Martone@ct.gov Website: www.ct.gov/ohca

From: Michele Volpe [mailto:mmv@bvmlaw.com]
Sent: Friday, November 04, 2016 4:58 PM
To: Martone, Kim
Cc: Shapiro, Daniel R.; Jennifer O'Donnell
Subject: Colleen Smith Resume oct 14, 2012 V4 Jan.13.2015 v5 5.16 .doc

□im
As promised, attached is Colleen Smith□, the proposed independent monitor, resume. Please let me know if I can be of further assistance. Thank you.

41 Laurel Crest Road
Madison, CT 06443
Cell: (203) 671-1348
Email: colleen713.smith@gmail.com

COLLEEN O'BRIEN SMITH, MSN, RN, NEA-BC

EDUCATION

MASTER OF SCIENCE IN NURSING, 1976
University of Connecticut, Storrs, CT

BACHELOR OF SCIENCE IN NURSING, 1973
University of Connecticut, Storrs, CT

EXPERIENCE

2013-present

Nursing Consulting Partners

Healthcare Consultant

Work with clients on their strategic planning efforts, improvements in clinical outcomes, employee engagement and creation of professional practice environments. Conduct Magnet Readiness assessments, including data and document review.

2012

Norwalk Health Systems, Norwalk, Ct.

Interim Chief Operating Officer (March, 2012-August, 2012)

Fulfilled the role of COO during a planned leave of absence. Directed the activities of the following Hospital Departments: Radiology, Laboratory, Emergency Services, EMS, Nursing, and the Cancer Center. As a member of the senior leadership team, participated in strategic planning, service line development and preparation of the operational and capital budget for fiscal year 2013. Served as a member of the Master Facility Planning Project Steering committee.

July-August, 2012

Continued service to this organization in a Quality consultant role, charged with developing structures and processes to assure quality outcomes.

1986 – 2011

MIDDLESEX HEALTH SYSTEMS, Middletown, CT

Chief Nursing Officer (1995 – 2011)

Middlesex Health System is a non-profit healthcare organization serving a population of 250,000 residents. Its service area encompasses the largest geography of any hospital in CT, covering Middletown, Connecticut south to the Shoreline and East of the Connecticut

River. The system includes a 275-bed acute care hospital, Homecare and Hospice Agency, a network of primary care offices, three full service Emergency sites, a diagnostic outpatient center, Ambulatory Surgical Center, and Cancer Center. Middlesex Health System is a four-time winner of the Thompson-Reuters Top 100 Hospitals Award and attained Center of Excellence Certifications in Stroke, CHF, Disease Management, and Bariatric Surgery.

Reporting to the President and CEO, responsible for all Nursing, Emergency, Behavioral Health, Surgical Services, Home Health & Hospice, Case Management, and Pharmacy. Key member of the senior management team responsible for all strategic planning, governance, quality and safety, workforce development and engagement. Responsible for 1,071 FTEs including all Nursing Services, the Departments of Surgery and Anesthesia, Emergency Medicine, Behavioral Health and Hospice.

Managed an operating budget of $650M in gross revenues and $105M in expenses. Responsible for nine Directors and five Physician Chairmen.

Selected Accomplishments:

- Achieved Magnet Designation in 2001 followed by redesignations in 2005, and 2010.
- Reduced RN Vacancy Rate from 12% to 2.5%, sustained over the last three years.
- Reduced Temporary Labor costs from 1.7M to $400,000/year.
- Redesigned several medical surgical units to offer private rooms.
- Developed Peer Review processes at all levels for all areas of responsibility.
- Established a Shared Governance Structure in 2000. Completed a redesign of this structure in 2008.
- Developed an RN Residency Program in 1999. Joined the University Health Consortium in 2008. Annual average new graduate retention rate of 87%.
- Achieved nurse satisfaction rates that surpassed the NDNQI benchmarks since 2002.
- Increased Nurse Certification rates from 34% to 56% in 8 years.
- Developed the Center for Research & Innovation. Secured philanthropic funding for research and evidence based practice projects. Established Clinical Scholars Program to advance evidence based practice.
- Founding Board member of the Middlesex Center for Advanced Orthopedic Surgery. Shared oversight for facility design, build and all operational aspects on this Joint Venture.
- Key member of Service Excellence team. Increased Press Ganey nursing care scores from 82 % to 94 %. All HCHAPS scores now above the state and national benchmark.
- Implemented Cerner Information Systems in Emergency, Inpatient, Pregnancy & Birthing Center, and Surgical Services from 2008 through 2011.
- Developed an outpatient Wound Care Center, the Center for Total Joint Replacement, and a Palliative Care Program.
- Key member of two new building projects: Emergency Department (2008), Critical Care Unit (2011)
- Established an Emergency Crisis Area within the Emergency Department to achieve rapid assessment and safe disposition of acute psychiatric patients.
- Achieved initial designation as a WHO Baby Friendly USA hospital in 2005 and in 2010.
- Established remote telemetry services and central monitoring capability.
- Established formal agreement with University of CT to provide additional nursing research expertise.

- Established a "Dedicated Education Unit" on a Medical unit and established a joint faculty appointment.

Director, Medical/Surgical Nursing (1992 – 1995)

Lead Faculty, Ona M. Wilcox College of Nursing (1986 – 1992)

Faculty for Medical Surgical course in evening program. Overall responsibility for theoretical, clinical, and administrative aspects of course.

Staff Nurse, Connecticut & Florida (1973 – 1986)

Provided nursing care for patients in a variety of clinical settings: Medical/Surgical, ICU, CCU, PACU, & Emergency Department

CERTIFICATIONS

- American Nurses Credentialing Center (ANCC); Magnet Appraiser 2006-2012
- ANCC Certification – Advanced Nursing Administration (NEA-BC) October, 2005 - Present
- Johnson & Johnson – Wharton Fellows Program in Management for Nurse Executives 2005

HEALTHCARE BOARD SERVICE

- Connecticut Hospital Association April, 2015-present
  First Nurse Executive representative appointed to this Board of Ct. CEOs. Responsible for the strategic direction of CHA, oversight of the legislative advocacy platform, and approval of annual operating budget
- Hartford Healthcare Quality and Safety Committee of the HHC Board
  October, 2011-present
  Approval of committee charter, mission, goals and strategic direction for all Quality and Patient Safety initiatives embarked upon by the Hartford Healthcare System. Review of all ongoing Quality and Safety Indicators including installation of an enterprise wide electronic record system

PROFESSIONAL MEMBERSHIPS

- American Nurses Association (ANA)
- American Organization of Nurse Executives (AONE)
- Connecticut Hospital Association (CHA)
  - Past Chair Patient Care Executive Group
  - Committee on Human Resources
    - Subcommittee on Nursing Staffing, Chair
    - Nurse Sensitive Quality Indicators, Chair
  - Hospital Oversight Work Group
- Connecticut Nurses Association (CNA)

- Connecticut Organization of Nurse Executives (ONE-CT)
  - Board Member at Large, 2012-14
  - Past President, Chair, 2010 - Nominations Committee
  - President, 2009
  - President Elect, 2008
  - Board Member, 2007
- Editorial Board of Advances in Nursing
- Founding Member of the Connecticut Nursing Collaborative
- Sigma Theta Tau Nursing Society, 1974 – Present
- VHA CNO Network, Past Co-Chair, Northeast Region

PRESENTATIONS

- "The 5 R's of Redesignation: Relevance, Rewards, Risks, Resources, and Role Redesign", ANCC Magnet Conference, 2014
- "*Building & Sustaining A Magnet Culture – Key Strategies & Lessons Learned*", Leadership Conference – Institute of the Mid South, 2011
- "*How to Blow Up a Council Structure & Begin Again: A Success Story*" – ANCC National Magnet Conference, 2010
- "Documenting the EO's – Six Success Strategies" – ANCC National Magnet Conference, 2010
- "Connecticut Nursing Collaborative – A Plan for Strategic Partners" – Connecticut Nurses Association Annual Convention, 2010
- "*Shared Governance at Middlesex Hospital – Evolving, Empowering, Enculturating"* – Connecticut Hospital Association Nursing Day of Sharing, 2009
- "Department of Nursing – 3rd Generation Magnet – Achieving, Sustaining, Excelling" – Middlesex Hospital Board of Directors Meeting, 2009
- Various Presentations to University of Connecticut, American College of Healthcare Executives, Capitol Alliance Research, Connecticut Hospital Association, and VHA (2008-2002)

PUBLICATIONS

- Leadership Competencies for Clinical Managers; The Renaissance of Transformational Leadership – Chapter 16 "*Achieving Magnet Status: A Story of Leadership*"

AWARDS

- T. Stewart Hamilton, MD, Distinguished Service Award – Connecticut Hospital Association, 2011
- Diamond Jubilee Doris M. Armstrong Award for Outstanding Contributions to Nursing Administration (Connecticut Nurses Association), 2010
- Sixth Annual Distinguished Alumni Award, Eleanor K. Gill Outstanding Award for Clinical Excellence in Nursing, University of Connecticut

Greer, Leslie

From: Roberts, Karen
Sent: Monday, November 28, 2016 3:51 PM
To: Greer, Leslie
Cc: Cotto, Carmen
Subject: FW: Independent Monitor
Attachments: Consulting Agrmt Independent Monitor (BVM clean 11.23.16).pdf; Nursing Consulting Partners Work Plan (BVM 11.28.16).pdf

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From: Jennifer O'Donnell [mailto:jlo@bvmlaw.com]
Sent: Monday, November 28, 2016 2:29 PM
To: Martone, Kim; Roberts, Karen; Cotto, Carmen
Cc: Michele Volpe
Subject: Independent Monitor

Attached please find the Consulting Services Agreement and draft Work Plan being proposed for the Independent Monitor. Please let us know if OHCA has signed off on the IM. Thank you.

Jennifer L. O'Donnell
Paralegal
Bershtein, Volpe & McKeon P.C.
105 Court Street, 3rd Floor
New Haven, Connecticut 06511-6957
Telephone: (203) 777-5800 (ext. 104)
Direct Line: (203) 777-5804
Facsimile: (203) 777-5806

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IRS CIRCULAR 230 DISCLAIMER: Any tax advice contained in this e-mail is not intended to be used, and cannot be used by any taxpayer, for the purpose of avoiding Federal tax penalties that may be imposed on the taxpayer. Further, to the extent any tax advice contained in this e-mail may have been written to support the promotion or marketing of the transactions or matters discussed in this e-mail, every taxpayer should seek advice based on such taxpayer's particular circumstances from an independent tax advisor.

CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement (this "Agreement") is made and entered into to as of the _____ day of November, 2016 (the "Effective Date"), by and among Prospect ECHN, Inc., a Connecticut corporation ('Prospect ECHN"), Prospect Waterbury, Inc., a Connecticut corporation ("Prospect Waterbury") and Nursing Consulting Partners, LLC, through its nurse consultant Colleen Smith, MSN, RN, NEA-BC, herein collectively referred to as ("Consultant").

RECITALS

A. Prospect ECHN has acquired certain healthcare facilities in Connecticut including The Rockville General Hospital Incorporated and Manchester Memorial Hospital (collectively, the "ECHN Facilities").

B. Prospect Waterbury has acquired certain healthcare facilities in Connecticut including The Waterbury Hospital (collectively, the "GWHN Facilities").

C. The State of Connecticut, Department of Public Health, Facility and Licensing Investigations Section ("FLIS") has required pursuant to a Pre-Licensure Consent Order for Prospect Manchester Hospital, Inc., Prospect Rockville Hospital, Inc. and Prospect Waterbury Hospital, Inc., OHCA Final Decision for Greater Waterbury Health Network, Inc., OHCA Final Decision for Eastern Connecticut Health Network, Inc., Quality Assurance Commitment for Greater Waterbury Health Network, Inc., and Quality Assurance Commitment for Eastern Connecticut Health Network, Inc., copies of which are attached as Exhibit A ("Order") that Prospect ECHN and Prospect Waterbury (each a "Licensee" and collectively, the "Licensees") execute a contract with an Independent Monitor ("IM") pre-approved in writing by the Department of Public Health, Office of Healthcare Access ("OHCA") and FLIS pursuant to which the IM will monitor the ECHN Facilities and the GWHN Facilities (each a "Facility" and collectively with any other Facilities subject to the Order, the "Facilities") in compliance with the Order.

D. Consultant desires to perform the services of the IM described in the Order and the Licensees desire to engage Consultant to perform such services, subject to the terms and conditions of this Agreement and in full compliance with the Order.

In consideration of the mutual covenants contained herein, the parties hereto hereby agree as follows:

1. Scope of Services. Consultant will provide the services of the IM as described in the Order and otherwise comply with the Order (collectively, the "Services"). The Licensees shall cooperate with Consultant and provide access to the Facilities, and management and other representatives of the Facilities in order to enable the IM and the Licensees to fully comply with applicable provisions of the Order.

2. Independent Contractor. Consultant and the Licensees acknowledge and agree that Consultant shall provide services as an independent contractor. Consultant and Licensees acknowledge and agree that no employment relationship, partnership, or joint venture shall be formed due to the performance of this Agreement. This Agreement does

not make Consultant the agent or legal representative of Licensees, and Consultant further agrees that no representation will be made by Consultant that would create an apparent agency, employment, partnership, or joint venture relationship. Consultant acknowledges that he is solely responsible for the taxes on his own income and that, as an independent contractor, his payments will be reported on an IRS Form 1099. In addition, Consultant will provide his own insurance, as necessary, and will not be covered under any Licensee's insurance policy or benefits program.

3. Method of Performing Services. Consultant will determine the method, details, and means of performing the services required by this Agreement.

4. Time and Place of Performing Work. Consultant may perform the Services under this Agreement at any suitable time and location Consultant chooses. Such services will be performed outside the usual course of the Licensees' business although Consultant may, from time to time, as Consultant deems necessary, perform services under this Agreement at the Facilities. Consultant shall observe all safety rules, policies and procedures applicable to visitors and vendors at each facility when on site at the Facilities, including requirements for flu and other vaccinations, if requested.

5. Payment. Consultant shall be paid a monthly retainer during the first twelve (12) months of Seventy-Five Hundred Dollars ($7,500) for all Services and Twenty-Five Hundred dollars ($3,500) during the second proceeding twelve (12) months for all Services. Compensation to be paid to IM under this Agreement under no circumstances shall exceed $300,000 in accordance with the Order. Consultant shall be responsible for all taxes attributable to the compensation paid to him under this Agreement. Consultant shall be entitled to no other payment, remuneration, or benefits other than the compensation described in this Agreement. Because Consultant is an independent contractor, the Licensees will not deduct any amounts from Consultant's payments for income tax or other employment-related withholdings.

6. Billing. Consultant shall provide each Licensee with an invoice on a monthly basis providing a general description of the Services performed and number of hours billed for the Services provided to each Licensee. The invoice shall also list any expenses reasonably incurred by Consultant as part of his consulting services, for which he seeks reimbursement, except that Consultant must obtain prior consent before incurring any expense in excess of $500. Each Licensee's payment of Consultant's invoice is due within thirty (30) days of receipt.

7. Term; Termination. This Agreement will begin on the Effective Date and shall continue for a period of two years in accordance with the Order. This Agreement may not be terminated by either party or by mutual consent unless such termination is approved by OHCA and FLIS. The term may be extended at the direction of FLIS for up to (1) additional year, for an overall total of three (3) years, provided that the compensation cap set forth in paragraph 5 shall include any such extended term.

8. Representations. Consultant warrants that all information provided by Consultant to Licensees is true to the best of Consultant's actual knowledge. Consultant further warrants that he is not restricted by, and has no conflict of interest derived from any other agreement and has no other interest or obligation that would interfere with his

performing work as described in this Agreement, and that he shall inform Licensees immediately should such a limitation or conflict arise. Consultant further warrants that the services of Consultant will be provided utilizing reasonable care and skill in accordance with customary industry standards. Consultant represents he/she has expertise in hospital administration and operations, knowledge of the healthcare environment with a special focus on quality assurance and performance improvement, and considerable knowledge of accepted standards of practice and state and federal laws and regulations applicable to general/acute care hospitals. Consultant represents and warrants that he/she has not been convicted of a criminal offense related to healthcare, debarred, suspended, declared ineligible, or excluded from participating with Medicare, Medicaid or any other plan or program that provides health benefits, whether directly through insurance or otherwise, which is funded directly, in whole or in part, by the United States Government or any State health care program. This shall be an ongoing representation and warranty during the term of this Agreement. Consultant shall immediately notify Licensees of any change in the status of the representations set forth in this section.

9. Adherence to Health Laws. Consultant acknowledges that Licensees receive federal funds and that Contractor will receive payments under this Agreement that are, in whole or in part, from federal funds. Consultant shall follow and adhere to all applicable state and federal laws, rules, and regulations, including, but not limited to, all Medicare laws, regulations and CMS instructions, including, without limitations, (a) federal criminal law; (b) the False Claims Act (31 USC 3729 et seq.); and (c) the anti-kickback statute (42 USC 1320a-7b(b)); (d) the civil monetary penalties law (42 USC 1320a-7a); (e) the physician self-referral law (42 USC 1395nn).

10. Corporate Compliance. Contractor acknowledges that Licensees maintain Corporate Compliance Plans ("CCPs") that foster prevention, detection and resolution of instances of misconduct. Vendor shall cooperate with Licensees' corporate compliance audits, reviews and investigations that relate to the services provided by Contractor under this Agreement. Contractor agrees to immediately notify Licensees' Compliance Officers of any violation of any applicable law, regulation, third party payor requirements or breach of Licenses' CCPs of which Contractor becomes aware during the term hereof.

11. Insurance. Consultant shall, at his/her sole cost and expense, maintain at all times during the term of this Agreement, general liability ("GL") and errors and omissions ("E&O") insurance covering his/her provision of the Services in minimum amounts of One Million Dollars ($1,000,000) per occurrence, Three Million Dollars ($3,000,000) in the aggregate annually, as well as an umbrella/excess liability insurance policy written on an occurrence basis and in an amount of not less than Three Million Dollars ($3,000,000) in the annual aggregate, excess of the limits of his/her GL and E&O policies (collectively, the "Policies"). Said Policies shall be obtained from an insurer licensed or authorized to do business in Connecticut, with an A.M. Best's Insurance Rating of A- or better. Licensees and their officers, directors, agents, employees, and volunteers (the "Licensee Parties") shall be named as additional insureds to all such Policies, and said Policies shall provide that they are primary to and noncontributory with any and all other insurance maintained by or otherwise afforded to the Licensee Parties. Upon a Licensee's request, Consultant shall provide a current certificate of insurance to Licensee evidencing such coverage and shall require

its insurance carrier to notify Licensee immediately of any actual or intended change, cancellation, modification or non-renewal of such coverage. The obligations set forth herein shall survive the expiration or termination of this Agreement.

12. No Assignment or Subcontracting. Consultant shall not assign or otherwise transfer his rights in this Agreement without the prior written consent of the Licensees and the approval of OHCA and FLIS. Consultant may not subcontract the consulting services to any other consultant without the prior written consent of the Licensees and the approval of OHCA and FLIS.

13. Non-exclusivity. Consultant may represent, perform services for, and contract with as many additional clients, persons, or companies as Consultant, in Consultant's sole discretion, sees fit. Consultant shall not, however, perform services for any other entity where such services would create a conflict of interest with the services performed under this Agreement for Licensees.

14. Non-Solicitation. Consultant agrees that during the term of this Agreement, and for a period of two (2) years after the termination of this Agreement, Consultant shall not solicit, either directly or indirectly, any employee, customer, contractor, vendor, business contact, or consultant to leave Licensees.

15. Trade Secrets, Confidential Information.

(A) For purposes of this Agreement, the term "Confidential Information" means any information relating to Licensees (including any of their subsidiaries, shareholders or other affiliates) disclosed to Consultant, whether orally, in writing, or in any other medium, whether prior to or after the Effective Date of this Agreement, by or on behalf of Licensees, including, without limitation, information regarding Licensees assets, real estate holdings, historical and projected financial information; budgets; services; processes; operations; marketing plans and materials; analyses; strategies; forecasts; names, addresses and any other information regarding Licensees' existing or potential patients, employees, vendors or suppliers; or any information derived, summarized or extracted from any of the foregoing.

(B) Confidential Information shall not include any information which (i) is or becomes available to the public other than as a consequence of a breach of this Agreement; (ii) was available to Consultant on a non-confidential basis prior to its disclosure to Consultant by Licensees; (iii) becomes available to Consultant from a source other than Licensees, provided such source is not actually known by Consultant to be bound by a confidentiality obligation to Licensees; or (iv) is required to be disclosed by Consultant or any of its Representatives (as defined below) under the Order or applicable law or regulation.

(C) Consultant hereby agrees to hold in strict confidence all Confidential Information and agrees not to disclose or otherwise provide or transfer, directly or indirectly, any Confidential Information or anything related to the Confidential Information to third parties, including, but not limited to, Consultant's affiliates, without

the prior written consent of Licensees. Consultant further agrees that he may use the Confidential Information only in connection with the work he will perform for Licensees and to comply with the Order and not for any other purpose or for the benefit of any third party.

(D) Consultant shall not disclose to any third party, except where permitted or required by the Order or by law or where such disclosure is expressly approved by Licensees in writing, any patient or medical record information regarding any of the Licensee's patients, and Consultant shall comply with all federal and state laws and regulations, and all bylaws, rules, regulations, and policies of Licensees, its accrediting agency and the medical staff, regarding the confidentiality of such information. Consultant acknowledges that in receiving or otherwise dealing with any records or information from Licensees about (i) Licensees' patients receiving treatment for alcohol or drug abuse, Consultant is fully bound by the provisions of the federal regulations governing Confidentiality of Alcohol and Drug Abuse Patient Records (42 C.F.R. Part 2, as amended from time to time), and/or (ii) Licensees' peer review activities, Consultant is fully bound to maintain the confidentially of such information in accordance with C.G.A.§ 19a-17b(d) . In addition, Consultant shall comply in all respect with HIPAA and the HITECH Act 42 U.S.C. §§300jj et seq.; §§17901 et seq., and shall execute and deliver to Licensees the Business Associate Agreement attached as Exhibit B.

(E) Consultant understands that in the event he fails to comply with paragraph 13 or this paragraph 14, Licensees may suffer irreparable harm, which may not be adequately compensated for by monetary damages alone. Consultant, therefore, agrees that in the event of his breach or threatened breach of paragraph 13 or this paragraph 14, Licensees will be entitled to injunctive and/or other preliminary or equitable relief from a court of law. Consultant understands that this is the sole exception to the binding arbitration of disputes between the parties in accordance with paragraph 20 below.

16. Return of Property and Confidential Information. Consultant agrees that, upon termination of this Agreement, he will promptly return to Licensees all items, documents and materials that are in Consultant's possession or control that were provided to Consultant by Licensees. Consultant further agrees that he will promptly return to Licensees or destroy all written Confidential Information received by Consultant from or on behalf of Licensees, including any and all copies or duplicates of such Confidential Information, and all summaries or extracts thereof in any medium prepared by or on behalf of Consultant. Any destruction of Confidential Information shall be confirmed in writing.

17. Notices. Any required notice under this Agreement shall be deemed made on the date it is personally delivered or, if made by U.S. Mail, Federal Express or similar parcel service, three (3) days after the date it is sent. Notices under this Agreement shall be sent to the following:

If to Consultant:

Nurse Consulting Partners, LLC
6909 S. Park View Court
Franklin, WI 53132

Colleen Smith, MSN, RN, NEA-BC
41 Laurel Crest Road
Madison, CT 06443

If to Licensees:

Prospect ECHN, Inc.
71 Haynes Street
Manchester, CT 06040
Attention: Chief Executive Officer

Prospect Waterbury, Inc.
64 Robbins Street
Waterbury, CT 06708
Attention: Chief Executive Officer

With a copy to:

Prospect Medical Holdings, Inc.
3415 South Sepulveda Blvd., 9th Floor
Los Angeles, CA 90034
Attention: General Counsel

18. Modifications. No Modification or amendment may be made to this Agreement unless it is in writing and signed by Consultant and an authorized officer of Licensees.

19. Entire Agreement. Consultant and Licensees acknowledge and agree that this Agreement which includes Exhibits A and B contains the entire understanding between the parties and that this Agreement replaces and supersedes any other agreement, including any written, oral or implied agreement, regarding the subject matter contained in this Agreement.

20. Arbitration. Any dispute between the parties arising out of this Agreement, including without limitation threshold or jurisdictional issues, such issues of arbitrability on the enforceability of this Agreement, shall be resolved by binding arbitration, pursuant to the commercial dispute rules of the Judicial Arbitration and Mediation Services ("JAMS"). The arbitration shall take place before a single arbitrator. The prevailing party to the arbitration shall be entitled to recover its attorney's fees and costs, including the JAMS arbitration fees. The arbitrator shall be entitled to award any relief or remedy under law, including monetary damages and injunctive relief. Despite this provision, if Consultant breaches paragraph 13 or paragraph 14 of this Agreement, Licensees may seek injunctive relief from a court of law to remedy such a breach.

21. Severability. If any part, clause, or condition of this Agreement is held to

be partially or wholly invalid, unenforceable, or inoperative for any reason whatsoever, such will not affect any other provision or portion hereof, which will continue to be effective as though such invalid, inoperative, or unenforceable part, clause or condition had not been made.

22. Binding Upon Successors. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

23. Governing Law and Venue. All questions concerning this Agreement, its construction, and the rights and liabilities of the parties hereto will be interpreted and enforced in accordance with the laws of the State of Connecticut as applied to contracts which are executed and performed entirely within the state.

Consultant and Licensees represent that they have read and understand the terms of this Agreement, that they have had the opportunity to review this Agreement with the counsel of their choice, and that they are not relying on any advice from the other party regarding this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the Effective Date.

LICENSEES:

PROSPECT ECHN, INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

PROSPECT WATERBURY, INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

CONSULTANT:

_____

Name: Colleen Smith, MSN, RN, NEA-BC

Nursing Consulting Partners

By: _____
Name:
Title:

EXHIBIT A

1. Pre-Licensure Consent Order for Prospect Manchester Hospital, Inc.
2. Pre-Licensure Consent Order for Prospect Rockville Hospital, Inc.
3. Pre-Licensure Consent Order for Prospect Waterbury, Inc.
4. OHCA Final Decision for Greater Waterbury Health Network, Inc.
5. OHCA Final Decision for Eastern Connecticut Health Network, Inc.
6. Quality Assurance Commitment for Greater Waterbury Health Network, Inc.
7. Quality Assurance Commitment for Eastern Connecticut Health Network, Inc.

EXHIBIT B

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (the "Business Associate Agreement") is made and entered into as of November ___, 2016 (the "Effective Date"), by and among Prospect ECHN, Inc., a Connecticut corporation ('Prospect ECHN"), Prospect Waterbury, Inc., a Connecticut corporation ("Prospect Waterbury") (together, the "Covered Entities") and Nursing Consulting Partners, LLC ("Business Associate")

R E C I T A L S:

WHEREAS, the Business Associate and Covered Entities have entered into and may enter into one or more agreements (the "Agreement(s)") under which the Business Associate performs or assists the Covered Entities with a function or activity involving the Use or Disclosure of Individually Identifiable Health Information;

WHEREAS, the Covered Entities and the Business Associate desire to comply with the requirements of regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

WHEREAS, the HIPAA Standards require that the Covered Entities obtain satisfactory assurances that the Business Associate will appropriately safeguard the Individually Identifiable Health Information Used or Disclosed by the Business Associate in the course of performing services pursuant to the Agreement(s).

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants herein contained, the parties agree as follows:

1. <u>Definitions</u>

a) HIPAA Rules shall mean the Privacy, Security, Breach Notification and Enforcement Rules at 45 C.F.R. Part 160 and Part 164.

b) The following terms Used in this business Associate Agreement shall have the same meaning as those terms defined in the HIPAA Standards: Business Associate, Covered Entity, Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

c) The Covered Entities and the Business Associate acknowledge and agree that capitalized terms Used, but not otherwise defined, herein are as defined in the HIPAA Standards;

2. Obligations and Activities of Business Associate

a) Business Associate shall not Use or further Disclose Protected Health Information other than as permitted or required by this Business Associate Agreement or as required by law.

b) Business Associate shall Use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic protected health information, to prevent Use or Disclosure of the Protected Health Information not provided for by this Business Associate Agreement.

c) Business Associate shall immediately report to Covered Entities any Use or Disclosure of Protected Health Information or individually identifiable information not provided for by this Business Associate Agreement, including without limitation any Breach of Protected Health Information or Unsecured Protected Health Information as required and any Security Incident of which the Business Associate becomes aware. Business Associate shall take any reasonable action necessary or requested by the Covered Entities to mitigate, to the extent practicable, any harmful effect that is known to Business Associate.

d) In the event of a Breach of Protected Health Information or Unsecured Protected Health Information, Business Associate's notice to Covered Entities of such Breach shall include, to the extent possible, the identification of each Individual whose Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, or disclosed. Business Associate shall also provide Covered Entities any other available information that the Covered Entities are required to include in the notification to the Individual, even if such information becomes available after notification to the Individual, or take any reasonable action necessary as requested by the Covered Entities to assist Covered Entities in complying with any applicable Breach notification requirements.

e) Business Associate shall ensure that any agent of the Business Associate, including a subcontractor that creates, maintains transmits, or receives Protected Health Information on behalf of Covered Entities agrees to the same restrictions, conditions and requirements that apply through to Business Associate with respect to such information.

f) If the Business Associate maintains Protected Health Information in a Designated Record Set, the Business Associate shall:

(i) provide access or make available to Covered Entities Protected Health Information in a Designated Record Set, to Covered Entities or to an Individual, per Covered Entities' direction in order to meet the requirements under 45 C.F.R. § 164.524; and

(ii) make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entities direct or agree to

pursuant to 45 C.F.R. § 164.526 at the request of Covered Entity or an Individual in the time and manner designated by Covered Entity, or take other measures as necessary to satisfy Covered Entities' obligations under 45 C.F.R. 164.526.

g) Business Associate shall maintain and make available to Covered Entity information pertaining to Disclosures of Protected Health Information by Business Associate to permit Covered Entity to respond to a request by an Individual for an accounting of Disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528. In the event that Business Associate receives a direct request from an Individual for an accounting of Disclosures of Protected Health Information made by Business Associate, Business Associate agrees to provide the Individual with such an accounting in accordance with 45 C.F.R. § 164.528.

h) To the extent Business Associate is to carry out one or more of Covered Entities' obligation(s) under Subpart E of 45 C.F.R. Part 164, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s); and

i) Business Associate shall make internal practices, books, and records relating to the Use and Disclosure of Protected Health Information received from, or created, maintained or received by Business Associate on behalf of Covered Entity available to the Covered Entity or the Secretary, in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entities' or Business Associate's compliance with the HIPAA Rules.

j) Business Associate shall implement and maintain safeguards as necessary to ensure that all Protected Health Information is Used or Disclosed only as authorized under the HIPAA Rules and this Business Associate Agreement. Business Associate agrees to assess potential risks and vulnerabilities to Protected Health Information in its possession and develop, implement and maintain the administrative, physical and technical safeguards required by the HIPAA Rules that protect the confidentiality, availability and integrity of the Protected Health Information that Business Associate creates, receives, maintains or transmits on behalf of the Covered Entity. These measures must be documented and kept current, and must include, at a minimum, those measures that fulfill the requirements outlined in the HIPAA Rules. Business Associate also agrees to implement policies and procedures that address Business Associate's compliance with applicable HIPAA Rules and its efforts to detect, prevent and mitigate the risks of identity theft resulting from the improper Use and/or Disclosure of an Individual's information.

k) In the event that Business Associate has knowledge of a Covered Entity's breach of the HIPAA Rules, Business Associate agrees to notify Covered Entity and take reasonable steps to cure such breach.

l) Business Associate acknowledges that if it violates any of the requirements provided under this Business Associate Agreement, Business Associate will be subject to the same civil and criminal penalties that a Covered Entity would be subject to if such Covered Entity violated the same requirements.

3. <u>Permitted Uses and Disclosures by Business Associate</u>

a) Business Associate may Use or Disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, a Covered Entity as specified in the Agreement(s), provided that such Use or Disclosure would not violate the HIPAA Rules if done by the Covered Entity.

b) Business Associate may Use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

c) Business Associate may Disclose Protected Health Information for the proper management and administration of the Business Associate, provided that Disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is Disclosed that it will remain confidential and will be Used or further Disclosed only as Required by Law or for the purpose for which it was initially Disclosed to the recipient, and the recipient notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

d) Except as otherwise permitted by the HIPAA Rules, when using or disclosing Protected Health Information or responding to a request for Protected Health Information, Business Associate must limit such Protected Health Information, to the extent practicable, to a Limited Data Set, or if more information than a Limited Data Set is required, Business Associate agrees to make Uses and Disclosures and requests for protected health information consistent with the Minimum Necessary to accomplish the intended purpose of such Use, Disclosure, or request.

e) Except as otherwise permitted by the HIPAA Rules, Business Associate agrees that it will not directly or indirectly receive remuneration in exchange for any Protected Health Information unless the Covered Entity has obtained from an Individual a valid authorization that includes a specification of whether the Protected Health Information can be further exchanged for remuneration by the entity receiving the Individual's Protected Health Information. When the Secretary issues the regulations that address the requirements of this Section and such regulations become effective, Business Associate shall comply with such regulations with respect to receiving remuneration in exchange for any Protected Health Information.

f) If an Individual requests that Business Associate restrict the Disclosure of the Individual's Protected Health Information to carry out treatment, payment, or health care operations, Business Associate agrees that it will comply with the requested restriction if, except as otherwise required by law, the Disclosure is to a health plan for purposes of carrying out payment or health care operations (and is not for purposes of carrying out treatment), and the Protected Health Information pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full.

g) Except as otherwise limited in this Business Associate Agreement, Business Associate may Use and Disclose Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by 42 C.F.R. § 164.504(e)(2)(i)(B).

4. Obligations of Covered Entities

a) Covered Entities shall provide Business Associate with the Notice of Privacy Practices that Covered Entities produce in accordance with 45 C.F.R. § 164.520, as well as provide any changes to such Notice and the Business Associate shall comply with such Notice of Privacy Practices.

b) Covered Entities shall provide Business Associate with any changes in, or revocation of, permission by Individual to Use or Disclose Protected Health Information, if such changes affect Business Associate's permitted or required Uses and Disclosures.

c) Covered Entities shall notify Business Associate of any restriction to the Use or Disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522.

d) Covered Entities shall not request Business Associate to Use or Disclose Protected Health Information in any manner that would not be permissible under the HIPAA Rules if done by Covered Entities.

5. Term and Termination

a) Term. The Term of this Business Associate Agreement shall be effective as of the Effective Date and shall terminate at to a Covered Entity when all of the Protected Health Information provided by the Covered Entity to Business Associate, or created, maintained, or received by Business Associate on behalf of the Covered Entity, is destroyed or returned to the Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section.

b) Termination for Cause. Upon a Covered Entity's knowledge of a material breach of this Business Associate Agreement by Business Associate, the Covered Entity shall provide an opportunity for Business Associate to cure

the breach or end the violation. The Covered Entity shall terminate the Business Associate Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity. The Covered Entity may immediately terminate the Business Associate Agreement if Business Associate has breached a material term of this Business Associate Agreement and cure is not possible, as determined by the Covered Entity in its reasonable discretion.

c) Effect of Termination.

(i) Except as provided in this subsection, upon termination of the Agreement(s) or this Business Associate Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entities, or created, maintained or received by Business Associate on behalf of Covered Entities that the Business Associate still maintains in any form. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(ii) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entities notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

(iii) The parties hereto understand and agree that the terms of this Business Associate Agreement are reasonable and necessary to protect the interests of the Covered Entities and the Business Associate. The parties further agree that the Covered Entities would suffer irreparable harm if the Business Associate breached this Business Associate Agreement. Thus, in addition to any other rights or remedies, all of which shall be deemed cumulative, the Covered Entities shall be entitled to obtain injunctive relief to enforce the terms of this Business Associate Agreement.

(iv) Survival. The obligations of Business Associate under this Section shall survive the termination of this Business Associate Agreement.

6. Miscellaneous

a) Interpretation. Any ambiguity in this Business Associate Agreement shall be interpreted in a manner that permits the parties to comply with the HIPAA Rules.

b) No Private Cause of Action. This Business Associate Agreement is not intended to and does not create a private cause of action by any individual, other than the parties to this Business Associate Agreement, as a result of any claim arising out of the breach of this Business Associate Agreement, the HIPAA Standards or other state or federal law or regulation relating to privacy or confidentiality.

c) Amendment. Any party shall have the right to amend this Business Associate Agreement by providing written notice to the other parties in order to bring it into compliance with any law or regulation enacted or promulgated regarding the protection of health information that is any way inconsistent with the terms of this Business Associate Agreement or interferes with the parties' obligations with respect to the protection of health information.

d) Application of State Law. Where any applicable provision of Connecticut State law relates to the privacy of health information and is not preempted by HIPAA, as determined by application of the HIPAA Rules, the parties shall comply with the applicable provisions of Connecticut State law.

e) Severability. If any provision of this Business Associate Agreement shall be declared invalid or illegal for any reason whatsoever, then notwithstanding such invalidity or illegality, the remaining terms and provisions of this Business Associate Agreement shall remain in full force and effect in the same manner as if the invalid or illegal provision had not been contained herein, and such invalid, unenforceable or illegal provision shall be valid, enforceable and legal to the maximum extent permitted by law.

f) Governing Law. This Business Associate Agreement shall be interpreted, construed and governed according to the laws of the State of Connecticut. The parties agree that venue shall lie in Federal and State courts in the State in which the Covered Entities maintain their principal places of business, without regard to conflicts of law principles, regarding any and all disputes arising from this Business Associate Agreement.

g) Notices. Any notice or other communication given pursuant to this Business Associate Agreement must be in writing and (i) delivered personally, (ii) delivered by overnight express, or (iii) sent by registered or certified mail, postage prepaid, to the addresses set forth below and shall be considered given upon delivery.

Chief Compliance and Privacy Officer
Prospect ECHN, Inc.

71 Haynes Street
Manchester, CT 06040

Chief Compliance Officer
Prospect Waterbury, Inc.
64 Robbins Street
Waterbury, CT 06708

With a copy to:

Prospect Medical Holdings, Inc.
3415 South Sepulveda Blvd., 9th Floor
Los Angeles, CA 90034
Attention: General Counsel

h) Indemnification. Without limitation to any indemnification obligation that Business Associate may have under the Agreement(s), Business Associate shall indemnify, hold harmless and defend Covered Entities from and against any and all claims, losses, liabilities, costs and other expenses resulting from, or relating to, the acts or omissions of Business Associate, its employees, agents, and subcontractors, in connection with any Use or Disclosure of Protected Health Information, Unsecured Protected Health Information, or an Individual's information not provided for by this Business Associate Agreement, including without limitation any Breach of Protected Health Information, Unsecured Protected Health Information, or an Individual's information or any expenses incurred by Covered Entitles in providing required breach notifications.

IN WITNESS WHEREOF, the parties hereto have executed this Business Associate Agreement as of the Effective Date.

BUSINESS ASSOCIATE
NURSING CONSULTING PARTNERS, LLC

By:_____
Printed Name:
Title:
Date:

COVERED ENTITY
PROSPECT ECHN, INC.

By:_____
Printed Name:
Title:
Date:

COVERED ENTITY
PROSPECT WATERBURY, INC.

By:_____
Printed Name:
Title:
Date:

Nursing Consulting Partners, LLC

PROSPECT ECHN, INC. WOR PLAN

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INDEPENDENT MONITORING PROCEDURES (per Docket Number 15-32016-486)

OHCA Condition	IM Action
CON Condition 4: Within one hundred and eighty (180) days following the Closing Date, PMH shall submit a plan (the "Health Needs Plan") for continuing to support and implement ECHN's 2016 Community Health Needs Assessment ("CHNA") and for conducting the New Hospitals' next comprehensive study of community health needs in the Service Area (the "Community Health Needs Study" or "Study"). The Health Needs Plan shall describe in detail at least the following: (i) the data that will be collected and analy ed to systematically assess health status Indicators of the Service Area; (ii) the identity of key community stakeholders and health organi ations, unaffiliated with PMH, including without limitation, representatives of medically underserved populations, that will be enlisted to participate in the Study and the manner and extent of such participation by stakeholders in both the development of health priorities and planned implementation; (iii) the ualifications of consultants experienced in performing community health needs assessments who will be retained by PMH to ensure that the priority health needs of the community are accurately determined; (iv) the fre uency with which the Study will be repeated; (v) the manner in which results of the Study and the implementation strategy to address the priority health needs identified therein (the "Implementation Strategy") will be distributed to the community; and (vi) the manner in which the Study will complement the population health management objectives of PMH and the New Hospitals.	IM will obtain a copy of the Plan, verify timely submission, verify that it incorporated the re uired elements.
CON Condition 5: Within three (3) years following the Closing Date, PMH shall participate with New ECHN and the New Hospitals, and the key community stakeholders and health organi ations identified pursuant to Condition 4, in conducting a Community Health Needs Study and shall provide a copy of such Study and its Implementation Strategy to OHCA within thirty (30) days of completion. PMH and the participants shall utili e Healthy Connecticut State Health Improvement Plan data and priorities as the starting point for the Study (available at http: www.ct.gov dph lib dph state_health_planning sha-	IM will obtain a copy of the Study, verify timely submission, verify that it incorporated the re uired elements and was published on the website.

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ship hct2020 hct2020_state_hlth_impv_032514.pdf) as well as any applicable community health improvement plan issued by any local health department in the Service Area.[1] The Implementation Strategy shall also adopt the evidence-based interventions identified in the Centers for Disease Control 6 18 initiative (available at http: www.cdc.gov sixeighteen) to the extent the health priorities identified in the Study correlate to the health conditions identified by the CDC and provide information on how any patient outcomes related to the Implementation Strategy will be measured and reported to the community. PMH shall publish the Community Health Needs Study and the Implementation Strategy on the website pages of New MMH and New RGH. Until such time as the Community Health Needs Study and Implementation Strategy are submitted to OHCA, PMH shall continue to support and implement ECHN's current CHNA for MMH and RGH. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a) 19a-613(b), 19a-639(a)(3) & (7); FF 56-57*	
CON Condition 6: Within one hundred and eighty (180) days following the Closing Date, PMH shall submit a plan demonstrating how health care services will be provided by the New Hospitals for the first three years following the Asset Purchase, including any consolidation, reduction, or elimination of existing services or introduction of new services (the "Services Plan"). The Services Plan will be provided in a format mutually agreed upon by OHCA and the Applicants. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Conn. Stat. §§ 19a-486(a), 19a-613(b), 19a-639(a)(5),(6) (7),(8),(9),(11) & (12); FF 18, 26-27*	IM will obtain a copy of the Plan and verify it incorporated the re uired elements.
CON Condition 7: Until such time as the Services Plan is submitted, PMH shall provide OHCA with notice of any reallocation of inpatient beds and relocation of outpatient services for the New MMH or New RGH specific to those services that existed at each of the Hospitals as of the Decision Date. Such notice shall be provided within ten (10) days of any such reallocation or relocation and published on the website pages of the New Hospitals. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486(a), 19a-613(b), 19a-639(a)(5),(6) (7),(8),(9),(11) & (12); FF 18, 26-27*	IM will verify proper notification to OHCA within 10 days of any plan to reallocate inpatient beds and relocation of outpatient services. IM will assure timely publication on New Hospitals website within 10 days of decision to reallocate or relocate services.
CON Condition 8: Within one hundred and eighty (180) days	IM will obtain the Plan, read the plan and verify that

[1] Other tools and resources which the Applicants are encouraged to consider include County Health Rankings and CDC Community Health Improvement Navigator in order to assist with the Study process in terms of an understanding of social, behavioral, and environmental conditions that affect health, identifying priorities, and the use of evidence-based interventions.

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following the Closing Date and thereafter on the same semi-annual schedule as set forth in Conditions 9 and 10 below until the capital commitment is satisfied, PMH shall submit to OHCA a report on the capital investments ("Capital Investment Report") it has made in the New MMH, New RGH and their affiliates from the $75 million Commitment Amount. The Capital Investment Report shall include the following in a format to be agreed upon: a. A list of the capital expenditures that have been made in the prior one hundred and eighty (180) days with descriptions of each associated project; and b. An explanation of why each expenditure was made and a timeframe for the roll out of the associated capital project (including estimated beginning, ending and startup/operation dates); and c. The dates and amounts of withdrawals from each of the New Hospitals' operating account and/or any other sources of funding used to fulfill the Capital Commitment. The reports shall be signed by PMH ECHN's Chief Financial Officer. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify the continued financial feasibility of the project. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(3),(4) & (5); FF 38-45*	expenditures/investments made are in accordance with the Plan. IM will confirm timely submissions of all required reports.
CON Condition 9: For three (3) years following the Closing Date, PMH shall file the following information with OHCA on a semi-annual basis for New ECHN, New MMH and New RGH, respectively: a. The cost saving totals achieved in the following Operating Expense Categories for New ECHN, New MMH and New RGH: Salaries and Wages, Fringe Benefits, Contractual Labor Fees, Medical Supplies and Pharmaceutical Costs, Depreciation and Amortization, Interest Expense, Malpractice Expense, Utilities, Business Expenses and Other Operating Expenses. The categories shall be consistent with the major operating expense categories (Categories A, B, C, D, E, G, H, I, J, and K) which are in use at the time of reporting in the OHCA	IM will review the PMH filings regarding cost savings achieved in accordance with a. 1-2 and b. of Condition 9.

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Hospital Reporting System (□HRS□) Report 175 or successor report. The semi-annual submission shall also contain narratives describing: 1. the major cost savings achieved for each expense category for the semi-annual period; and 2. the effect of these cost savings on the clinical □uality of care. b. A consolidated Balance Sheet, Statement of Operations, and Statement of Cash Flows for New ECHN, New MMH and New RGH. The format shall be consistent with that which is in use at the time of reporting in OHCA□s HRS Reports 100□150, 300□350 or successor reports. For purposes of this Order, semi-annual periods are October 1-March 31 and April 1 – September 30. The re□uired information is due no later than two (2) months after the end of each semi-annual period. Due dates are May 31st and November 30th, beginning November 30, 2016. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify the continued financial feasibility of the project. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(4) & (5); FF 51, 60-63*	
<u>CON Condition 10:</u> For three (3) years following the Closing Date, PMH shall submit to OHCA a financial measurement report. This report shall be submitted on a semi-annual basis and show current month and year-to-date data and comparable prior year period data for New ECHN, New MMH and New RGH, respectively. The re□uired information is due no later than two (2) months after the end of each semi-annual period. Due dates are May 31st and November 30th, beginning November 30, 2016. The following financial measurements□indicators should be addressed in the report: (i) **Operating performance** to include operating margin, non-operating margin, and total margin; (ii) **Liquidity** to include current ratio, days cash on hand, days in net accounts receivables, and average payment period; (iii) **Leverage and capital structure** to include long-term debt to e□uity, long-term debt to capitali□ation, unrestricted cash to debt, times interest earned ratio, debt service coverage ratio, and e□uity financing ratio; and (iv) **Additional Statistics** to include income from operations, revenue over (under) expense, cash from operation, cash and cash e□uivalents, net working capital, free cash flow (and the elements used in the calculation), unrestricted net assets□retained earnings, bad debt as a percentage of gross revenue, and credit ratings.	IM will obtain the financial measurement report and read to confirm that the re□uired elements are addressed in the report; IM will confirm the timely submission of each report.

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CON Condition 11: PMH shall ensure that New MMH and New RGH maintain and adhere to ECHN's current policies regarding charity care, indigent care and community volunteer services at New MMH and New RGH after the Closing Date all as consistent with state and federal law or adopt other policies that are at least as generous and benevolent to the community as ECHN's current policies. These policies shall be posted on the website pages of the New MMH and New RGH, respectively, and as additionally re□uired by applicable law. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); FF 52-55, 59*	IM will obtain copies of the relevant financial assistance policies, read and confirm that as adopted financial assistance policies (or policies at least as generous as these policies) using management approval of the policies as evidence. After verifying that this step has been properly completed, IM will confirm that these policies are properly posted on website
CON Condition 12: For three (3) years following the Closing Date, PMH shall provide written notice to OHCA of any modification, amendment or revision to the charity care, indigent care and community volunteer services of New MMH and New RGH within thirty (30) days of such change. The notice of these changes shall be accompanied by copies of any revised policies and the notice and revised policies shall be posted on the website pages of the New Hospitals simultaneously with their submission to OHCA. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); FF 52-55, 59*	After obtaining original policies on charity care, indigent care, and community volunteer services, IM will read and assess these policies on an annual basis for changes. When changes are made to these policies, IM will confirm OHCA is notified (as re□uired) and revised policies are posted to the website.
CON Condition 13: PMH shall maintain community benefit programs and community building activities for New MMH and New RGH for three (3) years after the Closing Date consistent with the MMH and RGH most recent Schedule H of IRS Form 990 or shall provide such other community benefit programs and community building activities that are at least as generous and benevolent to the community as ECHN's current programs, and PMH shall apply a 1□ increase per year for the next three (3) years toward community building activities in terms of dollars spent. In determining the New MMH and New RGH participation in and investment in both community benefits and community building activities, PMH shall address the health needs identified by the applicable CHNA or Study in effect at the time and the population health management objectives, including social determinants of health, contained in the related Implementation Strategy. a. On an annual basis, the Applicants shall identify the amounts and uses related to community benefits and community building and shall discuss how such investments and support are being applied toward the health needs identified in the CHNA or Study and population health management objectives. Such reporting shall be filed within thirty days of the anniversary date of the closing for three years and shall be posted on the applicable Hospital website. OHCA is imposing this condition to ensure continued access to health care services to the patient population.	IM will obtain most recent Schedule H of IRS Form 990 to act as a baseline. IM will then compare on an annual basis the results of that year to the baseline in order to verify that the 1 percent increase re□uirement has been met. IM will also obtain the report□summary on the amounts and uses related to community benefits and community building per the categories identified in the CHNA. IM will confirm that these documents are filed in a timely manner and posted to the website.

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Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); FF 52-55, 59	
CON Condition 14: New MMH and New RGH agree to comply with the following general community benefit standards for at least the first three years. (a) the New Hospitals shall provide public health programs to the community and generally promote the welfare of the community; (b) the New Hospitals shall have open medical staffs and not restrict the use of facilities to a particular group of physicians and surgeons to the exclusions of other □ualified doctors; (c) the New Hospitals shall participate in the Medicare and Medicaid programs; and (d) the New Hospitals shall operate 24□7 emergency departments and provide emergency services to patients regardless of their ability to pay. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); Tr., Testimony of Tom Reardon, President. PMH East on 5/3/16, pp. 103-04*	IM will verify the New Hospitals' compliance with community benefit standards a through d as stated in Condition 14.
CON Condition 15: New MMH and New RGH shall work toward making culturally and linguistically appropriate services available and integrated throughout their hospital operations. Specifically, New MMH and New RGH shall take reasonable steps to provide meaningful access to each individual with limited English proficiency eligible to be served or likely to be encountered in its health programs and activities, in accordance with the implementing regulations of Section 1557 of the Patient Protection and Affordable Care Act. Additionally, New MMH and New RGH shall provide appropriate insurance navigator services for patients and, where appropriate, English as a second language and cultural competency training for employees. In complying with this Condition, New MMH and New RGH shall be guided by the National Standards for Culturally and Linguistically Appropriate Services in Health and Health Care published by the U.S. Department of Health and Human Services □Office of Minority Health. For three (3) years following the Closing Date, PMH shall submit a written report on its activities directed at meeting this Condition. Such reporting shall be filed within thirty days of the anniversary date of the closing for three years and shall be posted on the applicable Hospital website. OHCA is imposing this condition so as to ensure continued access to health care services to the patient population. *Legal and Factual Basis: 45 C.F.R. §92.201; Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); FF 52-55, 59*	IM will obtain and review interpreter services policies and contracts as applicable. Additionally, IM will obtain a cultural competency plan, training, as well as related policies. IM will also obtain report and supporting documents and confirm the timely filing of these materials
CON Condition 16: Within sixty (60) days after the Closing Date, the Applicants shall contract with an Independent Monitor who	IM and PMH will execute a Consulting Services Agreement

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has experience in hospital administration and regulation, including maintaining quality control in a High Reliability Organization ("HRO"). The Independent Monitor shall be retained at the sole expense of PMH, at a cost which shall not exceed $300,000 in the aggregate. Representatives of OHCA and the Facility Licensing and Investigations ("FLIS") section of the Department of Public Health ("DPH") will approve the Independent Monitor's appointment. The Independent Monitor shall be engaged for a minimum period of two (2) years following the Closing Date, which may be extended for another year at OHCA's and/or FLIS's discretion. The Independent Monitor will be responsible for monitoring the Applicants' compliance with the Conditions set forth in this Order. PMH shall provide the Independent Monitor with appropriate access to New Hospitals and their applicable records in order to enable the Independent Monitor to fulfill its functions hereunder. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify and monitor compliance with the conditions set forth herein. *Legal and Factual Basis: Conn. Gen. §§ Stat. 19a-486(a), 19a-613(b), 19a-639(a)(1),(2),(4),(5),(6),(7),(11) & (12); FF 26-27, 30-45, 52-57, 59*	by the required date. A draft of this Agreement has been provided to OHCA.
CON Condition 17: The Independent Monitor will report to both OHCA and FLIS. The Independent Monitor shall conduct on-site visits of New Hospitals on no less than a semi-annual basis to assess PMH's modified Quality Assurance Performance Improvement ("QAPI") program, each facility's efforts to remain an HRO, and compliance with the Quality Commitment Letter. The Independent Monitor shall furnish a written report of his or her assessment to OHCA and FLIS within thirty (30) days of the completion of each on-site review. PMH will have the opportunity to review and provide written responses to the report. As OHCA deems necessary, the Independent Monitor shall meet with OHCA and FLIS personnel to discuss the written report and will perform additional periodic reviews and reviews of other PMH affiliated sites of service. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify and monitor compliance with the conditions set forth herein. *Legal and Factual Basis: Conn. Gen. §§ Stat. 19a-486(a), 19a-613(b), 19a-639(a)(1),(2),(4),(5),(6),(7),(11) & (12); FF 26-27, 30-45, 52-57, 59*	IM will plan, at a minimum, two site visits per year. The site visits will include meetings with Administration Leadership. IM will verify compliance with the Quality Assurance commitment Letter. IM will provide a written report to OHCA, and FLIS that summaries the activities from the prior six month period along with any recommendations or observations
CON Condition 18: If, at any time within three (3) years following the Closing Date, the New Hospitals' Local Board agrees with PMH to change any of the Seller Quality Programs described in the Quality Commitment Letter other than to make any changes necessary to address (i) an immediate issue of patient safety; (ii) changes in federal, state, and local laws; or (iii) as mandated or recommended in guidance by a governmental agency, PMH shall notify OHCA and the Health Systems Branch in writing within thirty (30) days of any such change going into	IM will verify that PMH notifies OHCA and the Health Systems Branch in writing within 30 days of any change in the Seller Quality Programs with the exceptions i through iii as stated in condition 18.

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effect. If the Independent Monitor disagrees with the change, OHCA may re□uire that a re□uest for modification be submitted and approved as re□uired by C.G.S. □4-18la to make the change. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify and monitor compliance with the conditions set forth herein. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(1),(2),(5) & (6); FF 30-37*	
CON Condition 19: For three (3) years following the Closing Date, PMH shall hold a joint meeting of the Board of Directors of each of New MMH and New RGH and the Local Board of New MMH and New RGH ("Joint Board Meetings") at least twice annually with one occurring in Manchester and the other occurring in Vernon. Such Joint Board Meetings shall be followed by a meeting to which the public is invited in advance and at which the public is informed of the New Hospitals' activities and afforded an opportunity to ask □uestions and make comments. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(2),(3),(5),(7),(8),(11) & (12); FF 28-30*	IM will assure that Joint Board Meetings occur twice annually followed by public meetings as re□uired in Condition 19.
CON Condition 20: For three (3) years following the Closing Date, PMH shall allow for two (2) community representatives to serve as voting members of the New MMH and New RGH Local Board with rights and obligations consistent with other voting members under the Local Board Bylaws. The community representatives shall be selected in consultation with the Mayors of Manchester and Vernon in order to ensure the appointment of two unbiased persons who will fairly represent the interests of the communities served by MMH and RGH, respectively. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(2),(3),(5),(7),(8),(11) & (12); FF 28-30*	IM will verify the New MMH and New RGH include 2 community representatives that are voting members of the local boards.
CON Condition 21: PMH, New ECHN, New MMH and New RGH shall abide by all re□uirements of licensure that may be imposed by DPH's Health Systems Branch (HSB) in any Pre-Licensing Consent Order or similar agreement that HSB may enter with these parties. OHCA is imposing this condition to ensure that □uality health care services are provided to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-490, 19a-493, 19a-639(a)(1),(2),(5) & (6); FF 30-37*	IM will verify that all re□uirements of licensure are met.

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Greer, Leslie

From: Roberts, Karen
Sent: Monday, November 28, 2016 3:51 PM
To: Greer, Leslie
Cc: Cotto, Carmen
Subject: FW: Independent Monitor

From: Martone, Kim
Sent: Monday, November 28, 2016 2:34 PM
To: 'Jennifer O'Donnell'; Roberts, Karen; Cotto, Carmen
Cc: Michele Volpe
Subject: RE: Independent Monitor

Thank You Jennifer. We will review the documents and get back to you as soon as possible.

Kim

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
Phone: 860-418-7029 Fax: 860-418-7053
Email: Kimberly.Martone@ct.gov Website: www.ct.gov/ohca

From: Jennifer O'Donnell [mailto:jlo@bvmlaw.com]
Sent: Monday, November 28, 2016 2:29 PM
To: Martone, Kim; Roberts, Karen; Cotto, Carmen
Cc: Michele Volpe
Subject: Independent Monitor

Attached please find the Consulting Services Agreement and draft Work Plan being proposed for the Independent Monitor. Please let us know if OHCA has signed off on the IM. Thank you.

Jennifer L. O'Donnell
Paralegal
Bershtein, Volpe & McKeon P.C.
105 Court Street, 3rd Floor
New Haven, Connecticut 06511-6957
Telephone: (203) 777-5800 (ext. 104)
Direct Line: (203) 777-5804

Greer, Leslie

From: Roberts, Karen
Sent: Monday, November 28, 2016 3:51 PM
To: Greer, Leslie
Cc: Cotto, Carmen
Subject: FW: Independent Monitor

From: Jennifer O'Donnell [mailto:jlo@bvmlaw.com]
Sent: Monday, November 28, 2016 2:45 PM
To: Roberts, Karen
Cc: Martone, Kim; Cotto, Carmen; Michele Volpe
Subject: RE: Independent Monitor

Yes, the IM is working on the Waterbury work plan and it will be similar to ECHN. Also, please cc Michele Volpe (mmv@bvmlaw.com) on all correspondence as I'm leaving early today. Thank you.

Jennifer L. O'Donnell
Paralegal
Bershtein, Volpe & McKeon P.C.
105 Court Street, 3rd Floor
New Haven, Connecticut 06511-6957
Telephone: (203) 777-5800 (ext. 104)
Direct Line: (203) 777-5804
Facsimile: (203) 777-5806

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From: Roberts, Karen [mailto:Karen.Roberts@ct.gov]
Sent: Monday, November 28, 2016 2:40 PM
To: Jennifer O'Donnell <jlo@bvmlaw.com>
Cc: Martone, Kim <Kimberly.Martone@ct.gov>; Cotto, Carmen <Carmen.Cotto@ct.gov>
Subject: RE: Independent Monitor

Hi Jennifer – this draft work plan is specific to the ECHN CON Order. Does BVM and the proposed IM anticipate that the work plan for the Waterbury CON order will be very similar, if not identical, to this one? Thanks. Karen Roberts

Karen Roberts

Greer, Leslie

Subject: FW: Independent Monitor

From: Martone, Kim
Sent: Monday, November 28, 2016 3:43 PM
To: 'Jennifer O'Donnell'; Roberts, Karen; Cotto, Carmen
Cc: Michele Volpe
Subject: RE: Independent Monitor

Jennifer, we have reviewed all documents submitted and approve Colleen Smith as the Independent Monitor for the acquisitions of Prospect Medical Holdings in Connecticut. The understanding is that this office and Colleen will continue to refine and revise the draft work plan until we agree upon its finalization. We also look forward to working directly with the hospital representatives to ensure that responsibilities and obligations of the IM and hospitals are clear to everyone involved in this process.

Kim

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
Phone: 860-418-7029 Fax: 860-418-7053
Email: Kimberly.Martone@ct.gov *Website:* www.ct.gov/ohca

From: Jennifer O'Donnell [mailto:jlo@bvmlaw.com]
Sent: Monday, November 28, 2016 2:29 PM
To: Martone, Kim; Roberts, Karen; Cotto, Carmen
Cc: Michele Volpe
Subject: Independent Monitor

Attached please find the Consulting Services Agreement and draft Work Plan being proposed for the Independent Monitor. Please let us know if OHCA has signed off on the IM. Thank you.

Jennifer L. O'Donnell
Paralegal
Bershtein, Volpe & McKeon P.C.
105 Court Street, 3rd Floor
New Haven, Connecticut 06511-6957
Telephone: (203) 777-5800 (ext. 104)
Direct Line: (203) 777-5804
Facsimile: (203) 777-5806

Greer, Leslie

From: Roberts, Karen
Sent: Monday, November 28, 2016 3:59 PM
To: Greer, Leslie
Subject: FW: Schedule conference call

From: Cotto, Carmen
Sent: Wednesday, November 09, 2016 5:07 PM
To: Michele Volpe (mmv@bvmlaw.com)
Cc: Jennifer O'Donnell (jlo@bvmlaw.com); Roberts, Karen; Martone, Kim; Olejarz, Barbara
Subject: Schedule conference call

Hi Michele,

Thank you for providing OHCA with a copy of Ms. Smith's resume. In addition to the resume, please provide us with a copy of the Independent Monitor's work plan and engagement letter between Ms. Smith's and the Applicants.

Our office would like to schedule a conference call with you soon, possible next week, to discuss Ms. Smith's qualifications, work plan and engagement letter.

Please contact Ms. Barbara Olejarz at (860)418-7005 or via email at Barbabra.Olejarz@ct.gov to schedule the call.

Thank you,
Carmen

Carmen Cotto, MBA
Associate Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, CT 06134
P: (860) 418-7039 |F: (860) 418-7053 |E: carmen.cotto@ct.gov



www.ct.gov/dph

From: Martone, Kim
Sent: Monday, November 07, 2016 7:58 AM
To: Roberts, Karen; Cotto, Carmen

Greer, Leslie

From: Roberts, Karen
Sent: Monday, November 28, 2016 3:59 PM
To: Greer, Leslie
Cc: Cotto, Carmen
Subject: FW: Schedule conference call
Attachments: CSmith Consulting Services Agmt.pdf

From: Jennifer O'Donnell [mailto:jlo@bvmlaw.com]
Sent: Thursday, November 17, 2016 9:58 AM
To: Cotto, Carmen; Michele Volpe
Cc: Roberts, Karen; Martone, Kim; Olejarz, Barbara
Subject: RE: Schedule conference call

Ms. Cotto: Attached please find a copy of the proposed contract with Ms. Smith. We are happy to schedule a conference call to discuss Ms. Smith's qualifications, work plan and engagement letter. Please let us know when would be a convenient time for OHCA. Thank you.

Jennifer L. O'Donnell
Paralegal
Bershtein, Volpe & McKeon P.C.
105 Court Street, 3rd Floor
New Haven, Connecticut 06511-6957
Telephone: (203) 777-5800 (ext. 104)
Direct Line: (203) 777-5804
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From: Cotto, Carmen [mailto:Carmen.Cotto@ct.gov]
Sent: Wednesday, November 9, 2016 5:07 PM
To: Michele Volpe <mmv@bvmlaw.com>
Cc: Jennifer O'Donnell <jlo@bvmlaw.com>; Roberts, Karen <Karen.Roberts@ct.gov>; Martone, Kim <Kimberly.Martone@ct.gov>; Olejarz, Barbara <Barbara.Olejarz@ct.gov>
Subject: Schedule conference call

Hi Michele,

CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement (this "Agreement") is made and entered into to as of the _____ day of November, 2016 (the "Effective Date"), by and among Prospect ECHN, Inc., a Connecticut corporation ('Prospect ECHN"), Prospect Waterbury, Inc., a Connecticut corporation ("Prospect Waterbury") and Colleen Smith, MSN, RN, NEA-BC ("Consultant").

RECITALS

A. Prospect ECHN has acquired certain healthcare facilities in Connecticut including The Rockville General Hospital Incorporated and Manchester Memorial Hospital (collectively, the "ECHN Facilities").

B. Prospect Waterbury has acquired certain healthcare facilities in Connecticut including The Waterbury Hospital (collectively, the "GWHN Facilities").

C. The State of Connecticut, Department of Public Health, Facility and Licensing Investigations Section ("FLIS") has required pursuant to a Pre-Licensure Consent Order, copies of which are attached as Exhibit A ("Order") that Prospect ECHN and Prospect Waterbury (each a "Licensee" and collectively, the "Licensees") execute a contract with an Independent Monitor ("IM") pre-approved in writing by the Department of Public Health, Office of Healthcare Access ("OHCA") and FLIS pursuant to which the IM will monitor the ECHN Facilities and the GWHN Facilities (each a "Facility" and collectively with any other Facilities subject to the Order, the "Facilities") in compliance with the Order.

D. Consultant desires to perform the services of the IM described in the Order and the Licensees desire to engage Consultant to perform such services, subject to the terms and conditions of this Agreement and in full compliance with the Order.

In consideration of the mutual covenants contained herein, the parties hereto hereby agree as follows:

1. Scope of Services. Consultant will provide the services of the IM as described in the Order and otherwise comply with the Order (collectively, the "Services"). The Licensees shall cooperate with Consultant and provide access to the Facilities, and management and other representatives of the Facilities in order to enable the IM and the Licensees to fully comply with applicable provisions of the Order.

2. Independent Contractor. Consultant and the Licensees acknowledge and agree that Consultant shall provide services as an independent contractor. Consultant and Licensees acknowledge and agree that no employment relationship, partnership, or joint venture shall be formed due to the performance of this Agreement. This Agreement does not make Consultant the agent or legal representative of Licensees, and Consultant further agrees that no representation will be made by Consultant that would create an apparent agency, employment, partnership, or joint venture relationship. Consultant acknowledges that he is solely responsible for the taxes on his own income and that, as an independent contractor, his payments will be reported on an IRS Form 1099. In addition,

Consultant will provide his own insurance, as necessary, and will not be covered under any Licensee's insurance policy or benefits program.

3. Method of Performing Services. Consultant will determine the method, details, and means of performing the services required by this Agreement.

4. Time and Place of Performing Work. Consultant may perform the Services under this Agreement at any suitable time and location Consultant chooses. Such services will be performed outside the usual course of the Licensees' business although Consultant may, from time to time, as Consultant deems necessary, perform services under this Agreement at the Facilities. Consultant shall observe all safety rules, policies and procedures applicable to visitors and vendors at each facility when on site at the Facilities, including requirements for flu and other vaccinations, if requested.

5. Payment. Consultant shall be paid an hourly rate of $_____ per hour for all Services. Compensation to be paid to IM under this Agreement under no circumstances shall exceed $300,000 in accordance with the Order. Consultant shall be responsible for all taxes attributable to the compensation paid to him under this Agreement. Consultant shall be entitled to no other payment, remuneration, or benefits other than the compensation described in this Agreement. Because Consultant is an independent contractor, the Licensees will not deduct any amounts from Consultant's payments for income tax or other employment-related withholdings.

6. Billing. Consultant shall provide each Licensee with an invoice on a monthly basis providing a general description of the Services performed and number of hours billed for the Services provided to each Licensee. The invoice shall also list any expenses reasonably incurred by Consultant as part of his consulting services, for which he seeks reimbursement, except that Consultant must obtain prior consent before incurring any expense in excess of $250. Each Licensee's payment of Consultant's invoice is due within thirty (30) days of receipt.

7. Term; Termination. This Agreement will begin on the Effective Date and shall continue for a period of two years in accordance with the Order. This Agreement may not be terminated by either party or by mutual consent unless such termination is approved by OHCA and FLIS. The term may be extended at the direction of FLIS for up to (1) additional year, for an overall total of three (3) years, provided that the compensation cap set forth in paragraph 5 shall include any such extended term.

8. Representations. Consultant warrants that all information provided by Consultant to Licensees is true to the best of Consultant's actual knowledge. Consultant further warrants that he is not restricted by, and has no conflict of interest derived from any other agreement and has no other interest or obligation that would interfere with his performing work as described in this Agreement, and that he shall inform Licensees immediately should such a limitation or conflict arise. Consultant further warrants that the services of Consultant will be provided utilizing reasonable care and skill in accordance with customary industry standards. Consultant represents he/she has expertise in hospital administration and operations, knowledge of the healthcare environment with a special focus on quality assurance and performance improvement, and considerable knowledge of accepted standards of practice and state and federal laws

and regulations applicable to general/acute care hospitals. Consultant represents and warrants that he/she has not been convicted of a criminal offense related to healthcare, debarred, suspended, declared ineligible, or excluded from participating with Medicare, Medicaid or any other plan or program that provides health benefits, whether directly through insurance or otherwise, which is funded directly, in whole or in part, by the United States Government or any State health care program. This shall be an ongoing representation and warranty during the term of this Agreement. Consultant shall immediately notify Licensees of any change in the status of the representations set forth in this section.

9. Adherence to Health Laws. Consultant acknowledges that Licensees receive federal funds and that Contractor will receive payments under this Agreement that are, in whole or in part, from federal funds. Consultant shall follow and adhere to all applicable state and federal laws, rules, and regulations, including, but not limited to, all Medicare laws, regulations and CMS instructions, including, without limitations, (a) federal criminal law; (b) the False Claims Act (31 USC 3729 et seq.); and (c) the anti-kickback statute (42 USC 1320a-7b(b)); (d) the civil monetary penalties law (42 USC 1320a-7a); (e) the physician self-referral law (42 USC 1395nn).

10. Corporate Compliance. Contractor acknowledges that Licensees maintain Corporate Compliance Plans ("CCPs") that foster prevention, detection and resolution of instances of misconduct. Vendor shall cooperate with Licensees' corporate compliance audits, reviews and investigations that relate to the services provided by Contractor under this Agreement. Contractor agrees to immediately notify Licensees' Compliance Officers of any violation of any applicable law, regulation, third party payor requirements or breach of Licenses' CCPs of which Contractor becomes aware during the term hereof.

11. Insurance. Consultant shall, at his/her sole cost and expense, maintain at all times during the term of this Agreement, general liability ("GL") and errors and omissions ("E&O") insurance covering his/her provision of the Services in minimum amounts of One Million Dollars ($1,000,000) per occurrence, Three Million Dollars ($3,000,000) in the aggregate annually, as well as an umbrella/excess liability insurance policy written on an occurrence basis and in an amount of not less than Three Million Dollars ($3,000,000) in the annual aggregate, excess of the limits of his/her GL and E&O policies (collectively, the "Policies"). Said Policies shall be obtained from an insurer licensed or authorized to do business in Connecticut, with an A.M. Best's Insurance Rating of A- or better. Licensees and their officers, directors, agents, employees, and volunteers (the "Licensee Parties") shall be named as additional insureds to all such Policies, and said Policies shall provide that they are primary to and noncontributory with any and all other insurance maintained by or otherwise afforded to the Licensee Parties. Upon a Licensee's request, Consultant shall provide a current certificate of insurance to Licensee evidencing such coverage and shall require its insurance carrier to notify Licensee immediately of any actual or intended change, cancellation, modification or non-renewal of such coverage. The obligations set forth herein shall survive the expiration or termination of this Agreement.

12. No Assignment or Subcontracting. Consultant shall not assign or otherwise transfer his rights in this Agreement without the prior written consent of the Licensees and the approval of OHCA and FLIS. Consultant may not subcontract the consulting services to any other consultant without the prior written consent of the Licensees and the approval of OHCA and FLIS.

13. Non-exclusivity. Consultant may represent, perform services for, and contract with as many additional clients, persons, or companies as Consultant, in Consultant's sole discretion, sees fit. Consultant shall not, however, perform services for any other entity where such services would create a conflict of interest with the services performed under this Agreement for Licensees.

14. Non-Solicitation. Consultant agrees that during the term of this Agreement, and for a period of two (2) years after the termination of this Agreement, Consultant shall not solicit, either directly or indirectly, any employee, customer, contractor, vendor, business contact, or consultant to leave Licensees.

15. Trade Secrets, Confidential Information.

(A) For purposes of this Agreement, the term "Confidential Information" means any information relating to Licensees (including any of their subsidiaries, shareholders or other affiliates) disclosed to Consultant, whether orally, in writing, or in any other medium, whether prior to or after the Effective Date of this Agreement, by or on behalf of Licensees, including, without limitation, information regarding Licensees assets, real estate holdings, historical and projected financial information; budgets; services; processes; operations; marketing plans and materials; analyses; strategies; forecasts; names, addresses and any other information regarding Licensees' existing or potential patients, employees, vendors or suppliers; or any information derived, summarized or extracted from any of the foregoing.

(B) Confidential Information shall not include any information which (i) is or becomes available to the public other than as a consequence of a breach of this Agreement; (ii) was available to Consultant on a non-confidential basis prior to its disclosure to Consultant by Licensees; (iii) becomes available to Consultant from a source other than Licensees, provided such source is not actually known by Consultant to be bound by a confidentiality obligation to Licensees; or (iv) is required to be disclosed by Consultant or any of its Representatives (as defined below) under the Order or applicable law or regulation.

(C) Consultant hereby agrees to hold in strict confidence all Confidential Information and agrees not to disclose or otherwise provide or transfer, directly or indirectly, any Confidential Information or anything related to the Confidential Information to third parties, including, but not limited to, Consultant's affiliates, without the prior written consent of Licensees. Consultant further agrees that he may use the Confidential Information only in connection with the work he will perform for Licensees and to comply with the Order and not for any other purpose or for the benefit of any third party.

(D) Consultant shall not disclose to any third party, except where permitted or required by the Order or by law or where such disclosure is expressly approved by Licensees in writing, any patient or medical record information regarding any of the Licensee's patients, and Consultant shall comply with all federal and state laws and regulations, and all bylaws, rules, regulations, and policies of Licensees, its accrediting agency and the medical staff, regarding the confidentiality of such information. Consultant acknowledges that in receiving or otherwise dealing with any records or information from Licensees about (i) Licensees' patients receiving treatment for alcohol or drug abuse, Consultant is fully bound by the provisions of the federal regulations governing Confidentiality of Alcohol and Drug Abuse Patient Records (42 C.F.R. Part 2, as amended from time to time), and/or (ii) Licensees' peer review activities, Consultant is fully bound to maintain the confidentially of such information in accordance with C.G.A.§ 19a-17b(d) . In addition, Consultant shall comply in all respect with HIPAA and the HITECH Act 42 U.S.C. §§300jj et seq.; §§17901 et seq., and shall execute and deliver to Licensees the Business Associate Agreement attached as Exhibit B.

(E) Consultant understands that in the event he fails to comply with paragraph 13 or this paragraph 14, Licensees may suffer irreparable harm, which may not be adequately compensated for by monetary damages alone. Consultant, therefore, agrees that in the event of his breach or threatened breach of paragraph 13 or this paragraph 14, Licensees will be entitled to injunctive and/or other preliminary or equitable relief from a court of law. Consultant understands that this is the sole exception to the binding arbitration of disputes between the parties in accordance with paragraph 20 below.

16. Return of Property and Confidential Information. Consultant agrees that, upon termination of this Agreement, he will promptly return to Licensees all items, documents and materials that are in Consultant's possession or control that were provided to Consultant by Licensees. Consultant further agrees that he will promptly return to Licensees or destroy all written Confidential Information received by Consultant from or on behalf of Licensees, including any and all copies or duplicates of such Confidential Information, and all summaries or extracts thereof in any medium prepared by or on behalf of Consultant. Any destruction of Confidential Information shall be confirmed in writing.

17. Notices. Any required notice under this Agreement shall be deemed made on the date it is personally delivered or, if made by U.S. Mail, Federal Express or similar parcel service, three (3) days after the date it is sent. Notices under this Agreement shall be sent to the following:

If to Consultant:
Colleen Smith, MSN, RN, NEA-BC
41 Laurel Crest Road
Madison, CT 06443

If to Licensees:

Prospect ECHN, Inc.
71 Haynes Street
Manchester, CT 06040
Attention: Chief Executive Officer

Prospect Waterbury, Inc.
64 Robbins Street
Waterbury, CT 06708
Attention: Chief Executive Officer

With a copy to:

Prospect Medical Holdings, Inc.
3415 South Sepulveda Blvd., 9th Floor
Los Angeles, CA 90034
Attention: General Counsel

18. Modifications. No Modification or amendment may be made to this Agreement unless it is in writing and signed by Consultant and an authorized officer of Licensees.

19. Entire Agreement. Consultant and Licensees acknowledge and agree that this Agreement which includes Exhibits A and B contains the entire understanding between the parties and that this Agreement replaces and supersedes any other agreement, including any written, oral or implied agreement, regarding the subject matter contained in this Agreement.

20. Arbitration. Any dispute between the parties arising out of this Agreement, including without limitation threshold or jurisdictional issues, such issues of arbitrability on the enforceability of this Agreement, shall be resolved by binding arbitration, pursuant to the commercial dispute rules of the Judicial Arbitration and Mediation Services ("JAMS"). The arbitration shall take place before a single arbitrator. The prevailing party to the arbitration shall be entitled to recover its attorney's fees and costs, including the JAMS arbitration fees. The arbitrator shall be entitled to award any relief or remedy under law, including monetary damages and injunctive relief. Despite this provision, if Consultant breaches paragraph 13 or paragraph 14 of this Agreement, Licensees may seek injunctive relief from a court of law to remedy such a breach.

21. Severability. If any part, clause, or condition of this Agreement is held to be partially or wholly invalid, unenforceable, or inoperative for any reason whatsoever, such will not affect any other provision or portion hereof, which will continue to be effective as though such invalid, inoperative, or unenforceable part, clause or condition had not been made.

22. Binding Upon Successors. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

23. Governing Law and Venue. All questions concerning this Agreement, its construction, and the rights and liabilities of the parties hereto will be interpreted and enforced in accordance with the laws of the State of Connecticut as applied to contracts which are executed and performed entirely within the state.

Consultant and Licensees represent that they have read and understand the terms of this Agreement, that they have had the opportunity to review this Agreement with the counsel of their choice, and that they are not relying on any advice from the other party regarding this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the Effective Date.

LICENSEES:

PROSPECT ECHN, INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

PROSPECT WATERBURY, INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

CONSULTANT:

_____

Name: Colleen Smith, MSN, RN, NEA-BC

EXHIBIT A

COPY OF ORDER

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
FACILITY LICENSING AND INVESTIGATIONS SECTION

In Re: Prospect Manchester Hospital, Inc.
d/b/a The Manchester Memorial Hospital
71 Haynes Street
Manchester, CT 06040

Intended Licensee: Prospect Manchester Hospital, Inc.
d/b/a Manchester Memorial Hospital
Referred to herein as the "Intended Licensee"

PRE-LICENSURE CONSENT ORDER

WHEREAS, Prospect Medical Holdings, Inc. ("Prospect") has obtained certain regulatory approvals to acquire, through one or more subsidiaries, various licensed facilities or operations currently affiliated with Eastern Connecticut Health Network, Inc., including: Manchester Memorial Hospital and Rockville General Hospital ("ECHN Facilities"); and,

WHEREAS, Prospect is seeking to also acquire, through one or more subsidiaries, certain licensed facilities or operations currently affiliated with the Greater Waterbury Health Network, Inc., including the Waterbury Hospital ("GWHN Facilities" and together with the ECHN Facilities referred to as the "Prospect CT Group"); and,

WHEREAS, the Intended Licensee, a subsidiary of Prospect is seeking an initial license to operate a general hospital as defined in Conn. Gen. Stat. § 19a-490(b); and,

WHEREAS, upon the execution of this Pre-Licensure Consent Order ("Order") and after meeting all statutory and regulatory requirements, the Intended Licensee shall be issued a license to operate a General Hospital currently known as Manchester Memorial Hospital ("Facility") by the Connecticut Department of Public Health ("Department").

NOW THEREFORE, the Facility Licensing and Investigations Section of the Department ("FLIS") acting herein and through Barbara Cass, Section Chief, and the Intended Licensee and Prospect hereby stipulate and agree as follows:

1. The Order issued by the Department of Public Health, Office of Health Care Access ("OHCA") dated June 10, 2016 ("OHCA Order") shall be incorporated and made part of this Order.
2. This Order shall remain in effect for three (3) years from the effective date of this Order. The effective date of the Order is October 1, 2016. The issuance of the License shall occur when the Department receives proof, to its satisfaction, that the closing regarding the ECHN Facilities will occur within forty-eight hours of the issuance of the license provided all legal requirements for licensure have been met.
3. During the term of this Order, should the Intended Licensee implement any new patient care services, it shall do so in accordance with Connecticut General Statutes sections 19a-638 through 19a-639b. In addition, for one year after the effective date of this Order, the Intended Licensee and any beneficial owner of the Intended Licensee shall notify the Department of its intent to acquire an ownership interest in another general hospital in Connecticut (other than Rockville General Hospital or Waterbury Hospital) or any other state.
4. Within sixty (60) days of the effective date of this Order, Prospect or a subsidiary shall, on behalf of the Intended Licensee, execute a contract with an Independent Monitor ("IM") pre-approved in writing by the FLIS and OHCA. The duties of the IM shall be performed by a single individual unless otherwise approved by the Department. Prospect or its subsidiary shall pay the cost of the IM and all other costs necessary to comply with this Order. The IM shall be contracted to monitor other facilities within the Prospect CT Group as required by the Department. The aggregate cost of the IM to monitor all such facilities under all FLIS and OCHA orders entered into in connection with the licensure of the Prospect CT Group shall not exceed $300,000. The IM shall function in accordance with the IM Guidelines except to the extent there is any conflict between this Order and the Guidelines, the Order shall govern. (Exhibit A, copy attached). The IM shall have expertise in hospital administration and operations,

knowledge of the healthcare environment with a special focus on quality assurance and performance improvement, and considerable knowledge of accepted standards of practice and state and federal laws and regulations applicable to general/acute care hospitals.

5. The IM shall provide services as outlined herein for two (2) years. If the Department determines during the last six months of the first two years of the IM's tenure or within three months after the two year period that the Facility is not in compliance with applicable accepted standards of practice and federal and state statutes and regulations, the services of the IM shall be extended at the direction of the Department for up to one (1) additional year, for an overall total of three (3) years. The Department shall base any decision regarding the extension of time for IM services upon onsite inspections conducted by the Department and based on all other information the Department deems relevant. The terms of the contract executed on behalf of the Intended Licensee with the IM shall include all pertinent provisions, including time frames contained in this Order.

6. In addition to any other remedies available to the Department, noncompliance with any of the provisions of this Order or the OHCA Order, including failure to pay costs associated with the IM's duties shall constitute a violation of this Order and may result in a fine not to exceed one thousand dollars per day.

7. The IM shall conduct an initial assessment of the Intended Licensee's regulatory compliance which identifies areas requiring remediation. The IM shall report any regulatory or statutory violations identified in the initial assessment to FLIS, OHCA and the Intended Licensee. Such assessment shall, at a minimum, include onsite reviews of hospital systems and direct observations of the Facility staffs' performance as further specified in paragraphs eight (8) and nine (9) of the Order.

8. The IM onsite review shall include, but not be limited to, the following professional and hospital services and systems listed below, and the IM shall make recommendations for improvements, when applicable:

   a. Nursing Services;

   b. Infection Control;

   c. Pharmacy;

d. Surgical Services;
e. Emergency Department;
f. Psychiatric Services;
g. Medical Staff;
h. Patient Rights;
i. Medical Services;
j. Medical Records,
k. Quality Assurance and Performance Improvement; and,
l. Facility's professional credentialing process and assessment process for evaluating competency and remediation/monitoring mechanisms.

9. The initial onsite review by the IM shall be scheduled within thirty (30) days of the execution of the contract with the IM and shall include all satellite locations listed on the Facility's license.

10. The IM shall confer with the Intended Licensee's Chief Executive Officer, Chief Medical Officer, Chief Nursing Officer, Vice President of Quality and Safety and other staff determined by the IM to be necessary to the assessment of care and services and the Intended Licensee's compliance with accepted standards of practice and applicable federal and state statutes and regulations.

11. The IM shall have thirty (30) days after the completion of the initial onsite review, to develop a report(s) regarding the Intended Licensee's compliance with applicable state and federal statutes and regulations and provide copies to the Intended Licensee's governing authority, and the Department, including representatives of the FLIS and the OHCA. No party shall be provided with the opportunity to review the report(s) prior to release, and all parties shall receive copies of the documents simultaneously. The report(s) shall identify methods utilized for the analysis, areas reviewed and process, findings and recommendations. IM recommendations shall include, as applicable, areas that need to be addressed, continuing onsite consulting initiatives, and any quality of care issues that require remediation.

12. The IM shall make recommendations to the Intended Licensee's governing authority, Chief Executive Officer, Chief Medical Officer, Vice President of Quality and Safety, the East Regional Vice President of Quality and Patient Safety, the Chief Quality

Officer and Chief Nursing Officer, consistent with accepted standards of practice, for improvement in the delivery of direct patient care in the Facility and compliance with regulatory requirements. If the IM and the Intended Licensee are unable to reach an agreement regarding the IM's recommendation(s), the Department, after meeting with the Intended Licensee and the IM, shall make a final determination, which shall be binding on the Intended Licensee.

13. Upon approval by the Department of the recommendations by the IM, the Intended Licensee shall provide the Department with a proposed timeframe for implementation of the IM recommendations, within twenty-one (21) days of receipt of the report(s). The timeframes shall be subject to approval by the Department and shall become operative upon the Department's approval. All recommendations shall be implemented in accordance with the Department's approved timeframe.

14. The IM shall assess the function, the duties, responsibilities and level of engagement of the Prospect Eastern Regional Quality and Patient Safety Steering Council ("Council") and the Facility's Quality Assurance and Performance Improvement Committee ("Committee") and shall determine their ability to monitor implementation of any recommendations provided. This assessment will be provided to the Intended Licensee's governing authority and to FLIS and OHCA.

15. The IM shall re-evaluate the Facility, within six (6) months following the completion of the initial Facility evaluation and semi-annually thereafter throughout the tenure of the IM's engagement. The re-evaluation shall determine the Licensee's ability to implement and maintain quality of care and services, implementation of recommendations previously made by the IM and compliance with regulatory requirements. Upon conclusion of said reviews, the IM shall provide Prospect, the Intended Licensee and the Department, including representatives of FLIS and OHCA, with a comprehensive report of said assessments.

16. The IM shall act and perform the duties assigned herein at all times to serve the interest of the Department in assuring the safety, welfare and well-being of patients and to secure compliance with applicable federal and state law and regulations and shall not accept any direction or suggestion from Prospect, the Intended Licensee or its employees that will deter or interfere in fulfilling this obligation.

17. Within one hundred eighty (180) days of the effective date of this Order, Prospect, shall:

    a. Collaborate with Facility leadership in identifying initiatives aimed at improving patient care quality and safety;
    b. Collaborate with Facility leadership to build quality, efficiency, effectiveness, and a shared accountability systems model of care;
    c. Collaborate with Facility leadership to ensure ongoing compliance with state and federal laws and regulations;
    d. Collaborate with Facility leadership to strengthen the data and information capabilities of the Facility to ensure quality and data driven quality measures; and,
    e. Collaborate with Facility leadership to ensure sustainment of quality assurance and performance activities, to include but not be limited to, activities that promote a high reliability organization.

18. The Corporate Chief Quality Officer, Regional Vice President of Quality, Chief Executive Officer, Chief Medical Officer, Chief Nursing Officer and Vice President of Quality and Safety and/or their designees shall meet with the Department quarterly for the first six (6) months after the effective date of this Order and thereafter once every six (6) months throughout the tenure of the IM. The meetings shall include discussions of issues related to the care and services provided by the Intended Licensee's compliance with accepted standards of practice and applicable federal and state statutes and regulations. After the first meeting, all subsequent meetings may be attended via teleconference except that no out-of-state participant is required to attend any of the meetings in person.

19. Any records maintained in accordance with any state or federal law or regulation or as required by this Order shall be made available to the IM and the Department, upon request. The IM may attend quality assurance and/or peer review committee meetings and utilize information from such meetings and records for making recommendations or reports. Except where mandated by law or to report illegal conduct to the Department, the IM shall not identify the individual providers subject to peer review. Except for such disclosures to the IM, any rights of the Intended Licensee or any

affiliate to claim and exert privilege to quality assurance or peer review documents under state and/or federal law are preserved and not limited or waived by this Order.

20. A Quality Assurance Performance Improvement Program shall be maintained by the Intended Licensee and monitored by the Committee, consist of, at least, the Intended Licensee' s Chief Medical Officer, Chief Nursing Officer and Vice President of Quality and Safety. The Committee shall focus its activities utilizing a structure, process and outcome model. The Committee shall meet at least once every sixty (60) days and as needed to review all reports or complaints relating to patient care and compliance with accepted standards of practice and federal state laws and regulations. During the tenure of the IM, the IM shall have the right to attend and participate in all Committee meetings and to evaluate and report on the design of the quality assurance programs implemented by the Committee. The activities of the Committee shall include, but not be limited to, compliance with this Order and the IM recommendations, determination and adoption of new policies to be implemented by the Intended Licensee's staff to improve patient care practices; provided that all policies shall be subject to review and approval by the Facility's governing authority, the Local Board and as appropriate, Prospect, consistent with the terms of that certain Quality Assurance Commitment Side Letter dated March 28, 2016 by and between Prospect and Eastern Connecticut Health Network, Inc., as amended to the date hereof ("Quality Letter"). In addition, this Committee shall review and revise, as applicable infection control policies and procedures and monitor their implementation. The Committee shall measure and track the implementation of any changes in the Intended Licensee's policies, procedures. and allocation of resources recommended by the Committee to determine compliance with and effectiveness of such changes. A record of Committee meetings and subject matter discussed will be documented and available for review by the Department. Minutes of all such meetings shall be maintained at the Facility for a minimum period of three (3) years.

21. During the term of this Order the Intended Licensee shall notify the Department within five (5) business days, if any of the following positions become vacant (if such positions exist, in name or in responsibilities, at the Facility):

    a. Corporate Chief Quality Officer;

b. Regional Vice President of Quality;
c. Director of Survey Readiness Team;
d. Chief Executive Officer;
e. Chief Medical Officer
f. Chief Nursing Officer;
g. Vice President of Quality and Patient Safety; and,
h. Vice President of Patient Care Services.

22. Within five (5) business days of the effective date of this Order, the Intended Licensee, shall provide the names and resumes of the proposed Chief Medical Officer, Chief Nursing Officer and Vice President of Quality and Safety.

23. The Intended Licensee within five (5) business days of the execution of this Order, shall designate an individual to be responsible for all notices and correspondence pursuant to this Order. The name, mailing address, email address and phone number of the designated individual shall be provided to the Department within said timeframe. The Intended Licensee may provide for a substitute or alternate individual with two (2) business days written notice to the Department.

24. Any reports required by this document shall be directed to:

Susan Newton, R.N., B.S.
Supervising Nurse Consultant
Facility Licensing and Investigations Section
Department of Public Health
410 Capitol Avenue, P.O. Box 340308, MS #12 HSR
Hartford, CT 06134-0308

25. All parties agree that this Order is an Order of the Department with all of the rights and obligations pertaining thereto and attendant thereon. The Intended Licensee agrees that the compliance with all of the terms and conditions of this Order is part of the responsibility of the Intended Licensee's governing authority as set forth in Public Health Code section 19-13-D68(b)(4). The Intended Licensee further agrees that failure to comply with any of the terms and conditions of this Order shall constitute grounds for disciplinary action pursuant to Section 19a-494 of the Connecticut General Statutes Nothing herein shall be construed as limiting the Department's other available legal remedies against the Intended Licensee for violations of this Order or of any other

statutory or regulatory requirements, which may be sought in lieu of or in addition to the methods of relief listed above, or any other administrative and judicial relief provided by law.

26. The execution of this Order has no bearing on any criminal liability without the written consent of the Director of the MFCU or the Bureau Chief of the Department of Criminal Justice's Statewide Prosecution Bureau.

27. The Intended Licensee agrees that this Pre-Licensure Consent Order and the terms set forth herein are not subject to reconsideration, collateral attack or judicial review under any form or in any forum including any right to review under the Uniform Administrative Procedure Act, Chapter 368a of the Statutes, Regulations that exists at the time the Order is executed or may become available in the future, provided that this stipulation shall not deprive the Intended Licensee and its affiliate entities of any other rights that it may have under the laws of the State of Connecticut or of the United States.

28. Each of the hospitals acquired by Intended Licensee shall provide to the Department a plan of correction within forty-five (45) days of receiving a physical plant inspection report from the Department.

29. The Intended Licensee has consulted with its attorney prior to the execution of this Order.

WITNESS WHEREOF, the parties hereto have caused this Pre-Licensure Consent Order to be executed by their respective officers and officials. The undersigned signatories represent and warrant that they are authorized to execute this Pre-Licensure Consent Order on behalf of the party they represent.

By: _____
Ellen J. Shin, Secretary
Prospect Manchester Hospital, Inc.
The Intended Licensee

On this 28th day of September, 2016, before me, personally appeared Ellen J. Shin who acknowledged herself to be the Secretary of the Intended Licensee and that she as Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing her name as Secretary.

My Commission Expires: July 3, 2020
(If Notary Public)

_____
Notary Public [ ]
Commissioner of the Superior Court [ ]

STATE OF CONNECTICUT,
DEPARTMENT OF PUBLIC HEALTH

By: _____
Barbara Cass, R.N.
Section Chief
Facility Licensing and Investigations Section

September 30, 2016

Exhibit A

FLIS' Independent Monitor Guidelines
For Intended Licensee Prospect Manchester Hospital

Relationship between Independent Monitor (IM) and DPH includes:

- An IM is utilized as a component of DPH's regulatory remedy process. An IM may be agreed upon as a part of a Consent Order between the institution and the Department when significant care and services issues are identified, or when, in connection with a change of ownership, an acquirer is new to the State and has experienced previous compliance issues in another state.
- The IM has a fiduciary or special relationship of trust, confidence and responsibility with the Department.
- The IM's responsibilities include:
  - Reporting to the Department regarding the Facility's compliance with federal and state law and regulation.
  - Monitoring the institution's plan of correction to rectify deficiencies and violations of federal/state laws and regulations. Reports to Department positive and negative issues related to said oversight.
  - Reporting in accordance with the Consent Agreement/Order to the Department of issues identified, plans to address noncompliance and remediation efforts of the institution.

Relationship between IM and the Institution:

- The IM maintains a professional and objective relationship with the institutional staff. The IM is a consultant, not an employee of the institution. The IM exercises independent judgment and initiative to determine how to fully address and complete her/his responsibilities. The institution does not direct or supervise the IM but must cooperate with and respond to requests of the IM related to fulfilling her/his duties.
- The IM's responsibilities, consistent with the terms of the Consent Order, include:
  - Assessment of institution's compliance with recognized standards of practice federal/state laws and regulations.
  - Monitoring of care/services being provided.
  - Assists staff with plans of action to enhance care and services within the institution.
  - Reports in accordance with the Consent Order to the institution re: assessments, issues identified, and monitoring of plans of correction.

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
FACILITY LICENSING AND INVESTIGATIONS SECTION

In Re: Prospect Rockville Hospital, Inc.
d/b/a Rockville General Hospital
31 Union Street
Vernon, CT 06066

Intended Licensee: Prospect Rockville Hospital, Inc.
d/b/a Rockville General Hospital
Referred to herein as the "Intended Licensee"

PRE-LICENSURE CONSENT ORDER

WHEREAS, Prospect Medical Holdings, Inc. ("Prospect") has obtained certain regulatory approvals to acquire, through one or more subsidiaries, various licensed facilities or operations currently affiliated with Eastern Connecticut Health Network, Inc., including: Manchester Memorial Hospital and Rockville General Hospital ("ECHN Facilities"); and,

WHEREAS, Prospect is seeking to also acquire, through one or more subsidiaries, certain licensed facilities or operations currently affiliated with the Greater Waterbury Health Network, Inc., including the Waterbury Hospital ("GWHN Facilities" and together with the ECHN Facilities referred to as the "Prospect CT Group"); and,

WHEREAS, the Intended Licensee, a subsidiary of Prospect is seeking an initial license to operate a general hospital as defined in Conn. Gen. Stat. § 19a-490(b); and,

WHEREAS, upon the execution of this Pre-Licensure Consent Order ("Order") and after meeting all statutory and regulatory requirements, the Intended Licensee shall be issued a license to operate a General Hospital currently known as Rockville General Hospital ("Facility") by the Connecticut Department of Public Health ("Department").

NOW THEREFORE, the Facility Licensing and Investigations Section of the Department ("FLIS") acting herein and through Barbara Cass, Section Chief, and the Intended Licensee and Prospect hereby stipulate and agree as follows:

1. The Order issued by the Department of Public Health, Office of Health Care Access ("OHCA") dated June 10, 2016 ("OHCA Order") shall be incorporated and made part of this Order.
2. This Order shall remain in effect for three (3) years from the effective date of this Order. The effective date of the Order is October 1, 2016. The issuance of the License shall occur when the Department receives proof, to its satisfaction, that the closing regarding the ECHN Facilities will occur within forty-eight hours of the issuance of the license provided all legal requirements for licensure have been met.
3. During the term of this Order, should the Intended Licensee implement any new patient care services, it shall do so in accordance with Connecticut General Statutes sections 19a-638 through 19a-639b. In addition, for one year after the effective date of this Order, the Intended Licensee and any beneficial owner of the Intended Licensee shall notify the Department of its intent to acquire an ownership interest in another general hospital in Connecticut (other than Rockville General Hospital or Waterbury Hospital) or any other state.
4. Within sixty (60) days of the effective date of this Order, Prospect or a subsidiary shall, on behalf of the Intended Licensee, execute a contract with an Independent Monitor ("IM") pre-approved in writing by the FLIS and OHCA. The duties of the IM shall be performed by a single individual unless otherwise approved by the Department. Prospect or its subsidiary shall pay the cost of the IM and all other costs necessary to comply with this Order. The IM shall be contracted to monitor other facilities within the Prospect CT Group as required by the Department. The aggregate cost of the IM to monitor all such facilities under all FLIS and OCHA orders entered into in connection with the licensure of the Prospect CT Group shall not exceed $300,000. The IM shall function in accordance with the IM Guidelines except to the extent there is any conflict between this Order and the Guidelines, the Order shall govern. (Exhibit A, copy attached). The IM shall have expertise in hospital administration and operations,

knowledge of the healthcare environment with a special focus on quality assurance and performance improvement, and considerable knowledge of accepted standards of practice and state and federal laws and regulations applicable to general/acute care hospitals.

5. The IM shall provide services as outlined herein for two (2) years. If the Department determines during the last six months of the first two years of the IM's tenure or within three months after the two year period that the Facility is not in compliance with applicable accepted standards of practice and federal and state statutes and regulations, the services of the IM shall be extended at the direction of the Department for up to one (1) additional year, for an overall total of three (3) years. The Department shall base any decision regarding the extension of time for IM services upon onsite inspections conducted by the Department and based on all other information the Department deems relevant. The terms of the contract executed on behalf of the Intended Licensee with the IM shall include all pertinent provisions, including time frames contained in this Order.

6. In addition to any other remedies available to the Department, noncompliance with any of the provisions of this Order or the OHCA Order, including failure to pay costs associated with the IM's duties shall constitute a violation of this Order and may result in a fine not to exceed one thousand dollars per day.

7. The IM shall conduct an initial assessment of the Intended Licensee's regulatory compliance which identifies areas requiring remediation. The IM shall report any regulatory or statutory violations identified in the initial assessment to FLIS, OHCA and the Intended Licensee. Such assessment shall, at a minimum, include onsite reviews of hospital systems and direct observations of the Facility staffs' performance as further specified in paragraphs eight (8) and nine (9) of the Order.

8. The IM onsite review shall include, but not be limited to, the following professional and hospital services and systems listed below, and the IM shall make recommendations for improvements, when applicable:

   a. Nursing Services;

   b. Infection Control;

   c. Pharmacy;

d. Surgical Services;
e. Emergency Department;
f. Psychiatric Services;
g. Medical Staff;
h. Patient Rights;
i. Medical Services;
j. Medical Records,
k. Quality Assurance and Performance Improvement; and,
l. Facility's professional credentialing process and assessment process for evaluating competency and remediation/monitoring mechanisms.

9. The initial onsite review by the IM shall be scheduled within thirty (30) days of the execution of the contract with the IM and shall include all satellite locations listed on the Facility's license.

10. The IM shall confer with the Intended Licensee's Chief Executive Officer, Chief Medical Officer, Chief Nursing Officer, Vice President of Quality and Safety and other staff determined by the IM to be necessary to the assessment of care and services and the Intended Licensee's compliance with accepted standards of practice and applicable federal and state statutes and regulations.

11. The IM shall have thirty (30) days after the completion of the initial onsite review, to develop a report(s) regarding the Intended Licensee's compliance with applicable state and federal statutes and regulations and provide copies to the Intended Licensee's governing authority, and the Department, including representatives of the FLIS and the OHCA. No party shall be provided with the opportunity to review the report(s) prior to release, and all parties shall receive copies of the documents simultaneously. The report(s) shall identify methods utilized for the analysis, areas reviewed and process, findings and recommendations. IM recommendations shall include, as applicable, areas that need to be addressed, continuing onsite consulting initiatives, and any quality of care issues that require remediation.

12. The IM shall make recommendations to the Intended Licensee's governing authority, Chief Executive Officer, Chief Medical Officer, Vice President of Quality and Safety, the East Regional Vice President of Quality and Patient Safety, the Chief Quality

Officer and Chief Nursing Officer, consistent with accepted standards of practice, for improvement in the delivery of direct patient care in the Facility and compliance with regulatory requirements. If the IM and the Intended Licensee are unable to reach an agreement regarding the IM's recommendation(s), the Department, after meeting with the Intended Licensee and the IM, shall make a final determination, which shall be binding on the Intended Licensee.

13. Upon approval by the Department of the recommendations by the IM, the Intended Licensee shall provide the Department with a proposed timeframe for implementation of the IM recommendations, within twenty-one (21) days of receipt of the report(s). The timeframes shall be subject to approval by the Department and shall become operative upon the Department's approval. All recommendations shall be implemented in accordance with the Department's approved timeframe.

14. The IM shall assess the function, the duties, responsibilities and level of engagement of the Prospect Eastern Regional Quality and Patient Safety Steering Council ("Council") and the Facility's Quality Assurance and Performance Improvement Committee ("Committee") and shall determine their ability to monitor implementation of any recommendations provided. This assessment will be provided to the Intended Licensee's governing authority and to FLIS and OHCA.

15. The IM shall re-evaluate the Facility, within six (6) months following the completion of the initial Facility evaluation and semi-annually thereafter throughout the tenure of the IM's engagement. The re-evaluation shall determine the Licensee's ability to implement and maintain quality of care and services, implementation of recommendations previously made by the IM and compliance with regulatory requirements. Upon conclusion of said reviews, the IM shall provide Prospect, the Intended Licensee and the Department, including representatives of FLIS and OHCA, with a comprehensive report of said assessments.

16. The IM shall act and perform the duties assigned herein at all times to serve the interest of the Department in assuring the safety, welfare and well-being of patients and to secure compliance with applicable federal and state law and regulations and shall not accept any direction or suggestion from Prospect, the Intended Licensee or its employees that will deter or interfere in fulfilling this obligation.

17. Within one hundred eighty (180) days of the effective date of this Order, Prospect, shall::

    a. Collaborate with Facility leadership in identifying initiatives aimed at improving patient care quality and safety;
    b. Collaborate with Facility leadership to build quality, efficiency, effectiveness, and a shared accountability systems model of care;
    c. Collaborate with Facility leadership to ensure ongoing compliance with state and federal laws and regulations;
    d. Collaborate with Facility leadership to strengthen the data and information capabilities of the Facility to ensure quality and data driven quality measures; and,
    e. Collaborate with Facility leadership to ensure sustainment of quality assurance and performance activities, to include but not be limited to, activities that promote a high reliability organization.

18. The Corporate Chief Quality Officer, Regional Vice President of Quality, Chief Executive Officer, Chief Medical Officer, Chief Nursing Officer and Vice President of Quality and Safety and/or their designees shall meet with the Department quarterly for the first six (6) months after the effective date of this Order and thereafter once every six (6) months throughout the tenure of the IM. The meetings shall include discussions of issues related to the care and services provided by the Intended Licensee's compliance with accepted standards of practice and applicable federal and state statutes and regulations. After the first meeting, all subsequent meetings may be attended via teleconference except that no out-of-state participant is required to attend any of the meetings in person.

19. Any records maintained in accordance with any state or federal law or regulation or as required by this Order shall be made available to the IM and the Department, upon request. The IM may attend quality assurance and/or peer review committee meetings and utilize information from such meetings and records for making recommendations or reports. Except where mandated by law or to report illegal conduct to the Department, the IM shall not identify the individual providers subject to peer review. Except for such disclosures to the IM, any rights of the Intended Licensee or any

affiliate to claim and exert privilege to quality assurance or peer review documents under state and/or federal law are preserved and not limited or waived by this Order.

20. A Quality Assurance Performance Improvement Program shall be maintained by the Intended Licensee and monitored by the Committee, consist of, at least, the Intended Licensee' s Chief Medical Officer, Chief Nursing Officer and Vice President of Quality and Safety. The Committee shall focus its activities utilizing a structure, process and outcome model. The Committee shall meet at least once every sixty (60) days and as needed to review all reports or complaints relating to patient care and compliance with accepted standards of practice and federal state laws and regulations. During the tenure of the IM, the IM shall have the right to attend and participate in all Committee meetings and to evaluate and report on the design of the quality assurance programs implemented by the Committee. The activities of the Committee shall include, but not be limited to, compliance with this Order and the IM recommendations, determination and adoption of new policies to be implemented by the Intended Licensee's staff to improve patient care practices; provided that all policies shall be subject to review and approval by the Facility's governing authority, the Local Board and as appropriate, Prospect, consistent with the terms of that certain Quality Assurance Commitment Side Letter dated March 28, 2016 by and between Prospect and Eastern Connecticut Health Network, Inc., as amended to the date hereof ("Quality Letter"). In addition, this Committee shall review and revise, as applicable infection control policies and procedures and monitor their implementation. The Committee shall measure and track the implementation of any changes in the Intended Licensee's policies, procedures, and allocation of resources recommended by the Committee to determine compliance with and effectiveness of such changes. A record of Committee meetings and subject matter discussed will be documented and available for review by the Department. Minutes of all such meetings shall be maintained at the Facility for a minimum period of three (3) years.

21. During the term of this Order the Intended Licensee shall notify the Department within five (5) business days, if any of the following positions become vacant (if such positions exist, in name or in responsibilities, at the Facility):

    a. Corporate Chief Quality Officer;

b. Regional Vice President of Quality;
c. Director of Survey Readiness Team;
d. Chief Executive Officer;
e. Chief Medical Officer
f. Chief Nursing Officer;
g. Vice President of Quality and Patient Safety; and,
h. Vice President of Patient Care Services.

22. Within five (5) business days of the effective date of this Order, the Intended Licensee, shall provide the names and resumes of the proposed Chief Medical Officer, Chief Nursing Officer and Vice President of Quality and Safety.

23. The Intended Licensee within five (5) business days of the execution of this Order, shall designate an individual to be responsible for all notices and correspondence pursuant to this Order. The name, mailing address, email address and phone number of the designated individual shall be provided to the Department within said timeframe. The Intended Licensee may provide for a substitute or alternate individual with two (2) business days written notice to the Department.

24. Any reports required by this document shall be directed to:

Susan Newton, R.N., B.S.
Supervising Nurse Consultant
Facility Licensing and Investigations Section
Department of Public Health
410 Capitol Avenue, P.O. Box 340308, MS #12 HSR
Hartford, CT 06134-0308

25. All parties agree that this Order is an Order of the Department with all of the rights and obligations pertaining thereto and attendant thereon. The Intended Licensee agrees that the compliance with all of the terms and conditions of this Order is part of the responsibility of the Intended Licensee's governing authority as set forth in Public Health Code section 19-13-D68(b)(4). The Intended Licensee further agrees that failure to comply with any of the terms and conditions of this Order shall constitute grounds for disciplinary action pursuant to Section 19a-494 of the Connecticut General Statutes Nothing herein shall be construed as limiting the Department's other available legal remedies against the Intended Licensee for violations of this Order or of any other

statutory or regulatory requirements, which may be sought in lieu of or in addition to the methods of relief listed above, or any other administrative and judicial relief provided by law.

26. The execution of this Order has no bearing on any criminal liability without the written consent of the Director of the MFCU or the Bureau Chief of the Department of Criminal Justice's Statewide Prosecution Bureau.

27. The Intended Licensee agrees that this Pre-Licensure Consent Order and the terms set forth herein are not subject to reconsideration, collateral attack or judicial review under any form or in any forum including any right to review under the Uniform Administrative Procedure Act, Chapter 368a of the Statutes, Regulations that exists at the time the Order is executed or may become available in the future, provided that this stipulation shall not deprive the Intended Licensee and its affiliate entities of any other rights that it may have under the laws of the State of Connecticut or of the United States.

28. Each of the hospitals acquired by Intended Licensee shall provide to the Department a plan of correction within forty-five (45) days of receiving a physical plant inspection report from the Department.

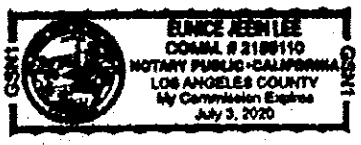
29. The Intended Licensee has consulted with its attorney prior to the execution of this Order.

WITNESS WHEREOF, the parties hereto have caused this Pre-Licensure Consent Order to be executed by their respective officers and officials. The undersigned signatories represent and warrant that they are authorized to execute this Pre-Licensure Consent Order on behalf of the party they represent.

By: _____
Ellen J. Shin, Secretary
Prospect Rockville Hospital, Inc.
The Intended Licensee

On this 28th day of September, 2016, before me, personally appeared Ellen J. Shin who acknowledged herself to be the Secretary of the Intended Licensee and that she as Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing her name as Secretary.

My Commission Expires: July 3, 2020
(If Notary Public)



_____
Notary Public [ ]
Commissioner of the Superior Court [ ]

STATE OF CONNECTICUT,
DEPARTMENT OF PUBLIC HEALTH

By: _____
Barbara Cass, R.N.
Section Chief
Facility Licensing and Investigations Section

September 30, 2016

Exhibit A

FLIS' Independent Monitor Guidelines
For Intended Licensee Prospect Manchester Hospital

Relationship between Independent Monitor (IM) and DPH includes:

- An IM is utilized as a component of DPH's regulatory remedy process. An IM may be agreed upon as a part of a Consent Order between the institution and the Department when significant care and services issues are identified, or when, in connection with a change of ownership, an acquirer is new to the State and has experienced previous compliance issues in another state.
- The IM has a fiduciary or special relationship of trust, confidence and responsibility with the Department.
- The IM's responsibilities include:
  - Reporting to the Department regarding the Facility's compliance with federal and state law and regulation.
  - Monitoring the institution's plan of correction to rectify deficiencies and violations of federal/state laws and regulations. Reports to Department positive and negative issues related to said oversight.
  - Reporting in accordance with the Consent Agreement/Order to the Department of issues identified, plans to address noncompliance and remediation efforts of the institution.

Relationship between IM and the Institution:

- The IM maintains a professional and objective relationship with the institutional staff. The IM is a consultant, not an employee of the institution. The IM exercises independent judgment and initiative to determine how to fully address and complete her/his responsibilities. The institution does not direct or supervise the IM but must cooperate with and respond to requests of the IM related to fulfilling her/his duties.
- The IM's responsibilities, consistent with the terms of the Consent Order, include:
  - Assessment of institution's compliance with recognized standards of practice federal/state laws and regulations.
  - Monitoring of care/services being provided.
  - Assists staff with plans of action to enhance care and services within the institution.
  - Reports in accordance with the Consent Order to the institution re: assessments, issues identified, and monitoring of plans of correction.

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
FACILITY LICENSING AND INVESTIGATIONS SECTION

In Re: Prospect Waterbury, Inc.
d/b/a The Waterbury Hospital
64 Robbins Street
Waterbury, CT 06708

Intended Licensee: Prospect Waterbury, Inc.
d/b/a The Waterbury Hospital
Referred to herein as the "Intended Licensee"

PRE-LICENSURE CONSENT ORDER

WHEREAS, Prospect Medical Holdings, Inc. ("Prospect") has obtained certain regulatory approvals to acquire, through one or more subsidiaries, various licensed facilities or operations currently affiliated with Eastern Connecticut Health Network, Inc., including: Manchester Memorial Hospital and Rockville General Hospital ("ECHN Facilities"); and,

WHEREAS, Prospect is seeking to also acquire, through one or more subsidiaries, certain licensed facilities or operations currently affiliated with the Greater Waterbury Health Network, Inc., including the Waterbury Hospital ("GWHN Facilities" and together with the ECHN Facilities referred to as the "Prospect CT Group"); and,

WHEREAS, the Intended Licensee, a subsidiary of Prospect is seeking an initial license to operate a general hospital as defined in Conn. Gen. Stat. § 19a-490(b); and,

WHEREAS, upon the execution of this Pre-Licensure Consent Order ("Order") and after meeting all statutory and regulatory requirements, the Intended Licensee shall be issued a license to operate a General Hospital currently known as The Waterbury Hospital ("Facility") by the Connecticut Department of Public Health ("Department").

NOW THEREFORE, the Facility Licensing and Investigations Section of the Department ("FLIS") acting herein and through Barbara Cass, Section Chief, and the Intended Licensee and Prospect hereby stipulate and agree as follows:

1. The Order issued by the Department of Public Health, Office of Health Care Access ("OHCA") dated June 10, 2016 ("OHCA Order") shall be incorporated and made part of this Order.
2. This Order shall remain in effect for three (3) years from the effective date of this Order. The effective date of the Order is October 1, 2016. The issuance of the License shall occur when the Department receives proof, to its satisfaction, that the closing regarding the ECHN Facilities will occur within forty-eight hours of the issuance of the license provided all legal requirements for licensure have been met.
3. During the term of this Order, should the Intended Licensee implement any new patient care services, it shall do so in accordance with Connecticut General Statutes sections 19a-638 through 19a-639b. In addition, for one year after the effective date of this Order, the Intended Licensee and any beneficial owner of the Intended Licensee shall notify the Department of its intent to acquire an ownership interest in another general hospital in Connecticut (other than Rockville General Hospital or Waterbury Hospital) or any other state.
4. Within sixty (60) days of the effective date of this Order, Prospect or a subsidiary shall, on behalf of the Intended Licensee, execute a contract with an Independent Monitor ("IM") pre-approved in writing by the FLIS and OHCA. The duties of the IM shall be performed by a single individual unless otherwise approved by the Department. Prospect or its subsidiary shall pay the cost of the IM and all other costs necessary to comply with this Order. The IM shall be contracted to monitor other facilities within the Prospect CT Group as required by the Department. The aggregate cost of the IM to monitor all such facilities under all FLIS and OCHA orders entered into in connection with the licensure of the Prospect CT Group shall not exceed $300,000. The IM shall function in accordance with the IM Guidelines except to the extent there is any conflict between this Order and the Guidelines, the Order shall govern. (Exhibit A, copy attached). The IM shall have expertise in hospital administration and operations,

knowledge of the healthcare environment with a special focus on quality assurance and performance improvement, and considerable knowledge of accepted standards of practice and state and federal laws and regulations applicable to general/acute care hospitals.

5. The IM shall provide services as outlined herein for two (2) years. If the Department determines during the last six months of the first two years of the IM's tenure or within three months after the two year period that the Facility is not in compliance with applicable accepted standards of practice and federal and state statutes and regulations, the services of the IM shall be extended at the direction of the Department for up to one (1) additional year, for an overall total of three (3) years. The Department shall base any decision regarding the extension of time for IM services upon onsite inspections conducted by the Department and based on all other information the Department deems relevant. The terms of the contract executed on behalf of the Intended Licensee with the IM shall include all pertinent provisions, including time frames contained in this Order.

6. In addition to any other remedies available to the Department, noncompliance with any of the provisions of this Order or the OHCA Order, including failure to pay costs associated with the IM's duties shall constitute a violation of this Order and may result in a fine not to exceed one thousand dollars per day.

7. The IM shall conduct an initial assessment of the Intended Licensee's regulatory compliance which identifies areas requiring remediation. The IM shall report any regulatory or statutory violations identified in the initial assessment to FLIS, OHCA and the Intended Licensee. Such assessment shall, at a minimum, include onsite reviews of hospital systems and direct observations of the Facility staffs' performance as further specified in paragraphs eight (8) and nine (9) of the Order.

8. The IM onsite review shall include, but not be limited to, the following professional and hospital services and systems listed below, and the IM shall make recommendations for improvements, when applicable:

   a. Nursing Services;

   b. Infection Control;

   c. Pharmacy;

d. Surgical Services;
e. Emergency Department;
f. Psychiatric Services;
g. Medical Staff;
h. Patient Rights;
i. Medical Services;
j. Medical Records,
k. Quality Assurance and Performance Improvement; and,
l. Facility's professional credentialing process and assessment process for evaluating competency and remediation/monitoring mechanisms.

9. The initial onsite review by the IM shall be scheduled within thirty (30) days of the execution of the contract with the IM and shall include all satellite locations listed on the Facility's license.

10. The IM shall confer with the Intended Licensee's Chief Executive Officer, Chief Medical Officer, Chief Nursing Officer, Vice President of Quality and Safety and other staff determined by the IM to be necessary to the assessment of care and services and the Intended Licensee's compliance with accepted standards of practice and applicable federal and state statutes and regulations.

11. The IM shall have thirty (30) days after the completion of the initial onsite review, to develop a report(s) regarding the Intended Licensee's compliance with applicable state and federal statutes and regulations and provide copies to the Intended Licensee's governing authority, and the Department, including representatives of the FLIS and the OHCA. No party shall be provided with the opportunity to review the report(s) prior to release, and all parties shall receive copies of the documents simultaneously. The report(s) shall identify methods utilized for the analysis, areas reviewed and process, findings and recommendations. IM recommendations shall include, as applicable, areas that need to be addressed, continuing onsite consulting initiatives, and any quality of care issues that require remediation.

12. The IM shall make recommendations to the Intended Licensee's governing authority, Chief Executive Officer, Chief Medical Officer, Vice President of Quality and Safety, the East Regional Vice President of Quality and Patient Safety, the Chief Quality

Officer and Chief Nursing Officer, consistent with accepted standards of practice, for improvement in the delivery of direct patient care in the Facility and compliance with regulatory requirements. If the IM and the Intended Licensee are unable to reach an agreement regarding the IM's recommendation(s), the Department, after meeting with the Intended Licensee and the IM, shall make a final determination, which shall be binding on the Intended Licensee.

13. Upon approval by the Department of the recommendations by the IM, the Intended Licensee shall provide the Department with a proposed timeframe for implementation of the IM recommendations, within twenty-one (21) days of receipt of the report(s). The timeframes shall be subject to approval by the Department and shall become operative upon the Department's approval. All recommendations shall be implemented in accordance with the Department's approved timeframe.

14. The IM shall assess the function, the duties, responsibilities and level of engagement of the Prospect Eastern Regional Quality and Patient Safety Steering Council ("Council") and the Facility's Quality Assurance and Performance Improvement Committee ("Committee") and shall determine their ability to monitor implementation of any recommendations provided. This assessment will be provided to the Intended Licensee's governing authority and to FLIS and OHCA.

15. The IM shall re-evaluate the Facility, within six (6) months following the completion of the initial Facility evaluation and semi-annually thereafter throughout the tenure of the IM's engagement. The re-evaluation shall determine the Licensee's ability to implement and maintain quality of care and services, implementation of recommendations previously made by the IM and compliance with regulatory requirements. Upon conclusion of said reviews, the IM shall provide Prospect, the Intended Licensee and the Department, including representatives of FLIS and OHCA, with a comprehensive report of said assessments.

16. The IM shall act and perform the duties assigned herein at all times to serve the interest of the Department in assuring the safety, welfare and well-being of patients and to secure compliance with applicable federal and state law and regulations and shall not accept any direction or suggestion from Prospect, the Intended Licensee or its employees that will deter or interfere in fulfilling this obligation.

17. Within one hundred eighty (180) days of the effective date of this Order, Prospect, shall::

    a. Collaborate with Facility leadership in identifying initiatives aimed at improving patient care quality and safety;
    b. Collaborate with Facility leadership to build quality, efficiency, effectiveness, and a shared accountability systems model of care;
    c. Collaborate with Facility leadership to ensure ongoing compliance with state and federal laws and regulations;
    d. Collaborate with Facility leadership to strengthen the data and information capabilities of the Facility to ensure quality and data driven quality measures; and,
    e. Collaborate with Facility leadership to ensure sustainment of quality assurance and performance activities, to include but not be limited to, activities that promote a high reliability organization.

18. The Corporate Chief Quality Officer, Regional Vice President of Quality, Chief Executive Officer, Chief Medical Officer, Chief Nursing Officer and Vice President of Quality and Safety and/or their designees shall meet with the Department quarterly for the first six (6) months after the effective date of this Order and thereafter once every six (6) months throughout the tenure of the IM. The meetings shall include discussions of issues related to the care and services provided by the Intended Licensee's compliance with accepted standards of practice and applicable federal and state statutes and regulations. After the first meeting, all subsequent meetings may be attended via teleconference except that no out-of-state participant is required to attend any of the meetings in person.

19. Any records maintained in accordance with any state or federal law or regulation or as required by this Order shall be made available to the IM and the Department, upon request. The IM may attend quality assurance and/or peer review committee meetings and utilize information from such meetings and records for making recommendations or reports. Except where mandated by law or to report illegal conduct to the Department, the IM shall not identify the individual providers subject to peer review. Except for such disclosures to the IM, any rights of the Intended Licensee or any

affiliate to claim and exert privilege to quality assurance or peer review documents under state and/or federal law are preserved and not limited or waived by this Order.

20. A Quality Assurance Performance Improvement Program shall be maintained by the Intended Licensee and monitored by the Committee, consist of, at least, the Intended Licensee' s Chief Medical Officer, Chief Nursing Officer and Vice President of Quality and Safety. The Committee shall focus its activities utilizing a structure, process and outcome model. The Committee shall meet at least once every sixty (60) days and as needed to review all reports or complaints relating to patient care and compliance with accepted standards of practice and federal state laws and regulations. During the tenure of the IM, the IM shall have the right to attend and participate in all Committee meetings and to evaluate and report on the design of the quality assurance programs implemented by the Committee. The activities of the Committee shall include, but not be limited to, compliance with this Order and the IM recommendations, determination and adoption of new policies to be implemented by the Intended Licensee's staff to improve patient care practices; provided that all policies shall be subject to review and approval by the Facility's governing authority, the Local Board and as appropriate, Prospect, consistent with the terms of that certain Quality Assurance Commitment Side Letter dated March 28, 2016 by and between Prospect and Eastern Connecticut Health Network, Inc., as amended to the date hereof ("Quality Letter"). In addition, this Committee shall review and revise, as applicable infection control policies and procedures and monitor their implementation. The Committee shall measure and track the implementation of any changes in the Intended Licensee's policies, procedures, and allocation of resources recommended by the Committee to determine compliance with and effectiveness of such changes. A record of Committee meetings and subject matter discussed will be documented and available for review by the Department. Minutes of all such meetings shall be maintained at the Facility for a minimum period of three (3) years.

21. During the term of this Order the Intended Licensee shall notify the Department within five (5) business days, if any of the following positions become vacant (if such positions exist, in name or in responsibilities, at the Facility):

    a. Corporate Chief Quality Officer;

b. Regional Vice President of Quality;

c. Director of Survey Readiness Team;

d. Chief Executive Officer;

e. Chief Medical Officer

f. Chief Nursing Officer;

g. Vice President of Quality and Patient Safety; and,

h. Vice President of Patient Care Services.

22. Within five (5) business days of the effective date of this Order, the Intended Licensee, shall provide the names and resumes of the proposed Chief Medical Officer, Chief Nursing Officer and Vice President of Quality and Safety.

23. The Intended Licensee within five (5) business days of the execution of this Order, shall designate an individual to be responsible for all notices and correspondence pursuant to this Order. The name, mailing address, email address and phone number of the designated individual shall be provided to the Department within said timeframe. The Intended Licensee may provide for a substitute or alternate individual with two (2) business days written notice to the Department.

24. Any reports required by this document shall be directed to:

Susan Newton, R.N., B.S.
Supervising Nurse Consultant
Facility Licensing and Investigations Section
Department of Public Health
410 Capitol Avenue, P.O. Box 340308, MS #12 HSR
Hartford, CT 06134-0308

25. All parties agree that this Order is an Order of the Department with all of the rights and obligations pertaining thereto and attendant thereon. The Intended Licensee agrees that the compliance with all of the terms and conditions of this Order is part of the responsibility of the Intended Licensee's governing authority as set forth in Public Health Code section 19-13-D68(b)(4). The Intended Licensee further agrees that failure to comply with any of the terms and conditions of this Order shall constitute grounds for disciplinary action pursuant to Section 19a-494 of the Connecticut General Statutes Nothing herein shall be construed as limiting the Department's other available legal remedies against the Intended Licensee for violations of this Order or of any other

statutory or regulatory requirements, which may be sought in lieu of or in addition to the methods of relief listed above, or any other administrative and judicial relief provided by law.

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27. The Intended Licensee agrees that this Pre-Licensure Consent Order and the terms set forth herein are not subject to reconsideration, collateral attack or judicial review under any form or in any forum including any right to review under the Uniform Administrative Procedure Act, Chapter 368a of the Statutes, Regulations that exists at the time the Order is executed or may become available in the future, provided that this stipulation shall not deprive the Intended Licensee and its affiliate entities of any other rights that it may have under the laws of the State of Connecticut or of the United States.

28. Each of the hospitals acquired by Intended Licensee shall provide to the Department a plan of correction within forty-five (45) days of receiving a physical plant inspection report from the Department.

29. The Intended Licensee has consulted with its attorney prior to the execution of this Order.

WITNESS WHEREOF, the parties hereto have caused this Pre-Licensure Consent Order to be executed by their respective officers and officials. The undersigned signatories represent and warrant that they are authorized to execute this Pre-Licensure Consent Order on behalf of the party they represent.

By: _____
Ellen J. Shin, Secretary
Prospect Waterbury, Inc.
The Intended Licensee

On this 28th day of September, 2016, before me, personally appeared Ellen J. Shin who acknowledged herself to be the Secretary of the Intended Licensee and that she as Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing her name as Secretary.

My Commission Expires: July 2, 2020
(If Notary Public)

_____
Notary Public [ ]
Commissioner of the Superior Court [ ]

EUNICE JEEN LEE
COMM. # 2150110
NOTARY PUBLIC-CALIFORNIA
LOS ANGELES COUNTY
My Commission Expires
July 2, 2020

STATE OF CONNECTICUT,
DEPARTMENT OF PUBLIC HEALTH

By: _____
Barbara Cass, R.N.
Section Chief
Facility Licensing and Investigations Section

September 30, 2016

Exhibit A

FLIS' Independent Monitor Guidelines
For Intended Licensee Prospect Manchester Hospital

Relationship between Independent Monitor (IM) and DPH includes:

- An IM is utilized as a component of DPH's regulatory remedy process. An IM may be agreed upon as a part of a Consent Order between the institution and the Department when significant care and services issues are identified, or when, in connection with a change of ownership, an acquirer is new to the State and has experienced previous compliance issues in another state.
- The IM has a fiduciary or special relationship of trust, confidence and responsibility with the Department.
- The IM's responsibilities include:
  - Reporting to the Department regarding the Facility's compliance with federal and state law and regulation.
  - Monitoring the institution's plan of correction to rectify deficiencies and violations of federal/state laws and regulations. Reports to Department positive and negative issues related to said oversight.
  - Reporting in accordance with the Consent Agreement/Order to the Department of issues identified, plans to address noncompliance and remediation efforts of the institution.

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- The IM maintains a professional and objective relationship with the institutional staff. The IM is a consultant, not an employee of the institution. The IM exercises independent judgment and initiative to determine how to fully address and complete her/his responsibilities. The institution does not direct or supervise the IM but must cooperate with and respond to requests of the IM related to fulfilling her/his duties.
- The IM's responsibilities, consistent with the terms of the Consent Order, include:
  - Assessment of institution's compliance with recognized standards of practice federal/state laws and regulations.
  - Monitoring of care/services being provided.
  - Assists staff with plans of action to enhance care and services within the institution.
  - Reports in accordance with the Consent Order to the institution re: assessments, issues identified, and monitoring of plans of correction.

EXHIBIT B

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (the "Business Associate Agreement") is made and entered into as of November ___, 2016 (the "Effective Date"), by and among Prospect ECHN, Inc., a Connecticut corporation ('Prospect ECHN"), Prospect Waterbury, Inc., a Connecticut corporation ("Prospect Waterbury") (together, the "Covered Entities") and Colleen Smith, MSN, RN, NEA-BC ("Business Associate")

RECITALS:

WHEREAS, the Business Associate and Covered Entities have entered into and may enter into one or more agreements (the "Agreement(s)") under which the Business Associate performs or assists the Covered Entities with a function or activity involving the Use or Disclosure of Individually Identifiable Health Information;

WHEREAS, the Covered Entities and the Business Associate desire to comply with the requirements of regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

WHEREAS, the HIPAA Standards require that the Covered Entities obtain satisfactory assurances that the Business Associate will appropriately safeguard the Individually Identifiable Health Information Used or Disclosed by the Business Associate in the course of performing services pursuant to the Agreement(s).

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants herein contained, the parties agree as follows:

1. Definitions

a) HIPAA Rules shall mean the Privacy, Security, Breach Notification and Enforcement Rules at 45 C.F.R. Part 160 and Part 164.

b) The following terms Used in this business Associate Agreement shall have the same meaning as those terms defined in the HIPAA Standards: Business Associate, Covered Entity, Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

c) The Covered Entities and the Business Associate acknowledge and agree that capitalized terms Used, but not otherwise defined, herein are as defined in the HIPAA Standards;

2. **Obligations and Activities of Business Associate**

a) Business Associate shall not Use or further Disclose Protected Health Information other than as permitted or required by this Business Associate Agreement or as required by law.

b) Business Associate shall Use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic protected health information, to prevent Use or Disclosure of the Protected Health Information not provided for by this Business Associate Agreement.

c) Business Associate shall immediately report to Covered Entities any Use or Disclosure of Protected Health Information or individually identifiable information not provided for by this Business Associate Agreement, including without limitation any Breach of Protected Health Information or Unsecured Protected Health Information as required and any Security Incident of which the Business Associate becomes aware. Business Associate shall take any reasonable action necessary or requested by the Covered Entities to mitigate, to the extent practicable, any harmful effect that is known to Business Associate.

d) In the event of a Breach of Protected Health Information or Unsecured Protected Health Information, Business Associate's notice to Covered Entities of such Breach shall include, to the extent possible, the identification of each Individual whose Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, or disclosed. Business Associate shall also provide Covered Entities any other available information that the Covered Entities are required to include in the notification to the Individual, even if such information becomes available after notification to the Individual, or take any reasonable action necessary as requested by the Covered Entities to assist Covered Entities in complying with any applicable Breach notification requirements.

e) Business Associate shall ensure that any agent of the Business Associate, including a subcontractor that creates, maintains transmits, or receives Protected Health Information on behalf of Covered Entities agrees to the same restrictions, conditions and requirements that apply through to Business Associate with respect to such information.

f) If the Business Associate maintains Protected Health Information in a Designated Record Set, the Business Associate shall:

(i) provide access or make available to Covered Entities Protected Health Information in a Designated Record Set, to Covered Entities or to an Individual, per Covered Entities' direction in order to meet the requirements under 45 C.F.R. § 164.524; and

(ii) make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entities direct or agree to

pursuant to 45 C.F.R. § 164.526 at the request of Covered Entity or an Individual in the time and manner designated by Covered Entity, or take other measures as necessary to satisfy Covered Entities' obligations under 45 C.F.R. 164.526.

g) Business Associate shall maintain and make available to Covered Entity information pertaining to Disclosures of Protected Health Information by Business Associate to permit Covered Entity to respond to a request by an Individual for an accounting of Disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528. In the event that Business Associate receives a direct request from an Individual for an accounting of Disclosures of Protected Health Information made by Business Associate, Business Associate agrees to provide the Individual with such an accounting in accordance with 45 C.F.R. § 164.528.

h) To the extent Business Associate is to carry out one or more of Covered Entities' obligation(s) under Subpart E of 45 C.F.R. Part 164, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s); and

i) Business Associate shall make internal practices, books, and records relating to the Use and Disclosure of Protected Health Information received from, or created, maintained or received by Business Associate on behalf of Covered Entity available to the Covered Entity or the Secretary, in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entities' or Business Associate's compliance with the HIPAA Rules.

j) Business Associate shall implement and maintain safeguards as necessary to ensure that all Protected Health Information is Used or Disclosed only as authorized under the HIPAA Rules and this Business Associate Agreement. Business Associate agrees to assess potential risks and vulnerabilities to Protected Health Information in its possession and develop, implement and maintain the administrative, physical and technical safeguards required by the HIPAA Rules that protect the confidentiality, availability and integrity of the Protected Health Information that Business Associate creates, receives, maintains or transmits on behalf of the Covered Entity. These measures must be documented and kept current, and must include, at a minimum, those measures that fulfill the requirements outlined in the HIPAA Rules. Business Associate also agrees to implement policies and procedures that address Business Associate's compliance with applicable HIPAA Rules and its efforts to detect, prevent and mitigate the risks of identity theft resulting from the improper Use and/or Disclosure of an Individual's information.

k) In the event that Business Associate has knowledge of a Covered Entity's breach of the HIPAA Rules, Business Associate agrees to notify Covered Entity and take reasonable steps to cure such breach.

l) Business Associate acknowledges that if it violates any of the requirements provided under this Business Associate Agreement, Business Associate will be subject to the same civil and criminal penalties that a Covered Entity would be subject to if such Covered Entity violated the same requirements.

3. Permitted Uses and Disclosures by Business Associate

a) Business Associate may Use or Disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, a Covered Entity as specified in the Agreement(s), provided that such Use or Disclosure would not violate the HIPAA Rules if done by the Covered Entity.

b) Business Associate may Use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

c) Business Associate may Disclose Protected Health Information for the proper management and administration of the Business Associate, provided that Disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is Disclosed that it will remain confidential and will be Used or further Disclosed only as Required by Law or for the purpose for which it was initially Disclosed to the recipient, and the recipient notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

d) Except as otherwise permitted by the HIPAA Rules, when using or disclosing Protected Health Information or responding to a request for Protected Health Information, Business Associate must limit such Protected Health Information, to the extent practicable, to a Limited Data Set, or if more information than a Limited Data Set is required, Business Associate agrees to make Uses and Disclosures and requests for protected health information consistent with the Minimum Necessary to accomplish the intended purpose of such Use, Disclosure, or request.

e) Except as otherwise permitted by the HIPAA Rules, Business Associate agrees that it will not directly or indirectly receive remuneration in exchange for any Protected Health Information unless the Covered Entity has obtained from an Individual a valid authorization that includes a specification of whether the Protected Health Information can be further exchanged for remuneration by the entity receiving the Individual's Protected Health Information. When the Secretary issues the regulations that address the requirements of this Section and such regulations become effective, Business Associate shall comply with such regulations with respect to receiving remuneration in exchange for any Protected Health Information.

f) If an Individual requests that Business Associate restrict the Disclosure of the Individual's Protected Health Information to carry out treatment, payment, or health care operations, Business Associate agrees that it will comply with the requested restriction if, except as otherwise required by law, the Disclosure is to a health plan for purposes of carrying out payment or health care operations (and is not for purposes of carrying out treatment), and the Protected Health Information pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full.

g) Except as otherwise limited in this Business Associate Agreement, Business Associate may Use and Disclose Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by 42 C.F.R. § 164.504(e)(2)(i)(B).

4. Obligations of Covered Entities

a) Covered Entities shall provide Business Associate with the Notice of Privacy Practices that Covered Entities produce in accordance with 45 C.F.R. § 164.520, as well as provide any changes to such Notice and the Business Associate shall comply with such Notice of Privacy Practices.

b) Covered Entities shall provide Business Associate with any changes in, or revocation of, permission by Individual to Use or Disclose Protected Health Information, if such changes affect Business Associate's permitted or required Uses and Disclosures.

c) Covered Entities shall notify Business Associate of any restriction to the Use or Disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522.

d) Covered Entities shall not request Business Associate to Use or Disclose Protected Health Information in any manner that would not be permissible under the HIPAA Rules if done by Covered Entities.

5. Term and Termination

a) Term. The Term of this Business Associate Agreement shall be effective as of the Effective Date and shall terminate at to a Covered Entity when all of the Protected Health Information provided by the Covered Entity to Business Associate, or created, maintained, or received by Business Associate on behalf of the Covered Entity, is destroyed or returned to the Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section.

b) Termination for Cause. Upon a Covered Entity's knowledge of a material breach of this Business Associate Agreement by Business Associate, the Covered Entity shall provide an opportunity for Business Associate to cure

the breach or end the violation. The Covered Entity shall terminate the Business Associate Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity. The Covered Entity may immediately terminate the Business Associate Agreement if Business Associate has breached a material term of this Business Associate Agreement and cure is not possible, as determined by the Covered Entity in its reasonable discretion.

c) Effect of Termination.

(i) Except as provided in this subsection, upon termination of the Agreement(s) or this Business Associate Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entities, or created, maintained or received by Business Associate on behalf of Covered Entities that the Business Associate still maintains in any form. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(ii) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entities notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

(iii) The parties hereto understand and agree that the terms of this Business Associate Agreement are reasonable and necessary to protect the interests of the Covered Entities and the Business Associate. The parties further agree that the Covered Entities would suffer irreparable harm if the Business Associate breached this Business Associate Agreement. Thus, in addition to any other rights or remedies, all of which shall be deemed cumulative, the Covered Entities shall be entitled to obtain injunctive relief to enforce the terms of this Business Associate Agreement.

(iv) Survival. The obligations of Business Associate under this Section shall survive the termination of this Business Associate Agreement.

6. **Miscellaneous**

a) Interpretation. Any ambiguity in this Business Associate Agreement shall be interpreted in a manner that permits the parties to comply with the HIPAA Rules.

b) No Private Cause of Action. This Business Associate Agreement is not intended to and does not create a private cause of action by any individual, other than the parties to this Business Associate Agreement, as a result of any claim arising out of the breach of this Business Associate Agreement, the HIPAA Standards or other state or federal law or regulation relating to privacy or confidentiality.

c) Amendment. Any party shall have the right to amend this Business Associate Agreement by providing written notice to the other parties in order to bring it into compliance with any law or regulation enacted or promulgated regarding the protection of health information that is any way inconsistent with the terms of this Business Associate Agreement or interferes with the parties' obligations with respect to the protection of health information.

d) Application of State Law. Where any applicable provision of Connecticut State law relates to the privacy of health information and is not preempted by HIPAA, as determined by application of the HIPAA Rules, the parties shall comply with the applicable provisions of Connecticut State law.

e) Severability. If any provision of this Business Associate Agreement shall be declared invalid or illegal for any reason whatsoever, then notwithstanding such invalidity or illegality, the remaining terms and provisions of this Business Associate Agreement shall remain in full force and effect in the same manner as if the invalid or illegal provision had not been contained herein, and such invalid, unenforceable or illegal provision shall be valid, enforceable and legal to the maximum extent permitted by law.

f) Governing Law. This Business Associate Agreement shall be interpreted, construed and governed according to the laws of the State of Connecticut. The parties agree that venue shall lie in Federal and State courts in the State in which the Covered Entities maintain their principal places of business, without regard to conflicts of law principles, regarding any and all disputes arising from this Business Associate Agreement.

g) Notices. Any notice or other communication given pursuant to this Business Associate Agreement must be in writing and (i) delivered personally, (ii) delivered by overnight express, or (iii) sent by registered or certified mail, postage prepaid, to the addresses set forth below and shall be considered given upon delivery.

Chief Compliance and Privacy Officer
Prospect ECHN, Inc.

71 Haynes Street
Manchester, CT 06040

Chief Compliance Officer
Prospect Waterbury, Inc.
64 Robbins Street
Waterbury, CT 06708

With a copy to:

Prospect Medical Holdings, Inc.
3415 South Sepulveda Blvd., 9th Floor
Los Angeles, CA 90034
Attention: General Counsel

h) Indemnification. Without limitation to any indemnification obligation that Business Associate may have under the Agreement(s), Business Associate shall indemnify, hold harmless and defend Covered Entities from and against any and all claims, losses, liabilities, costs and other expenses resulting from, or relating to, the acts or omissions of Business Associate, its employees, agents, and subcontractors, in connection with any Use or Disclosure of Protected Health Information, Unsecured Protected Health Information, or an Individual's information not provided for by this Business Associate Agreement, including without limitation any Breach of Protected Health Information, Unsecured Protected Health Information, or an Individual's information or any expenses incurred by Covered Entitles in providing required breach notifications.

IN WITNESS WHEREOF, the parties hereto have executed this Business Associate Agreement as of the Effective Date.

BUSINESS ASSOCIATE

By:_____
Printed Name: Colleen Smith, MSN, RN, NEA-BC
Title:
Date:

COVERED ENTITY
PROSPECT ECHN, INC.

By:_____
Printed Name:
Title:
Date:

COVERED ENTITY
PROSPECT WATERBURY, INC.

By:_____
Printed Name:
Title:
Date:

Greer, Leslie

From: Roberts, Karen
Sent: Monday, November 28, 2016 4:00 PM
To: Greer, Leslie
Cc: Cotto, Carmen
Subject: FW: Schedule conference call

From: Olejarz, Barbara
Sent: Thursday, November 17, 2016 10:45 AM
To: Jennifer O'Donnell
Cc: Martone, Kim; Cotto, Carmen; Roberts, Karen
Subject: RE: Schedule conference call

Hi Jennifer,

From OHCA there will be Kim Martone, Karen Roberts and Carmen Cotto. It's okay with OHCA that only Michele call in unless there is someone else that Michele would like to have participate in the conference call. The call in number is Kim's office number at 860- 418-7029. I am sending out a calendar request.

Barbara K. Olejarz
Administrative Assistant to Kimberly Martone
Office of Health Care Access
Department of Public Health
Phone: (860) 418-7005
Email: Barbara.Olejarz@ct.gov

From: Jennifer O'Donnell [mailto:jlo@bvmlaw.com]
Sent: Thursday, November 17, 2016 10:34 AM
To: Olejarz, Barbara <Barbara.Olejarz@ct.gov>
Cc: Cotto, Carmen <Carmen.Cotto@ct.gov>; Roberts, Karen <Karen.Roberts@ct.gov>; Martone, Kim <Kimberly.Martone@ct.gov>; Michele Volpe <mmv@bvmlaw.com>
Subject: RE: Schedule conference call

Yes, Michele is available and can participate on the call. Is there anyone else that you need to participate on the call?

Jennifer L. O'Donnell
Paralegal
Bershtein, Volpe & McKeon P.C.
105 Court Street, 3rd Floor
New Haven, Connecticut 06511-6957
Telephone: (203) 777-5800 (ext. 104)
Direct Line: (203) 777-5804
Facsimile: (203) 777-5806

Greer, Leslie

From: Roberts, Karen
Sent: Tuesday, November 29, 2016 11:36 AM
To: Greer, Leslie
Cc: Cotto, Carmen
Subject: FW: Prospect Medical Holdings

Please add to the two Prospect CONs (ECHN and Waterbury). Karen

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E: karen.roberts@ct.gov

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From: Cass, Barbara
Sent: Monday, November 28, 2016 1:17 PM
To: Martone, Kim
Cc: Roberts, Karen; Newton, Susan; Ortelle, Donna; Furniss, Wendy
Subject: Prospect Medical Holdings

Dear Kim:

The Facility Licensing and Investigations Section has met with Colleen Smith, M.S.N., R.N., NEA-BC and has approved her as capable of serving in the capacity of the IM, if the Office of Health Care Access is also in agreement as it relates to the Prospect Medical Holdings acquisition in Connecticut. She has extensive experience in the overall management of hospitals and specific experiences as the chief nursing officer of a magnet hospital.

Best,

Barbara

Barbara S. Cass, R.N.
Section Chief
Facility Licensing and Investigations Section
State of Connecticut, Department of Public Health
410 Capitol Avenue
Hartford, CT 06134
Telephone: 860-509-7609

Greer, Leslie

From: Mcconville, Dennis P <dmcconville@echn.org>
Sent: Wednesday, November 30, 2016 3:00 PM
To: User, OHCA
Cc: Martone, Kim; Ellen J. Shin (ellen.shin@prospectmedical.com); Joyce A. Tichy Esq. (joyce.tichy@gmail.com) (joyce.tichy@gmail.com); Michele Volpe; Collins, Michael; Jonathan.Spees; Garrison DeLee (garrison.delee@prospectmedical.com); Frank.Saidara; Basile, Mary C
Subject: 15-32016-486-CON
Attachments: Letter to Janet Brancifort, OHCA re DN 15-32016-486-CON 11 30 16_.pdf

The attached letter is submitted as required for conditions 8, 9 and 10 contained in the Final Decision for Docket Number: 15-32016-486-CON, the Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings.

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
dmcconville@echn.org

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

November 30, 2016

VIA EMAIL DELIVERY

Deputy Commissioner Janet M. Brancifort, MPH, RRT
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134

Re: **Docket Number: 15-32016-486**

Project Title: **Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.**

Dear Ms. Brancifort:

This letter is submitted in accordance with the Order for the above referenced Certificate of Need Final Decision, specifically Condition Number Eight (8), Condition Number Nine (9) and Condition Number Ten (10) regarding the transfer of assets of Eastern Connecticut Health Network, Inc. (ECHN) to Prospect Medical Holdings, Inc. (PMH). Please note that the transaction closed on October 1, 2016 ("Closing Date").

Condition Number Eight (8) requires that starting on November 30, 2016, for the reporting period of April 1, 2016 through September 30, 2016 that PMH provide a report on the capital investments ("Capital Investment Report") it has made in the New MMH, New RGH and their affiliates from the $75 million Commitment Amount. The Capital Investment Report shall include the following in a format to be agreed upon:

a. A list of the capital expenditures that have been made in the prior one hundred and eighty days (180) days with descriptions of each associated project; and

b. An explanation of why each expenditure was made and a timeframe for the roll out of the associated capital project (including estimated beginning, ending, and startup/operation dates); and

c. The dates and amounts of withdrawals from each of the New Hospitals' operating account and/or any other sources of funding used to fulfill the Capital Commitment.

Condition Number Nine (9) requires that by November 30, 2016, for the reporting period of April 1, 2016 through September 30, 2016 that PMH provide a report for New ECHN, New MMH and New RGH with the following information:

a. The cost saving totals achieved in the following Operating Expense Categories for New ECHN, New MMH and New RGH: Salaries and Wages, Fringe Benefits, Contractual Labor Fees, Medical Supplies and Pharmaceutical Costs, Depreciation and Amortization, Interest Expense, Malpractice Expense, Utilities, Business Expenses, and other Operating Expenses. The categories shall be consistent with the major operating expense categories (Categories A, B, C, D, E, G, H, I, J, and K) which are in use at the time of reporting in the OHCA Hospital Reporting System ("HRIS") Report 175 or successor report. The semi-annual submission shall also contain narratives describing:

    1. The major cost savings achieved for each expense category for the semi-annual period; and

    2. The effect of cost savings on the clinical quality of care.

b. A Consolidated Balance Sheet, Statements of Operations, and Statements of Cash Flows for New ECHN, New MMH and New RGH. The format shall be consistent with that which is in use at the time of reporting in OHCA's HRS Reports 100/150, 300/350 or successor reports.

Condition Number Ten (10) requires that by November 30, 2016, for the reporting period of April 1, 2016 through September 30, 2016 that PMH provide a report for New ECHN, New MMH and New RGH with the following financial measurements/indicators:

Financial Measurement/Indicators

A. Operating Performance

1. Operating Margin
2. Non-Operating Margin
3. Total Margin

B. Liquidity

1. Current Ratio
2. Days Cash on Hand
3. Days in Net Accounts Receivables
4. Average Payment Period

C. Leverage and Capital Structure

1. Long-term Debt to Equity
2. Long-term Debt to Capitalization
3. Unrestricted Cash to Debt

4. Times Interest Earned Ratio
5. Debt Service Coverage Ratio
6. Equity Financing Ratio

D. <u>Additional Statistics</u>

1. Income from Operations
2. Revenue Over/(Under) Expense
3. Cash from Operations
4. Cash and Cash Equivalents
5. Net Working Capital
6. Free Cash Flow (and the elements used in the calculation)
7. Unrestricted Assets/Retained Earnings
8. Bad Debt as % of Gross Revenue
9. Credit Ratings (S&P, FITCH, or Moody's)

As the reporting periods for the above Conditions are for a period prior to the Closing Date, there is no relevant data to report at this time. Prospect Medical Holdings did not acquire ECHN until October 1, 2016 and was therefore not in a position to make capital investments in the hospitals or demonstrate cost savings. A filing will be made on or before May 31, 2017 with the required information for capital investments made, costs saving achieved and financial measurements requested for the period beginning on October 1, 2016 through March 31, 2017.

If you have any questions or need anything further, please feel free to contact me at (860) 533-3429.

Very truly yours,

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network

cc: Kimberly Martone, Director of Operations, Department of Public Health Division of Office of Health Care Access
Ellen J. Shin, General Counsel, Prospect Medical Holdings, Inc.
Joyce A. Tichy, Senior Vice President and General Counsel, ECHN
Michele M. Volpe, Bershtein, Volpe & McKeon, P.C.
Michael Collins, Interim CEO, ECHN
Jonathan Spees, Senior Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Garrison De Lee, Assistant General Counsel, Prospect Medical Holdings, Inc.

User, OHCA

From: Colleen Smith <colleen713.smith@gmail.com>
Sent: Friday, December 09, 2016 9:49 AM
To: User, OHCA
Cc: Colleen Smith
Subject: ECHN Docket# 15-32016-486-CON
Attachments: Nursing Consulting Partners ECHN workplanFinal. MM 12.6.docx

To Whom It May Concern,
Please find the attached Independent Monitor Work Plan for the ECHN Final Decision.
Thank you.
Colleen Smith
Independent Monitor

NURSING CONSULTING PARTNERS
Sustainable Results for Healthcare Solutions

PROSPECT ECHN, INC. WORK PLAN

INDEDEPENDENT MONITORING PROCEDURES (per Docket Number 15-32016-486)

OHCA Condition	IM Action
CON Condition 4: Within one hundred and eighty (180) days following the Closing Date, PMH shall submit a plan (the "Health Needs Plan") for continuing to support and implement ECHN's 2016 Community Health Needs Assessment ("CHNA") and for conducting the New Hospitals' next comprehensive study of community health needs in the Service Area (the "Community Health Needs Study" or "Study"). The Health Needs Plan shall describe in detail at least the following: (i) the data that will be collected and analyzed to systematically assess health status Indicators of the Service Area; (ii) the identity of key community stakeholders and health organizations, unaffiliated with PMH, including without limitation, representatives of medically underserved populations, that will be enlisted to participate in the Study and the manner and extent of such participation by stakeholders in both the development of health priorities and planned implementation; (iii) the qualifications of consultants experienced in performing community health needs assessments who will be retained by PMH to ensure that the priority health needs of the community are accurately determined; (iv) the frequency with which the Study will be repeated; (v) the manner in which results of the Study and the implementation strategy to address the priority health needs identified therein (the "Implementation Strategy") will be distributed to the community; and (vi) the manner in which the Study will complement the population health management objectives of PMH and the New Hospitals.	IM will obtain a copy of the Plan, verify timely submission, verify that it incorporated the required elements.
CON Condition 5: Within three (3) years following the Closing Date, PMH shall participate with New ECHN and the New Hospitals, and the key community stakeholders and health organizations identified pursuant to Condition 4, in conducting a Community Health Needs Study and shall provide a copy of such Study and its Implementation Strategy to OHCA within thirty (30) days of completion. PMH and the participants shall utilize Healthy Connecticut State Health Improvement Plan data and priorities as the starting point for the Study (available at -	IM will obtain a copy of the Study, verify timely submission, verify that it incorporated the required elements and was published on the website.

http://www.ct.gov/dph/lib/dph/state_health_planning/ship/hct2020/hct2020_state_hlth_impv_032514.pdf) as well as any applicable community health improvement plan issued by any local health department in the Service Area.[1] The Implementation Strategy shall also adopt the evidence-based interventions identified in the Centers for Disease Control 6/18 initiative (available at http://www.cdc.gov/sixeighteen) to the extent the health priorities identified in the Study correlate to the health conditions identified by the CDC and provide information on how any patient outcomes related to the Implementation Strategy will be measured and reported to the community. PMH shall publish the Community Health Needs Study and the Implementation Strategy on the website of New MMH and New RGH. Until such time as the Community Health Needs Study and Implementation Strategy are submitted to OHCA, PMH shall continue to support and implement ECHN's current CHNA for MMH and RGH. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a) 19a-613(b), 19a-639(a)(3) & (7); FF 56-57*	
CON Condition 6: Within one hundred and eighty (180) days following the Closing Date, PMH shall submit a plan demonstrating how health care services will be provided by the New Hospital for the first three years following the Asset Purchase, including any consolidation, reduction, or elimination of existing services or introduction of new services (the "Services Plan"). The Services Plan will be provided in a format mutually agreed upon by OHCA and the Applicants. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Conn. Stat. §§ 19a-486(a), 19a-613(b), 19a-639(a)(5),(6) (7),(8),(9),(11) & (12); FF 18, 26-27*	IM will obtain a copy of the Plan and verify it incorporated the required elements.
CON Condition 7: Until such time as the Services Plan is submitted, PMH shall provide OHCA with notice of any reallocation of inpatient beds and relocation of outpatient services for the New NMH or New RGH specific to those services that existed at each of the Hospitals as of the Decision Date. Such notice shall be provided within ten (10) days of any such reallocation or relocation and published on the website pages of the New Hospitals. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486(a), 19a-613(b), 19a-639(a)(5),(6) (7),(8),(9),(11) & (12); FF 18, 26-27*	IM will verify proper notification to OHCA within 10 days of any plan to reallocate inpatient beds and relocation of outpatient services. IM will assure timely publication on New Hospitals website within 10 days of decision to reallocate or relocate services.

[1] Other tools and resources which the Applicants are encouraged to consider include County Health Rankings and CDC Community Health Improvement Navigator in order to assist with the Study process in terms of an understanding of social, behavioral, and environmental conditions that affect health, identifying priorities, and the use of evidence-based interventions.

CON Condition 8: Within one hundred and eighty (180) days following the Closing Date and thereafter on the same semi-annual schedule as set forth in Conditions 9 and 10 below until the capital commitment is satisfied, PMH shall submit to OHCA a report on the capital investments ("Capital Investment Report") it has made in the New MMH, New RGH and its affiliates from the $75 million Commitment Amount. The Capital Investment Report shall include the following in a format to be agreed upon: a. A list of the capital expenditures that have been made in the prior one hundred and eighty (180) days with descriptions of each associated project; and b. An explanation of why each expenditure was made and a timeframe for the roll out of the associated capital project (including estimated beginning, ending and startup/operation dates); and c. The dates and amounts of withdrawals from each of the New Hospitals' operating account and/or any other sources of funding used to fulfill the Capital Commitment. The reports shall be signed by PMH ECHN's Chief Financial Officer. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify the continued financial feasibility of the project. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(3),(4) & (5); FF 38-45*	IM will obtain the Plan, read the plan and verify that expenditures/investments made are in accordance with the Plan. IM will confirm timely submissions of all required reports.
CON Condition 9: For three (3) years following the Closing Date, PMH shall file the following information with OHCA on a semi-annual basis for ECHN, New MMH and New RGH, respectively: a. The cost saving totals achieved in the following Operating Expense Categories for New ECHN, New MMH and New RGH: Salaries and Wages, Fringe Benefits, Contractual Labor Fees, Medical Supplies and Pharmaceutical Costs, Depreciation and Amortization, Interest Expense, Malpractice Expense, Utilities, Business Expenses and Other Operating Expenses. The categories shall be consistent with the major	IM will review the PMH filings regarding cost savings achieved in accordance with a. 1-2 and b. of Condition 9.

operating expense categories (Categories A, B, C, D, E, G, H, I, J, and K) which are in use at the time of reporting in the OHCA Hospital Reporting System ("HRS") Report 175 or successor report. The semi-annual submission shall also contain narratives describing: 1. the major cost savings achieved for each expense category for the semi-annual period; and 2. the effect of these cost savings on the clinical quality of care. b. A consolidated Balance Sheet, Statement of Operations, and Statement of Cash Flows for New ECHN, New MMH and New RGH. The format shall be consistent with that which is in use at the time of reporting in OHCA's HRS Reports 100/150, 300/350 or successor reports. For purposes of this Order, semi-annual periods are October 1-March 31 and April 1 – September 30. The required information is due no later than two (2) months after the end of each semi-annual period. Due dates are May 31st and November 30th, beginning November 30, 2016. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify the continued financial feasibility of the project. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(4) & (5); FF 51, 60-63*	
CON Condition 10: For three (3) years following the Closing Date, PMH shall submit to OHCA a financial measurement report. This report shall be submitted on a semi-annual basis and show current month and year-to-date data and comparable prior year period data for New ECHN, New MMH, and New RGH, respectively. The required information is due no later than two (2) months after the end of each semi-annual period. Due dates are May 31st and November 30th, beginning November 30, 2016. The following financial measurements/indicators should be addressed in the report: (i) **Operating performance** to include operating margin, non-operating margin, and total margin; (ii) **Liquidity** to include current ratio, days cash on hand, days in net accounts receivables, and average payment period; (iii) **Leverage and capital structure** to include long-term debt to equity, long-term debt to capitalization, unrestricted cash to debt, times interest earned ratio, debt service coverage ratio, and equity financing ratio; and (iv) **Additional Statistics** to include income from operations, revenue over (under) expense, cash from operation, cash and cash equivalents, net working capital, free cash flow (and	IM will obtain the financial measurement report and read to confirm that the required elements are addressed in the report; IM will confirm the timely submission of each report.

the elements used in the calculation), unrestricted net assets/retained earnings, bad debt as a percentage of gross revenue, and credit ratings.	
CON Condition 11: PMH shall ensure that the New MMH and New RGH maintains and adheres to ECHN's current policies regarding charity care, indigent care and community volunteer services at New MMH and New RGH after the Closing Date all as consistent with state and federal law or adopt other policies that are at least as generous and benevolent to the community as ECHN's current policies. These policies shall be posted on the website of the New MMH and New RGH and as additionally required by applicable law. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); FF 52-55, 59*	IM will obtain copies of the relevant financial assistance policies, read and confirm that as adopted financial assistance policies (or policies at least as generous as these policies) using management approval of the policies as evidence. After verifying that this step has been properly completed, IM will confirm that these policies are properly posted on website
CON Condition 12: For three (3) years following the Closing Date, PMH shall provide written notice to OHCA of any modification, amendment or revision to the charity care, indigent care and community volunteer services of New MMH and New RGH within thirty (30) days of such change. The notice of these changes shall be accompanied by copies of any revised policies and the notice and revised policies shall be posted on the website of the New Hospital simultaneously with their submission to OHCA. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); FF 52-55, 59*	After obtaining original policies on charity care, indigent care, and community volunteer services, IM will read and assess these policies on an annual basis for changes. When changes are made to these policies, IM will confirm OHCA is notified (as required) and revised policies are posted to the website.
CON Condition 13: PMH shall maintain community benefit programs and community building activities for the New MMH and New RGH for three (3) years after the Closing Date consistent with the Hospital's most recent Schedule H of IRS Form 990 or shall provide such other community benefit programs and community building activities that are at least as generous and benevolent to the community as ECHN's current programs, and PMH shall apply a 1% increase per year for the next three (3) years toward community building activities in terms of dollars spent. In determining the New MMH and New RGH participation in and investment in both community benefits and community building activities, PMH shall address the health needs identified by the applicable CHNA or Study in effect at the time and the population health management objectives, including social determinants of health, contained in the related Implementation Strategy. a. On an annual basis, the Applicants shall identify the amounts and uses related to community benefits and community	IM will obtain most recent Schedule H of IRS Form 990 to act as a baseline. IM will then compare on an annual basis the results of that year to the baseline in order to verify that the 1 percent increase requirement has been met. IM will also obtain the report/summary on the amounts and uses related to community benefits and community building per the categories identified in the CHNA. IM will confirm that these documents are filed in a timely manner and posted to the website.

building and shall discuss how such investments and support are being applied toward the health needs identified in the CHNA or Study and population health management objectives. Such reporting shall be filed within thirty days of the anniversary date of the closing for three years and shall be posted on the New Hospital's website. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); FF 52-55, 59*	
CON Condition 14: New MMH and New RGH agree to comply with the following general community benefit standards for at least the first three years. (a) the New Hospitals shall provide public health programs to the community and generally promote the welfare of the community; (b) the New Hospitals shall have open medical staffs and not restrict the use of facilities to a particular group of physicians and surgeons to the exclusions of other qualified doctors; (c) the New Hospital shall participate in the Medicare and Medicaid programs; and (d) the New Hospitals shall operate 24/7 emergency departments and provide emergency services to patients regardless of their ability to pay. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); Tr., Testimony of Tom Reardon, President. PMH East on 5/3/16, pp. 103-04*	IM will verify the New Hospitals' compliance with community benefit standards a through d as stated in Condition 14.
CON Condition 15: New MMH and New RGH shall work toward making culturally and linguistically appropriate services available and integrated throughout their hospital operations. Specifically, New MMH and new RGH shall take reasonable steps to provide meaningful access to each individual with limited English proficiency eligible to be served or likely to be encountered in its health programs and activities, in accordance with the implementing regulations of Section 1557 of the Patient Protection and Affordable Care Act. Additionally, New MMH and New RGH shall provide appropriate insurance navigator services for patients and, where appropriate, English as a second language and cultural competency training for employees. In complying with this Condition, New MMH and New RGH shall be guided by the National Standards for Culturally and Linguistically Appropriate Services in Health and Health Care published by the U.S. Department of Health and Human Services' Office of Minority Health. For three (3) years following the Closing Date, PMH shall submit a written report on its activities directed at meeting this Condition. Such reporting shall be filed within thirty days of the anniversary date of the closing for three years and shall be posted	IM will obtain and review interpreter services policies and contracts as applicable. Additionally, IM will obtain a cultural competency plan, training, as well as related policies. IM will also obtain report and supporting documents and confirm the timely filing of these materials

on the applicable Hospital website. OHCA is imposing this condition so as to ensure continued access to health care services to the patient population. *Legal and Factual Basis: 45 C.F.R. §92.201; Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); FF 52-55, 59*	
CON Condition 16: Within sixty (60) days after the Closing Date, the Applicants shall contract with an Independent Monitor who has experience in hospital administration and regulation, including maintaining quality control in a High Reliability Organization ("HRO"). The Independent Monitor shall be retained at the sole expense of PMH, at a cost which shall not exceed $300,000 in the aggregate. Representatives of OHCA and the Facility Licensing and Investigations ("FLIS") section of the Department of Public Health ("DPH") will approve the Independent Monitor's appointment. The Independent Monitor shall be engaged for a minimum period of two (2) years following the Closing Date, which may be extended for another year at OHCA's and/or FLIS's discretion. The Independent Monitor will be responsible for monitoring the Applicants' compliance with the Conditions set forth in this Order. PMH shall provide the Independent Monitor with appropriate access to New Hospitals and their applicable records in order to enable the Independent Monitor to fulfill its functions hereunder. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify and monitor compliance with the conditions set forth herein. *Legal and Factual Basis: Conn. Gen. §§ Stat. 19a-486(a), 19a-613(b), 19a-639(a)(1),(2),(4),(5),(6),(7),(11) & (12); FF 26-27, 30-45, 52-57, 59*	IM and PMH will execute a Consulting Services Agreement by the required date. A draft of this Agreement has been provided to OHCA.
CON Condition 17: The Independent Monitor will report to both OHCA and FLIS. The Independent Monitor shall conduct on-site visits of New Hospitals on no less than a semi-annual basis to assess PMH's modified Quality Assurance Performance Improvement ("QAPI") program, and compliance with the Quality Commitment Letter. The Independent Monitor shall furnish a written report of his or her assessment to OHCA and FLIS within thirty (30) days of the completion of each on-site review. PMH will have the opportunity to review and provide written responses to the report. As OHCA deems necessary, the Independent Monitor shall meet with OHCA and FLIS personnel to discuss the written report and will perform additional periodic reviews and reviews of other PMH affiliated sites of service. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify and monitor compliance with the conditions set forth herein. *Legal and Factual Basis: Conn. Gen. §§ Stat. 19a-486(a), 19a-613(b), 19a-639(a)(1),(2),(4),(5),(6),(7),(11) & (12); FF 26-27, 30-45, 52-57, 59*	IM will plan, at a minimum, two site visits per year. The site visits will include meetings with Administration/Leadership. IM will verify compliance with the quality Assurance commitment Letter. IM will provide a written report to OHCA, and FLIS that summarizes the activities from the prior six month period along with any recommendations or observations

CON Condition 18: If, at any time within three (3) years following the Closing Date, the New Hospitals' Local Board agrees with PMH to change any of the Seller Quality Programs described in the Quality Commitment Letter other than to make any changes necessary to address (i) an immediate issue of patient safety; (ii) changes in federal, state, and local laws; or (iii) as mandated or recommended in guidance by a governmental agency, PMH shall notify OHCA and FLIS in writing within thirty (30) days of any such change going into effect. If the Independent Monitor disagrees with the change, OHCA may require that a request for modification be submitted and approved as required by C.G.S. §4-18la to make the change. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify and monitor compliance with the conditions set forth herein. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(1),(2),(5) & (6); FF 30-37*	IM will verify that PMH notifies OHCA and the Health Systems Branch in writing within 30 days of any change in the Seller Quality Programs with the exceptions i through iii as stated in condition 18.
CON Condition 19: For three (3) years following the Closing Date, PMH shall hold a joint meeting of the Board of each of new MMH and New RGH and the Local Board of new MMH and New RGH ("Joint Board Meetings") at least twice annually with one occurring in Manchester and the other occurring in Vernon. Such Joint Board Meetings shall be followed by a meeting to which the public is invited in advance and at which the public is informed of the New Hospital's activities and afforded an opportunity to ask questions and make comments. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(2),(3),(5),(7),(8),(11) & (12); FF 28-30*	IM will assure that Joint Board Meetings occur twice annually followed by public meetings as required in Condition 19.
CON Condition 20: For three (3) years following the Closing Date, PMH shall allow for two (2) community representatives to serve as a voting member of the New MMH and New RGH Local Board with rights and obligations consistent with other voting members under the Local Board Bylaws. The community representative shall be selected in consultation with the Mayor of Manchester and Vernon in order to ensure the appointment of an unbiased person who will fairly represent the interests of the communities served by the MMH and RGJ. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(2),(3),(5),(7),(8),(11) & (12); FF 28-30*	IM will verify the New MMH and New RGH include 2 community representatives that are voting members of the local boards.
CON Condition 21: PMH, New ECHN, New MMH and New RGH shall abide by all requirements of licensure that may be imposed by FLIS in any Pre-Licensing Consent Order or similar agreement that FLIS may enter with these parties. OHCA is imposing this condition to ensure that quality health care services	IM will verify that all requirements of licensure are met.

are provided to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-490, 19a-493, 19a-639(a)(1),(2),(5) & (6); FF 30-37*	

Greer, Leslie

From: Mcconville, Dennis P <dmcconville@echn.org>
Sent: Thursday, January 12, 2017 4:13 PM
To: User, OHCA
Cc: Martone, Kim; Collen O'Brien Smith; Ellen J. Shin (ellen.shin@prospectmedical.com); Joyce A. Tichy Esq. (joyce.tichy@gmail.com) (joyce.tichy@gmail.com); Collins, Michael; Jonathan.Spees; Garrison DeLee (garrison.delee@prospectmedical.com); Frank.Saidara; Basile, Mary C
Subject: 15-32016-486-CON
Attachments: DN 15-32016-486 Condition 7 - Outpatient Blood Draw 01 12 17.pdf

The attached letter is submitted as required for condition number 7 contained in the Final Decision for Docket Number: 15-32016-486-CON, the Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings.

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
dmcconville@echn.org

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ECHN℠
Eastern Connecticut Health Network

71 Haynes Street | Manchester, CT 06040
860.533.3414 | **echn.org**

January 12, 2017

Deputy Commissioner Janet M. Brancifort, MPH, RRT
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134

Via Email

Re: Docket Number: 15-32016-486

Project Title: Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.

Dear Ms. Brancifort:

This letter is submitted in accordance with the Order for the above referenced Certificate of Need Final Decision, specifically Condition Number Seven (7) regarding the transfer of assets of Eastern Connecticut Health Network, Inc. (ECHN) to Prospect Medical Holdings, Inc. (PMH).

Condition Number Seven (7) requires that "Until such time as the Services Plan is submitted, PMH shall provide OHCA with notice of any reallocation of inpatient beds and relocation of outpatient services for the New MMH or New RGH specific to those services that existed at each of the Hospitals as of the Decision Date. Such notice shall be provided within ten (10) days of any such reallocation or relocation and published on the website pages of the New Hospitals."

Prior to January 3, 2016 ECHN has operated two blood draw stations on Tamarack Avenue in South Windsor, one at 2800 Tamarack Avenue and the other at 2400 Tamarack Avenue. These two buildings are approximately 500 yards from each other in the same medical office complex and share a common drive.

As of January 3, 2017, the 2800 Tamarack Avenue blood draw station is being relocated to the one at 2400 Tamarack Avenue. The hours of operation have been expanded to accommodate the additional volume. The new hours are Monday through Friday, 7:00 AM to 12:30 PM and 1:30 PM to 4:00 PM and Saturday, 8:00 AM to 12:00 PM. There will be no reduction in workforce and no change in operations or services. There is no anticipated change in patient population or payor mix.

Per the Order, this information and the new hours of operation will be published on the ECHN website at www.echn.org.

If you have any questions or need anything further, please feel free to contact me at (860) 533-3429.

Very truly yours,

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network

cc: Kimberly Martone, Director of Operations, Department of Public Health Division of Office of Health Care Access
Colleen Smith, Nursing Consulting Partners, LLC
Ellen J. Shin, General Counsel, Prospect Medical Holdings, Inc.
Joyce A. Tichy, Senior Vice President and General Counsel, ECHN
Michael Collins, Interim CEO, ECHN
Jonathan Spees, Senior Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Garrison De Lee, Assistant General Counsel, Prospect Medical Holdings, Inc.

Olejarz, Barbara

From: Olejarz, Barbara
Sent: Wednesday, February 15, 2017 2:09 PM
To: Michael Collins
Subject: Compliance with Stipulation #20

Tracking:

Recipient	Delivery
Michael Collins	
Stan, Christopher	Delivered: 2/15/2017 2:09 PM
Martone, Kim	Delivered: 2/15/2017 2:09 PM
Roberts, Karen	
Karen.Roberts@ct.gov	Delivered: 2/15/2017 2:09 PM

2/15/17

Mr. Michael Collins
Interim Chief Executive Officer
Prospect ECHN, Inc.

Re: Compliance with Stipulation #20 of Certificate of Need under Docket #15-32016-486

Dear Mr. Collins:

It has been brought to the attention of the Office of Health Care Access (OHCA) that the Prospect ECHN Advisory Board (Local Board) may not have two community representatives which have been selected in consultation with the Mayors of Manchester and Vernon in order to "*ensure the appointment of two unbiased persons who will fairly represent the interests of the communities served by MMH and RGH, respectively.*" Please refer to the full wording of both Stipulations #19 and #20, below:

19 For three (3) years following the Closing Date, PMH shall hold a joint meeting of the Board of Directors of each of New MMH and New RGH and the Local Board of New MMH and New RGH ("Joint Board Meetings") at least twice annually with one occurring in Manchester and the other occurring in Vernon. Such Joint Board Meetings shall be followed by a meeting to which the public is invited in advance and at which the public is informed of the New Hospitals' activities and afforded an opportunity to ask questions and make comments. OHCA is imposing this Condition to ensure continued access to health care services for the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(2),(3),(5),(7),(8),(11) & (12); FF 28-30*

20 For three (3) years following the Closing Date, PMH shall allow for two (2) community representatives to serve as voting members of the New MMH and New RGH Local Board with rights and obligations consistent with other voting members under the Local Board Bylaws. The community representatives shall be selected in consultation with the Mayors of Manchester and Vernon in order to ensure the appointment of two unbiased persons who will fairly represent the interests of the communities served by MMH and RGH, respectively. OHCA is imposing this Condition to ensure continued access to

health care services for the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(2),(3),(5),(7),(8),(11) & (12); FF 28-30*

OHCA requires an immediate update on the status of this Local Board, its structure and representation. Please provide a response to the questions below regarding this matter in order for OHCA to determine whether a compliance issue exists related to Stipulations #19 and #20.

1. Has the Local Board been selected and what was the selection process?
2. List the names and related information for each member of the Local Board.
3. What members are the two community representatives and how were they chosen?
4. Fully explain how the Mayors of Manchester and Vernon were consulted in the selection of these two community representatives.
5. Have any joint Board meetings been held as yet, per Stipulation #19? Have any Local Board meetings occurred at all since the transfer of ownership. If so, please submit the related meeting minutes.
6. If Prospect ECHN has rejected any candidates to be the community representatives, identify such candidates and explain why they were not selected.

Please provide a response to the above by end of day, Friday, February 17, 2017.

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
Phone: 860-418-7029 Fax: 860-418-7053
Email: Kimberly.Martone@ct.gov Website: www.ct.gov/ohca



Olejarz, Barbara

From: Microsoft Outlook
To: Michael Collins
Sent: Wednesday, February 15, 2017 2:09 PM
Subject: Relayed: Compliance with Stipulation #20

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

Michael Collins (mcollins@echn.org)

Subject: Compliance with Stipulation #20

Olejarz, Barbara

From: Macdonald, Barbara R <bjolly@echn.org>
Sent: Friday, February 17, 2017 4:17 PM
To: Martone, Kim
Cc: Olejarz, Barbara
Subject: Prospect ECHN, Inc. - Compliance with Stipulation #20 Response
Attachments: OHCA DPH Martone Kimberly 2-17-2017.pdf

Dear. Ms. Martone:

On behalf of Michael Collins, Interim CEO of Prospect ECHN, Inc. I am attaching the response letter to your Compliance with Stipulation #20 request of February 15, 2016. A hard copy of the letter will follow via U.S. Mail.

Regards,

Barbara Macdonald
Executive Secretary
Eastern Connecticut Health Network
bmacdonald@echn.org
860-647-4720

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Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

VIA ELECTRONIC MAIL AND REGULAR MAIL

February 17, 2017

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134

Re: Compliance with Stipulation #20

Dear Ms. Martone:

I am in receipt of your email communication dated February 15, 2017 in which you requested certain information relating to Stipulation #20 of the Certificate of Need listed under Docket #15-32016-486. Below are the responses of Prospect ECHN to the questions set forth in that email.

1. **Has the Local Board been selected and what was the selection process?**

   Yes, the Local Board has been selected. The members of the Local Board were selected by Prospect ECHN in accordance with the requirements the Asset Purchase Agreement dated August 24, 2016 between ECHN as Seller and Prospect Medical Holdings as Buyer, which states as follows:

   > Local Board means the advisory board of each Hospital composed of community representatives, physicians on the respective Hospital's medical staff, and the Chief Executive Officer of each respective Hospital (for avoidance of doubt, each Hospital shall have its own Local Board). The initial members of the Local Board shall include at least five members of the Seller's Board of Trustees immediately prior to Closing and five other individuals identified by the Seller prior to Closing, two of whom shall be members of the community appointed in consultation with the mayor of the town in which the respective Hospital is located.

   Please note that the two Hospital Boards meet contemporaneously and have the same members, in recognition of the fact that Manchester Memorial Hospital and Rockville General Hospital function as an integrated system within Prospect ECHN.

Kimberly R. Martone
Office of Health Care Access
February 17, 2017

2. List the names and related information for each member of the Local Board.

The names and roles of the individuals on the Local Board are:

Name	Role
M. Maher Suede, MD	Medical Staff President, Former Seller Trustee
M. Saud Anwar, MD	Medical Staff Member
Michael Collins	Interim Chief Executive Officer
Mary Roche-Cronin	Community Member Recommended by Manchester Mayor
Molly C. Devanney	Community Member
Joy W. Dorin	Community Member, Former Seller Trustee
Eric L. Kloter	Community Member, Former Seller Trustee
Pamela Lewis, MD	Former Seller Trustee, Medical Staff Member
Saqib Naseer, MD	Medical Staff Vice-President (incoming President-designate)
Dennis G. O'Neill, MD	Medical Staff Member, Former Seller Trustee
Barbara Phillips, MD	Medical Staff Member, Former Seller Trustee
Irene Quong-Conlon	Community Member
Thomas M. Reardon	Prospect Representative
Vacant	Community Member -- Awaiting Vernon Mayor Recommendation

3. What members are the two community representatives and how were they chosen?

In accordance with the requirements of Stipulation #20, ECHN representatives and later Prospect ECHN representatives consulted with Town of Manchester Mayor Jay Moran and Town of Vernon Mayor Daniel Champagne to request their recommendations for individuals to serve as the community representatives for their respective towns.

Per Stipulation #20, the requirements for the position are "two unbiased persons who will fairly represent the interests of the communities served by MMH and RGH, respectively." In the case of Manchester, Mayor Moran recommended Ms. Mary Roche-Cronin, Director of Social Services for the Town of Manchester, for the Manchester community representative position. Because Ms. Roche-Cronin met the qualifications listed in Stipulation #20 Prospect ECHN accepted Mayor Moran's recommendation and selected Ms. Roche-Cronin for the Manchester community representative role.

In the case of Vernon, as of this date Prospect ECHN has not received a recommendation from Mayor Champagne of an "unbiased person" who will "fairly represent the interests of the communit[y] served by RGH". Mayor Champagne did make one recommendation, but Prospect ECHN advised him that the individual did meet the requirement of Stipulation #20 for an "unbiased person". No subsequent recommendation has been received from the Mayor of Vernon.

Kimberly R. Martone
Office of Health Care Access
February 17, 2017

4. Fully explain how the Mayors of Manchester and Vernon were consulted in the selection of these two community representatives.

ECHN representatives met in person with each of the Mayors, described the roles of the community members, discussed the composition of the Local Board, and solicited their recommendations. These communications occurred both before and after the transaction between ECHN and Prospect, which closed on October 1, 2016. ECHN met with Mayor Moran on July 7, 2016 and he recommended Ms. Roche-Cronin on July 25, 2016. ECHN met with Mayor Champagne on July 11, 2016, and Prospect ECHN met with him on October 12, 2016, November 3, 2016, and most recently on January 31, 2017.

5. Have any joint Board meetings been held as yet, per Stipulation #19? Have any Local Board meetings occurred at all since the transfer of ownership. If so, please submit the related meeting minutes.

Prospect ECHN had one informal introductory meeting with the Local Board members on October 10, 2016, followed by meetings on November 16, 2016, December 14, 2016 and January 25, 2017. Because the October 10, 2016 meeting was a "meet and greet" there are no minutes. The minutes for the November and December meetings are attached, with confidential information regarding ongoing strategic initiatives redacted. The minutes for the January meeting are not available as of the current date. Prospect ECHN has not yet conducted a joint Board meeting per Stipulation #19.

6. If Prospect ECHN has rejected any candidates to be the community representatives, identify such candidates and explain why they were not selected.

As indicated above, Prospect ECHN received and approved one recommended candidate for the Town of Manchester, and that person currently sits on the Local Board. Prospect ECHN received one recommendation from the Town of Vernon, which it rejected for the reasons indicated in the response to Question 3. That person's name is Ellen Marmer, MD. Prospect ECHN has asked for additional recommendations from the Mayor of the Town of Vernon on a number of occasions, but to date has not received any.

Thank you for your consideration of this submission.

Very truly yours,

Michael Collins
Interim CEO

Enclosures

PROSPECT MEDICAL HOLDINGS, INC.

ECHN

PROSPECT MANCHESTER HOSPITAL, INC.
PROSPECT ROCKVILLE HOSPITAL, INC.

ADVISORY BOARDSMEETING MINUTES

MEETING: **ADVISORY BOARD**
DATE: December 14, 2016 **LOCATION:** MMH CR A, B & C **CONVENED:** 7:30 a.m. **ADJOURNED:** 8:54 a.m.

TRUSTEES PRESENT: M. Maher, Suede, MD (Chairman); Michael Collins; M. Saud Anwar, MD; Irene Quong-Conlon; Mary Cronin; Mary (Molly) Devanney; Eric Kloter; Pamela Lewis, MD; Saqib Naseer, MD; Barbara. Phillips, MD;

MANAGEMENT PRESENT: Nina Kruse; Katherine Mon; Mary Powers; Linda Quirici; Joel Reich; Todd Rose; Joyce Tichy; Michael Veillette; Chantal Perigo (Recording Secretary)

NOT PRESENT: Joy Dorin; Dennis O'Neill, MD; Thomas Reardon

With a quorum present, Dr. Suede convened the meeting at 7:30 a.m. He thanked the members of the board his election as Chairman of the Advisory Board. He addressed the board about his commitment to the organization during a very exciting and crucial time. The primary goal is to continue to improve patient safety, patient outcomes and the overall patient experience in order to remain strong and competitive as well as improve the perception of Prospect ECHN in the community.

1. **Safety Moment**

DISCUSSION: Ms. Quirici stated that the quality goals for 2017 are in the final stages of the approval process. She shared the results of the 2016 quality goals. The Serious Safety Event Rate (SSER) ended at zero for RGH and has maintained a zero rating into FY2017. Falls with serious injuries ended at zero for both hospitals. Catheter-associated Urinary Tract Infection (CAUTI) rate remains at zero at both hospitals. There has been significant drop in surgical site infections (SSI) at both hospitals during the month of October and November 2016 from FY2015 and FY2016. She noted that for October 2015 the SSI rate was 9 versus 3 for October 2016. November 2015 SSI rate was 10 versus 1 for October 2016. The CAUTI program is in place and continued improvements are anticipated.

2. **Approval of Minutes of November 16, 2016**

DISCUSSION: The members of the Board reviewed the minutes of November 16, 2016. A motion was made and seconded.

ACTION: **VOTED to approve the minutes of November 16, 2016 as presented.**

3. **Proposed Bylaw Amendment Discussion**

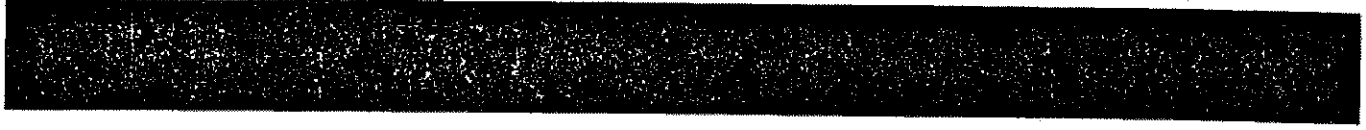
DISCUSSION: The role of the Advisory Board remains in a development phase. Prospect is evaluating the governance processes for its Advisory Boards to determine if common practices can be implemented consistent with regulatory requirements such as those of The Joint Commission (TJC). The Advisory Boards generally advise upon matters that affect the community, including medical staff appointments and quality initiatives. The Prospect ECHN Advisory Board's scope may be expanded to include Prospect ECHN Eldercare Services, Inc. and Prospect ECHN Home Health, Inc., potentially to include review and approval of the Woodlake at Tolland (WAT) medical staff credentials as well as quality oversight for both WAT and the Visiting Nurse and Health Services of CT. In the interim the WAT credentials will be sent directly to the parent board for approval.

4. **Medical Executive Committee Minutes and Approval of Medical Staff Credentials**

DISCUSSION: The Medical Executive Committee minutes of November 8, 2016 were included in the packet for informational purposes. Dr. Suede announced the approval of a nurse driven protocol related to the catheter removal processes. The new protocol allows the nurse to determine patient qualification for catheter removal without physician orders. An update on secure texting and emailing patient health information (PHI) was provided at the MEC meeting. A new feature "patient status order notification" will be added to the Care Thread rollout. A workgroup has been established to update personalized order sets on Meditech.

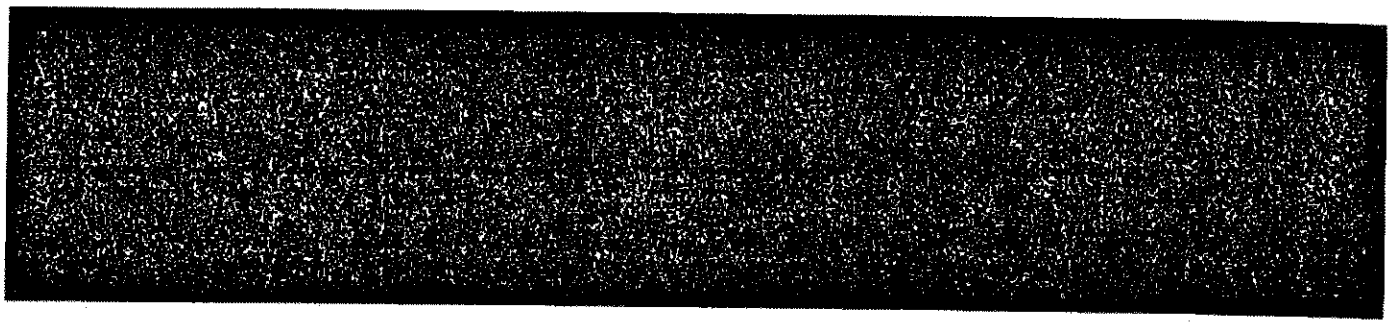
There were no Medical Staff Credentials presented for approval.

6. **Chief Executive Officer's Report**



Ms. Kruse provided an overview of the Marketing and Communications Strategy for 2017 for the following program categories:

Service line marketing; ECHN brand development; digital, radio and Pandora advertisements, community education programs and promotions; employee and medical staff communications and community outreach liaison program. The outreach liaison program is a model developed by Prospect that will be an extension of the Marketing Department. Two individuals will be developing relationships with skilled nursing facilities, assisted living, and community providers to ensure patients experience a smooth transition to acute care hospitals and ultimately enhance the referral base.



In 2017 the marketing team will focus its efforts on website functionality, imagery and calls to action; digital media placement; identifying synergies with Waterbury Hospital; local non-profit and chamber support, service line and brand printed collateral; print advertising for community health education programs; community relations and coffee connections programs; media relations; and community outreach liaisons to enhance the promotion of our services across the ECHN network. Discussion followed regarding goals, advertising resources and referral strategies to help increase market share.

A question arose regarding the status of the new community charitable foundation and partnering opportunities. Ms. Kruse reported that the members have been identified and that a meeting is planned for some time in mid-January 2017, at which time the group will begin the organizational processes. The ECHN Community HealthCare Foundation continues to operate under the oversight of the Legacy ECHN Board of Trustees. Once the new foundation has been established the moneys allocated to the new entity will be transferred. It was noted that ECHN cannot be a beneficiary of fund distributions from the new entity. It was also noted that ECHN could coordinate events to contribute to the new foundation.

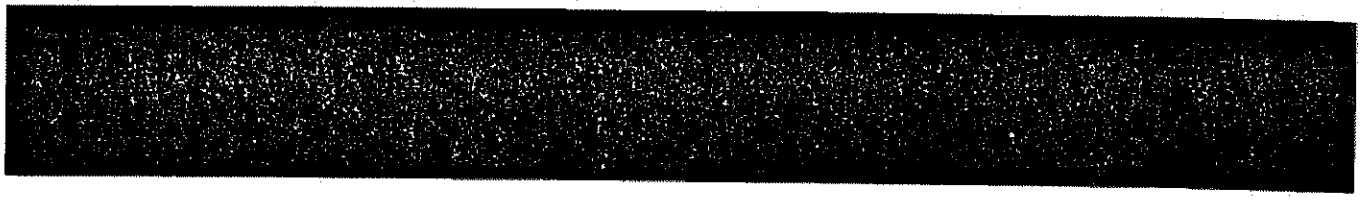
7. Quality Report

a. Quality Assurance & Performance Improvement (QAPI) FY2017 Plans/FY2017 Goals

DISCUSSION: The FY2017 Quality Assurance & Performance Improvement Plans and Goals have been completed. These items were approved by the QAPIC and will be presented to the MEC for approval on January 10, 2017. Final approval will be sought by the Advisory Boards at its next meeting on January 25, 2017.

Ms. Quirici highlighted some of the performances through August 2016 for both MMH and RGH related to patient experience (HCAHPS); Medicare spend per beneficiary; patient safety indicators (PSI) – 90; surgical site infections; central line associated blood stream infection (CLABSI); Clostridium Difficile (C-Diff); Readmissions; Timeliness of Care; falls with serious injury; influenza immunization; serious safety event rate; and stroke measures. These measures were selected to enhance patient care and are monitored by regulatory agencies for reimbursement purposes. Programs are in place to provide staff education and certification related to patient experience. A Sepsis program will go live in January 2017.

ECHN is focused on improving the patient and care giver centered experience star rating by at least 1 star for 2017. This includes improvements in HCAHPS related to communications with nurses and communications with doctors. MMH is currently at a 2 star rating, while RGH is at a 3 star rating. RGH is above achievement thresholds for communication with nurses; Medicare-spend per beneficiary. MMH is positive to achievement thresholds for PSI-90 and C-Diff. Ms. Quirici noted that although abdominal hysterectomy site infections are above thresholds, there has been considerable improvement, with 1 incident through August 2016 versus 6 incidents last year at this time. She also noted that there have been no falls with serious injuries at either hospital. There are 11 stroke measures being monitors of which 8 of 11 are at 100% for MMH and 9 of 11 are at 100% for RGH which is ahead of benchmarks at 90%. A question arose regarding employee satisfaction, which has a strong impact on patient experience. A new survey is planned for some time in late February/early March 2017. A question and answer period followed. The Board has requested a report identifying occurrences of unsafe staffing levels. Ms. Powers provided an overview of the unsafe staffing reporting mechanism that is currently in place and the standard plan of action. A per diem float pool initiative is underway to help address staffing shortages. A certified nursing assistant float pool has also been implemented. Flex positions are being reevaluated and adjusted to address staffing concerns. A staffing plan must be reported to the State of Connecticut on an annual basis to include an action plan for staffing needs.



[redacted]

9. Next Meeting/Adjourment

DISCUSSION: Mr. Collins thanked the members of the board for attending. He noted that the Advisory Board members are advocates for the communities that ECHN services and encouraged them to contact himself or any member of senior leadership any questions or concerns. He wished everyone Happy Holidays.

The next meeting of the Prospect MMH/RGH Board of Directors is scheduled for Wednesday, January 25, 2017 at 7:30 a.m. in the MMH CR A, B & C.

The meeting was adjourned.

Respectfully submitted,

Chantal M. Perigo
Recording Secretary

Irene Quong Conlon
Board Secretary

PROSPECT MEDICAL HOLDINGS, INC.

ECHN

PROSPECT MANCHESTER HOSPITAL, INC.
PROSPECT ROCKVILLE HOSPITAL, INC.

ADVISORY BOARDSMEETING MINUTES

MEETING: **ANNUAL MEETING OF THE ADVISORY BOARD**
DATE: November 16, 2016 **LOCATION:** MMH CR A, B & C **CONVENED:** 7:30 a.m. **ADJOURNED:** 9:09 a.m.

TRUSTEES PRESENT: Michael Collins (Interim CEO); M. Saud Anwar, MD; Irene Quong-Conlon; Mary Cronin; Mary (Molly) Devanney (T); Joy Dorin; Eric Kloter; Pamela Lewis, MD; Saqib Naseer, MD; Dennis O'Neill, MD; , Barbara. Phillips, MD; David Topper

MANAGEMENT PRESENT: Dennis McConville; Mary Powers; Linda Quirici; Joel Reich; Joyce Tichy; Michael Veillette; Chantal Perigo (Recording Secretary)

NOT PRESENT: M. Maher, Suede, MD

GUEST: Deborah Berry, Chief Quality Officer, Prospect Medical Holdings (Prospect)
Garrison De Lee, Corporate Counsel, Prospect (T)
Thomas Reardon, President Prospect Medical Holdings East

With a quorum present, Mr. Collins serving as interim Chairman in lieu of elections convened the meeting at 7:33 a.m. He welcomed Ms. Berry and Messrs. De Lee, Reardon and Topper to the meeting. Formal introductions followed.

1. Proposed Amendment to Bylaws

DISCUSSION: Mr. Topper stated that he is excited about the opportunity to work with ECHN and is looking forward to a long relationship. Due to logistical challenges, including potential travel delays and time zone differences he will step down from his role on the Advisory Board and advised that Thomas Reardon would take his place as a Prospect representative. Mr. Topper expressed the hope that he would remain engaged with the Advisory Board by participating in its meetings as a guest from time to time. He was encouraged to do so to as an excellent means of maintaining ties between the local Prospect ECHN community and Prospect's leadership. A motion was made and seconded.

ACTION: **VOTED to acknowledge the resignation of David Topper as Prospect Representative on the joint Prospect Manchester Hospital and Prospect Rockville Hospital Advisory Boards, and to acknowledge the election of Thomas M. Reardon as Prospect Representative as ex-officio member with vote.**

Amendments to the Prospect Manchester Hospital and Prospect Rockville Hospital Advisory Board Bylaws were presented for approval and recommendation to the Prospect Manchester Hospital, Inc. and Prospect Rockville Hospital, Inc. Boards of Directors. The purpose of such amendments is to revise the composition of the Advisory Board so as to include the President of the Medical Staff as a standing member. It was noted that this Advisory Board Bylaws change would reinforce Prospect's strong commitment to physician participation in the work of the Advisory Board. A motion was made and seconded.

ACTION: **VOTED to approve the amendments to Section 2/Composition of the Prospect Manchester Hospital and Prospect Rockville Hospital Advisory Board Bylaws to change the composition of the Advisory Boards for these entities to include the President of the Medical Staff, and to recommend approval of same by the Prospect Manchester Hospital, Inc. and Prospect Rockville Hospital, Inc. Boards of Directors.**

Additional amendments are being considered to the Advisory Board Bylaws in order to include Prospect ECHN ElderCare Services, Inc. d/b/a Woodlake at Tolland Rehabilitation and Nursing Center (WAT) as an additional entity under Advisory Board oversight, which would allow for Advisory Board review and approval of the Woodlake at Tolland Medical Staff Appointments and quality matters. This change is under review from a corporate governance perspective. It was noted that the Advisory Board is fortunate to have Mr. Kloter as a member of the Advisory Board, as he has been a champion for post- acute care services. A brief discussion followed regarding staff participation from WAT and Prospect ECHN Home Health, Inc. d/b/a Visiting Nurse and Health Services of Connecticut, Inc. as both of these entities are involved in quality initiatives. This proposal will be presented to the incoming Board Chairman for consideration.

2. Board Questionnaire/Non-Disclosure, Code of Conduct and Confidentiality Statement

DISCUSSION: The Board Questionnaire/Non-Disclosure, Code of Conduct and the Confidentiality Statement were included in the meeting packets for completion. Members of the Advisory Board were asked to forward the completed forms to Ms. Perigo, and to direct questions Ms. Tichy or Ms. Perigo. Suggested corrections will be made to the form. A revised document will be sent to Advisory Board members.

3. Nomination and Vote of Officers and Terms

DISCUSSION: The floor was opened for nominations for the election of Advisory Board officers. M. Maher Suede, MD was nominated as Chairman. Nominations were closed and members of the Advisory Board were invited to ask questions or share comments. A motion was made and seconded.

ACTION: **VOTED unanimously to elect M. Maher Suede, MD as Chairman of the Prospect Manchester Hospital Advisory Board and the Prospect Rockville Hospital Advisory Board for a 1-year term to expire in November 2017.**

The floor was open for nominations of Vice Chairman. Eric L. Kloter was nominated to serve as Vice Chairman. Nominations were closed and members of the Advisory Board were invited to ask questions and share comments. A motion was made and seconded.

ACTION: **VOTED unanimously to elect Eric L. Kloter, as Vice Chairman of the Prospect Manchester Hospital Advisory Board and the Prospect Rockville Hospital Advisory Board for a 1-year term to expire in November 2017.**

The floor was open for the nominations of Secretary. Irene Quong Conlon was nominated to serve as Board Secretary. Nominations were closed and members of the Advisory Board were invited to ask questions and share comments. A motion was made and seconded.

ACTION: **VOTED unanimously to elect Irene Quong Conlon as Secretary of the Prospect Manchester Hospital Advisory Board and the Prospect Rockville Hospital Advisory Board for a 1-year term to expire in November 2017.**

Discussion followed regarding setting the Advisory Board member terms in accordance with Section 5 of the Local Advisory Board portion of the Prospect Manchester Hospital and the Prospect Rockville Hospital Bylaws. Mr. Collins read the list of terms attached as Exhibit A, which reflected prior discussions with each member regarding their desired length of term. It was noted that all are eligible for re-election at the conclusion of their initial term. Terms are effective as of the date of the Annual Meeting duly held on November 16, 2016. A question and answer period followed.

4. Review of Board Responsibilities

DISCUSSION: The Local Advisory Boards are responsible for quality, medical staff credentialing and capital expenditure oversight. Appointments, reappointments and status changes of the Manchester and Rockville hospitals medical staff will be presented to the board for review in approval and will include an application checklist of the new physician. The completed files for each candidate are available for Board member review in the Office of Medical Affairs. Board members are also encouraged to make inquiries about the candidates at meetings or by contacting Dr. Reich or Mr. Collins. Capital Expenditures will be reviewed monthly.

5. Medical Executive Committee Minutes and Approval of Medical Staff Credentials

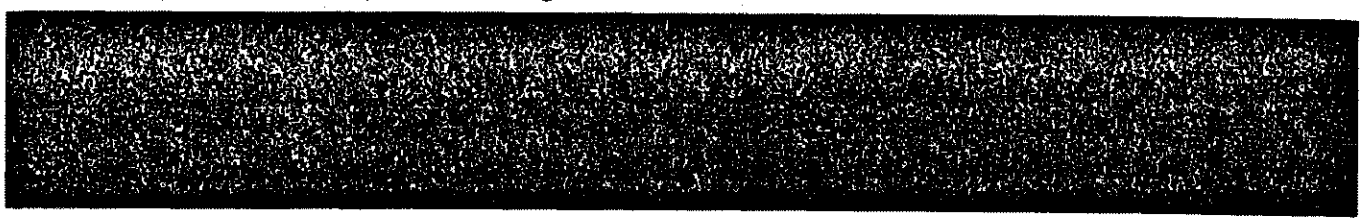
DISCUSSION: The Medical Executive Committee minutes of October 11, 2016 were included in the packet for informational purposes. The Board of Directors were provided an overview of the Medical Staff and Allied Health Professional Staff Credentialing process utilized to ensure qualified candidates meet hospital requirements and all regulatory and accreditation requirements set forth by the State of Connecticut Department of Public Health (DPH), the Centers for Medicare and Medicaid Services (CMS), the Joint Commission (TJC) and the Accreditation Council for Graduate Medical Education/American Osteopathic Association (ACGME/AOA). Once applications have been approved by the service chief and/or department chair; a three step approval process is conducted by the Credentials Committee, the MEC and finally by the governing board. A member of the Advisory Boards would serve on the Credentials Committee and have an integral part of the review process. A summary of the verification and post-verification process was provided and included a sample of the Medical Staff Membership and Privileges Application Checklists for various purposes.

Members of the Board reviewed the recommendations for Medical Staff appointments, status changes and completion of review periods approved by the Credentials Committee on November 1, 2016 and the Medical Executive Committee (MEC) on November 8, 2016. A brief discussion followed regarding the approval process. Once the credentials have been approved by the Advisory Boards they will be forwarded to the Prospect fiduciary boards for final approval by virtue of unanimous consent. Timing of the approval process is a key factor as not all candidates qualify for temporary privileges. Approvals should be completed by the last day of the current month in order to meet regulatory requirements. Copies of the signed unanimous consents from Prospect will be kept in the Advisory Boards meeting binder for permanent record. A motion was made and seconded.

ACTION: **VOTED unanimously to approve the recommendations for Medical Staff appointments, status changes and completion of review periods approved by the Credentials Committee on November 1, 2016 and the Medical Executive Committee (MEC) on November 8, 2016 as presented and recommend approval by the Prospect Manchester Hospital and Prospect Rockville Board of Directors.**

6. **Chief Executive Officer's Report**

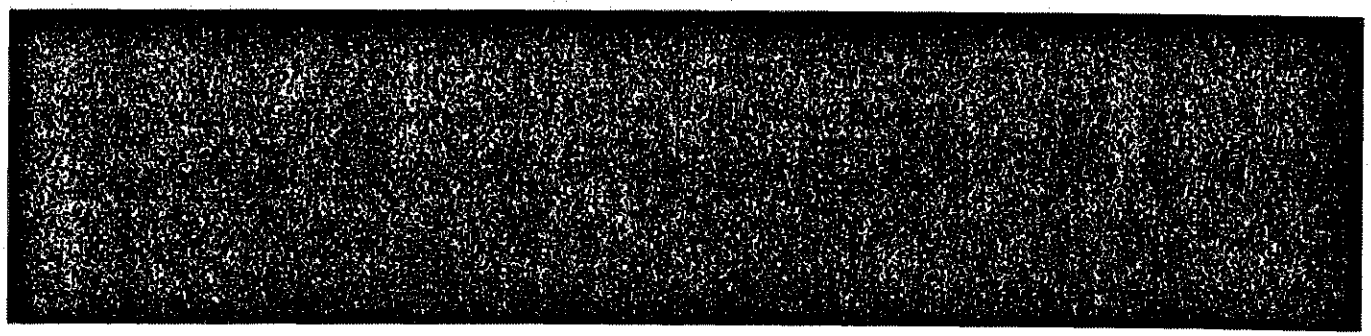
DISCUSSION: Mr. Collins stated that ECHN has been a community based health system for some time and he encouraged removal of the preference of individual identifiers (i.e. Rockville, Manchester, VNHSC etc.) in lieu of ECHN. He recently shared his observations at Employee Forums held in mid-October through early November 2016 and expressed his desire for employees to embrace a "TEAM" view of the system as a whole, rather than individual counterparts. No counterpart within the system would be successful without the others. Employee Forums throughout the system were relatively positive. Reporting mechanisms are being re-evaluated to ensure that issues across the system are being addressed by the appropriate senior leadership member. For example, nursing issues at any of the ECHN facilities would be handled by the Chief Nursing Officer.



A question arose regarding outreach to physicians for patient referrals and an outreach to the patient population. A concierge program, which has been very successful in California, is underway. An overview of the concierge roles and responsibilities to include community outreach was provided. A candidate has been identified and will begin employment in two weeks. The individual will be introduced to the Medical Staff at its next meeting on December 13, 2016. A second concierge position will be filled in the subsequent weeks. A marketing strategy is under development to include advertising of community events in the local media, ECHN's website as well as digital and radio advertising. The Better Being publication is mailed to over 155,000 homes bi-annually and is a vehicle for announcing the community health education programs. It was noted that the best form of advertising is the patient experience. The Vice President of Corporate Communications & Public Affairs provide an update at the next meeting. A question and answer period followed.

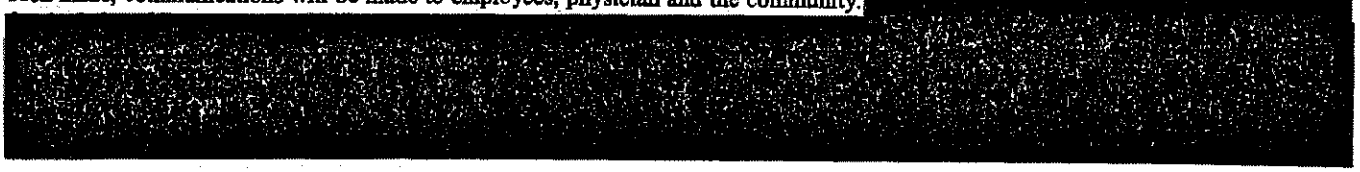
7. **Annual Performance Improvement Plans**

DISCUSSION: The FY2017 Plans (Performance Improvement, Patient Experience, Patient Safety and Risk Management) and the FY2017 Quality Assurance & Performance Improvement (QAPI) Goals have been completed. These items have been submitted to QAPIC for review and approval. The FY2017 plans and FY2017 goals will then be presented to the MEC for approval. Final approval will be sought by the Advisory Boards at its next meeting on December 14, 2016. A Patient/Family Council, endorsed by the Connecticut Hospital Association (CHA), is being developed that will enhance the patient experience process and improve upon quality and safety.



9. **Capital Review**

DISCUSSION: Clinical leaders have been diligently reviewing, evaluating and prioritizing capital requests that have been submitted over the past several years. A list of priority items was provided by category which include: investments to address compliance with regulations for licensure and accreditation; those that provide a return on investment or preservation of revenue; investments that impact patient, physician and/or employee satisfaction ("Splash" capital); and items that are at the end of their useful life. Regulatory licensure inspections were conducted by the CT Department of Public Health at Manchester Hospital, Rockville Hospital, Woodlake at Tolland, 460 Tolland Turnpike and 150 North Main as required for the transaction. Plans of correction were submitted to DPH as a result of the inspections which commit ECHN to engage consultants to conduct studies of building conditions, i.e. heating and ventilation systems, electrical systems, roofs, furnishings and finishes. From those studies, ECHN will need to submit additional plans to DPH that identify work to correct deficiencies. While those plans are being produced, requests for initial "splash" capital investments will be submitted with input from physicians for items that address technology and equipment needed for their specialties. Once splash capital investments have been made, communications will be made to employees, physician and the community.



Mr. Reardon left the meeting at 8:51 a.m.

10. Next Meeting/Adjournment

DISCUSSION: The next meeting of the Prospect MMH/RGH Board of Directors is scheduled for Wednesday, December 14, 2016 at 7:30 a.m. in the MMH CR A, B & C. The calendar of meetings for 2017 was included in the packet for informational purposes. These dates have been posted on the BoardEffect Portal.

Dr. O'Neill stated that it has been approximately 6 ½ weeks since the closing of the transaction and although Mr. Collins had been onsite as Chief Integration Officer, his position as Interim CEO was abrupt due to the precipitous departure of the former CEO. Feedback from the medical staff, hospital staff and the senior management team has been very positive. He commended Mr. Collins for the work his is doing and the current state of the organization.

The meeting was adjourned.

Respectfully submitted,

Chantal M. Perigo
Recording Secretary

Irene Quong Cenlon
Board Secretary

Tichy, Joyce A

From:	Mcconville, Dennis P
Sent:	Friday, February 17, 2017 6:22 PM
To:	Kimberly Martone (Kimberly.Martone@ct.gov)
Cc:	Olejarz, Barbara
Subject:	Prospect ECHN, Inc. - Compliance with Stipulation #20 Response
Attachments:	OHCA DPH Martone Kimberly 2-17-2017 CORRECTED.pdf
Importance:	High

Dear Kim:

After Ms. MacDonald emailed to you at 4:17 pm today the letter from Michael Collins, Interim CEO, that you requested regarding Stipulation #20, we discovered a typographical error that requires correction. Please disregard that letter and replace it with the correct letter that I have attached.

We will also be sending a hard copy of the correct letter to you via regular mail, to replace the incorrect version that we placed in the mail earlier today.

Regards,

Dennis

Dennis P. McConville
Senior Vice President, Chief Strategy Officer
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
(860) 268-4591 (cell)
dmcconville@echn.org

ECHN
Eastern Connecticut Health Network

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ECHN
Eastern Connecticut Health Network

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

VIA ELECTRONIC MAIL AND REGULAR MAIL

February 17, 2017

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134

Re: Compliance with Stipulation #20

Dear Ms. Martone:

I am in receipt of your email communication dated February 15, 2017 in which you requested certain information relating to Stipulation #20 of the Certificate of Need listed under Docket #15-32016-486. Below are the responses of Prospect ECHN to the questions set forth in that email.

1. **Has the Local Board been selected and what was the selection process?**

   Yes, the Local Board has been selected. The members of the Local Board were selected by Prospect ECHN in accordance with the requirements the Asset Purchase Agreement dated August 24, 2016 between ECHN as Seller and Prospect Medical Holdings as Buyer, which states as follows:

   > Local Board means the advisory board of each Hospital composed of community representatives, physicians on the respective Hospital's medical staff, and the Chief Executive Officer of each respective Hospital (for avoidance of doubt, each Hospital shall have its own Local Board). The initial members of the Local Board shall include at least five members of the Seller's Board of Trustees immediately prior to Closing and five other individuals identified by the Seller prior to Closing, two of whom shall be members of the community appointed in consultation with the mayor of the town in which the respective Hospital is located.

   Please note that the two Hospital Boards meet contemporaneously and have the same members, in recognition of the fact that Manchester Memorial Hospital and Rockville General Hospital function as an integrated system within Prospect ECHN.

Kimberly R. Martone
Office of Health Care Access
February 17, 2017

2. List the names and related information for each member of the Local Board.

The names and roles of the individuals on the Local Board are:

Name	Role
M. Maher Suede, MD	Medical Staff President, Former Seller Trustee
M. Saud Anwar, MD	Medical Staff Member
Michael Collins	Interim Chief Executive Officer
Mary Roche-Cronin	Community Member Recommended by Manchester Mayor
Molly C. Devanney	Community Member
Joy W. Dorin	Community Member, Former Seller Trustee
Eric L. Kloter	Community Member, Former Seller Trustee
Pamela Lewis, MD	Former Seller Trustee, Medical Staff Member
Saqib Naseer, MD	Medical Staff Vice-President (incoming President-designate)
Dennis G. O'Neill, MD	Medical Staff Member, Former Seller Trustee
Barbara Phillips, MD	Medical Staff Member, Former Seller Trustee
Irene Quong-Conlon	Community Member
Thomas M. Reardon	Prospect Representative
Vacant	Community Member -- Awaiting Vernon Mayor Recommendation

3. What members are the two community representatives and how were they chosen?

In accordance with the requirements of Stipulation #20, ECHN representatives and later Prospect ECHN representatives consulted with Town of Manchester Mayor Jay Moran and Town of Vernon Mayor Daniel Champagne to request their recommendations for individuals to serve as the community representatives for their respective towns.

Per Stipulation #20, the requirements for the position are "two unbiased persons who will fairly represent the interests of the communities served by MMH and RGH, respectively." In the case of Manchester, Mayor Moran recommended Ms. Mary Roche-Cronin, Director of Social Services for the Town of Manchester, for the Manchester community representative position. Because Ms. Roche-Cronin met the qualifications listed in Stipulation #20 Prospect ECHN accepted Mayor Moran's recommendation and selected Ms. Roche-Cronin for the Manchester community representative role.

In the case of Vernon, as of this date Prospect ECHN has not received a recommendation from Mayor Champagne of an "unbiased person" who will "fairly represent the interests of the communit[y] served by RGH". Mayor Champagne did make one recommendation, but Prospect ECHN advised him that the individual did not meet the requirement of Stipulation #20 for an "unbiased person". No subsequent recommendation has been received from the Mayor of Vernon.

Kimberly R. Martone
Office of Health Care Access
February 17, 2017

4. Fully explain how the Mayors of Manchester and Vernon were consulted in the selection of these two community representatives.

ECHN representatives met in person with each of the Mayors, described the roles of the community members, discussed the composition of the Local Board, and solicited their recommendations. These communications occurred both before and after the transaction between ECHN and Prospect, which closed on October 1, 2016. ECHN met with Mayor Moran on July 7, 2016 and he recommended Ms. Roche-Cronin on July 25, 2016. ECHN met with Mayor Champagne on July 11, 2016, and Prospect ECHN met with him on October 12, 2016, November 3, 2016, and most recently on January 31, 2017.

5. Have any joint Board meetings been held as yet, per Stipulation #19? Have any Local Board meetings occurred at all since the transfer of ownership. If so, please submit the related meeting minutes.

Prospect ECHN had one informal introductory meeting with the Local Board members on October 10, 2016, followed by meetings on November 16, 2016, December 14, 2016 and January 25, 2017. Because the October 10, 2016 meeting was a "meet and greet" there are no minutes. The minutes for the November and December meetings are attached, with confidential information regarding ongoing strategic initiatives redacted. The minutes for the January meeting are not available as of the current date. Prospect ECHN has not yet conducted a joint Board meeting per Stipulation #19.

6. If Prospect ECHN has rejected any candidates to be the community representatives, identify such candidates and explain why they were not selected.

As indicated above, Prospect ECHN received and approved one recommended candidate for the Town of Manchester, and that person currently sits on the Local Board. Prospect ECHN received one recommendation from the Town of Vernon, which it rejected for the reasons indicated in the response to Question 3. That person's name is Ellen Marmer, MD. Prospect ECHN has asked for additional recommendations from the Mayor of the Town of Vernon on a number of occasions, but to date has not received any.

Thank you for your consideration of this submission.

Very truly yours,

Michael Collins
Interim CEO

Enclosures

PROSPECT MEDICAL HOLDINGS, INC.

ECHN

PROSPECT MANCHESTER HOSPITAL, INC.
PROSPECT ROCKVILLE HOSPITAL, INC.

ADVISORY BOARDSMEETING MINUTES

MEETING: ANNUAL MEETING OF THE ADVISORY BOARD
DATE: November 16, 2016 **LOCATION:** MMH CR A, B & C **CONVENED:** 7:30 a.m. **ADJOURNED:** 9:09 a.m.

TRUSTEES PRESENT: Michael Collins (Interim CEO); M. Saud Anwar, MD; Irene Quong-Conlon; Mary Cronin; Mary (Molly) Devanney (T); Joy Dorin; Eric Kloter; Pamela Lewis, MD; Saqib Naseer, MD; Dennis O'Neill, MD; , Barbara. Phillips, MD; David Topper

MANAGEMENT PRESENT: Dennis McConville; Mary Powers; Linda Quirici; Joel Reich; Joyce Tichy; Michael Veillette; Chantal Perigo (Recording Secretary)

NOT PRESENT: M. Maher, Suede, MD

GUEST: Deborah Berry, Chief Quality Officer, Prospect Medical Holdings (Prospect)
Garrison De Lee, Corporate Counsel, Prospect (T)
Thomas Reardon, President Prospect Medical Holdings East

With a quorum present, Mr. Collins serving as interim Chairman in lieu of elections convened the meeting at 7:33 a.m. He welcomed Ms. Berry and Messrs. De Lee, Reardon and Topper to the meeting. Formal introductions followed.

1. **Proposed Amendment to Bylaws**

DISCUSSION: Mr. Topper stated that he is excited about the opportunity to work with ECHN and is looking forward to a long relationship. Due to logistical challenges, including potential travel delays and time zone differences he will step down from his role on the Advisory Board and advised that Thomas Reardon would take his place as a Prospect representative. Mr. Topper expressed the hope that he would remain engaged with the Advisory Board by participating in its meetings as a guest from time to time. He was encouraged to do so to as an excellent means of maintaining ties between the local Prospect ECHN community and Prospect's leadership. A motion was made and seconded.

ACTION: **VOTED to acknowledge the resignation of David Topper as Prospect Representative on the joint Prospect Manchester Hospital and Prospect Rockville Hospital Advisory Boards, and to acknowledge the election of Thomas M. Reardon as Prospect Representative as ex-officio member with vote.**

Amendments to the Prospect Manchester Hospital and Prospect Rockville Hospital Advisory Board Bylaws were presented for approval and recommendation to the Prospect Manchester Hospital, Inc. and Prospect Rockville Hospital, Inc. Boards of Directors. The purpose of such amendments is to revise the composition of the Advisory Board so as to include the President of the Medical Staff as a standing member. It was noted that this Advisory Board Bylaws change would reinforce Prospect's strong commitment to physician participation in the work of the Advisory Board. A motion was made and seconded.

ACTION: **VOTED to approve the amendments to Section 2/Composition of the Prospect Manchester Hospital and Prospect Rockville Hospital Advisory Board Bylaws to change the composition of the Advisory Boards for these entities to include the President of the Medical Staff, and to recommend approval of same by the Prospect Manchester Hospital, Inc. and Prospect Rockville Hospital, Inc. Boards of Directors.**

Additional amendments are being considered to the Advisory Board Bylaws in order to include Prospect ECHN ElderCare Services, Inc. d/b/a Woodlake at Tolland Rehabilitation and Nursing Center (WAT) as an additional entity under Advisory Board oversight, which would allow for Advisory Board review and approval of the Woodlake at Tolland Medical Staff Appointments and quality matters. This change is under review from a corporate governance perspective. It was noted that the Advisory Board is fortunate to have Mr. Kloter as a member of the Advisory Board, as he has been a champion for post- acute care services. A brief discussion followed regarding staff participation from WAT and Prospect ECHN Home Health, Inc. d/b/a Visiting Nurse and Health Services of Connecticut, Inc. as both of these entities are involved in quality initiatives. This proposal will be presented to the incoming Board Chairman for consideration.

2. **Board Questionnaire/Non-Disclosure, Code of Conduct and Confidentiality Statement**

DISCUSSION: The Board Questionnaire/Non-Disclosure, Code of Conduct and the Confidentiality Statement were included in the meeting packets for completion. Members of the Advisory Board were asked to forward the completed forms to Ms. Perigo, and to direct questions Ms. Tichy or Ms. Perigo. Suggested corrections will be made to the form. A revised document will be sent to Advisory Board members.

3. **Nomination and Vote of Officers and Terms**

DISCUSSION: The floor was opened for nominations for the election of Advisory Board officers. M. Maher Suede, MD was nominated as Chairman. Nominations were closed and members of the Advisory Board were invited to ask questions or share comments. A motion was made and seconded.

ACTION: **VOTED unanimously to elect M. Maher Suede, MD as Chairman of the Prospect Manchester Hospital Advisory Board and the Prospect Rockville Hospital Advisory Board for a 1-year term to expire in November 2017.**

The floor was open for nominations of Vice Chairman. Eric L. Kloter was nominated to serve as Vice Chairman. Nominations were closed and members of the Advisory Board were invited to ask questions and share comments. A motion was made and seconded.

ACTION: **VOTED unanimously to elect Eric L. Kloter, as Vice Chairman of the Prospect Manchester Hospital Advisory Board and the Prospect Rockville Hospital Advisory Board for a 1-year term to expire in November 2017.**

The floor was open for the nominations of Secretary. Irene Quong Conlon was nominated to serve as Board Secretary. Nominations were closed and members of the Advisory Board were invited to ask questions and share comments. A motion was made and seconded.

ACTION: **VOTED unanimously to elect Irene Quong Conlon as Secretary of the Prospect Manchester Hospital Advisory Board and the Prospect Rockville Hospital Advisory Board for a 1-year term to expire in November 2017.**

Discussion followed regarding setting the Advisory Board member terms in accordance with Section 5 of the Local Advisory Board portion of the Prospect Manchester Hospital and the Prospect Rockville Hospital Bylaws. Mr. Collins read the list of terms attached as Exhibit A, which reflected prior discussions with each member regarding their desired length of term. It was noted that all are eligible for re-election at the conclusion of their initial term. Terms are effective as of the date of the Annual Meeting duly held on November 16, 2016. A question and answer period followed.

4. **Review of Board Responsibilities**

DISCUSSION: The Local Advisory Boards are responsible for quality, medical staff credentialing and capital expenditure oversight. Appointments, reappointments and status changes of the Manchester and Rockville hospitals medical staff will be presented to the board for review in approval and will include an application checklist of the new physician. The completed files for each candidate are available for Board member review in the Office of Medical Affairs. Board members are also encouraged to make inquiries about the candidates at meetings or by contacting Dr. Reich or Mr. Collins. Capital Expenditures will be reviewed monthly.

5. **Medical Executive Committee Minutes and Approval of Medical Staff Credentials**

DISCUSSION: The Medical Executive Committee minutes of October 11, 2016 were included in the packet for informational purposes. The Board of Directors were provided an overview of the Medical Staff and Allied Health Professional Staff Credentialing process utilized to ensure qualified candidates meet hospital requirements and all regulatory and accreditation requirements set forth by the State of Connecticut Department of Public Health (DPH), the Centers for Medicare and Medicaid Services (CMS), the Joint Commission (TJC) and the Accreditation Council for Graduate Medical Education/American Osteopathic Association (ACGME/AOA). Once applications have been approved by the service chief and/or department chair; a three step approval process is conducted by the Credentials Committee, the MEC and finally by the governing board. A member of the Advisory Boards would serve on the Credentials Committee and have an integral part of the review process. A summary of the verification and post-verification process was provided and included a sample of the Medical Staff Membership and Privileges Application Checklists for various purposes.

Members of the Board reviewed the recommendations for Medical Staff appointments, status changes and completion of review periods approved by the Credentials Committee on November 1, 2016 and the Medical Executive Committee (MEC) on November 8, 2016. A brief discussion followed regarding the approval process. Once the credentials have been approved by the Advisory Boards they will be forwarded to the Prospect fiduciary boards for final approval by virtue of unanimous consent. Timing of the approval process is a key factor as not all candidates qualify for temporary privileges. Approvals should be completed by the last day of the current month in order to meet regulatory requirements. Copies of the signed unanimous consents from Prospect will be kept in the Advisory Boards meeting binder for permanent record. A motion was made and seconded.

ACTION: **VOTED unanimously to approve the recommendations for Medical Staff appointments, status changes and completion of review periods approved by the Credentials Committee on November 1, 2016 and the Medical Executive Committee (MEC) on November 8, 2016 as presented and recommend approval by the Prospect Manchester Hospital and Prospect Rockville Board of Directors.**

6. **Chief Executive Officer's Report**

DISCUSSION: Mr. Collins stated that ECHN has been a community based health system for some time and he encouraged removal of the preference of individual identifiers (i.e. Rockville, Manchester, VNHSC etc.) in lieu of ECHN. He recently shared his observations at Employee Forums held in mid-October through early November 2016 and expressed his desire for employees to embrace a "TEAM" view of the system as a whole, rather than individual counterparts. No counterpart within the system would be successful without the others. Employee Forums throughout the system were relatively positive. Reporting mechanisms are being re-evaluated to ensure that issues across the system are being addressed by the appropriate senior leadership member. For example, nursing issues at any of the ECHN facilities would be handled by the Chief Nursing Officer.

[redacted]

A question arose regarding outreach to physicians for patient referrals and an outreach to the patient population. A concierge program, which has been very successful in California, is underway. An overview of the concierge roles and responsibilities to include community outreach was provided. A candidate has been identified and will begin employment in two weeks. The individual will be introduced to the Medical Staff at its next meeting on December 13, 2016. A second concierge position will be filled in the subsequent weeks. A marketing strategy is under development to include advertising of community events in the local media, ECHN's website as well as digital and radio advertising. The Better Being publication is mailed to over 155,000 homes bi-annually and is a vehicle for announcing the community health education programs. It was noted that the best form of advertising is the patient experience. The Vice President of Corporate Communications & Public Affairs provide an update at the next meeting. A question and answer period followed.

7. **Annual Performance Improvement Plans**

DISCUSSION: The FY2017 Plans (Performance Improvement, Patient Experience, Patient Safety and Risk Management) and the FY2017 Quality Assurance & Performance Improvement (QAPI) Goals have been completed. These items have been submitted to QAPIC for review and approval. The FY2017 plans and FY2017 goals will then be presented to the MEC for approval. Final approval will be sought by the Advisory Boards at its next meeting on December 14, 2016. A Patient/Family Council, endorsed by the Connecticut Hospital Association (CHA), is being developed that will enhance the patient experience process and improve upon quality and safety.

[redacted]

9. **Capital Review**

DISCUSSION: Clinical leaders have been diligently reviewing, evaluating and prioritizing capital requests that have been submitted over the past several years. A list of priority items was provided by category which include: investments to address compliance with regulations for licensure and accreditation; those that provide a return on investment or preservation of revenue; investments that impact patient, physician and/or employee satisfaction ("Splash" capital); and items that are at the end of their useful life. Regulatory licensure inspections were conducted by the CT Department of Public Health at Manchester Hospital, Rockville Hospital, Woodlake at Tolland, 460 Tolland Turnpike and 150 North Main as required for the transaction. Plans of correction were submitted to DPH as a result of the inspections which commit ECHN to engage consultants to conduct studies of building conditions, i.e. heating and ventilation systems, electrical systems, roofs, furnishings and finishes. From those studies, ECHN will need to submit additional plans to DPH that identify work to correct deficiencies. While those plans are being produced, requests for initial "splash" capital investments will be submitted with input from physicians for items that address technology and equipment needed for their specialties. Once splash capital investments have been made, communications will be made to employees, physician and the community. [redacted]

Mr. Reardon left the meeting at 8:51 a.m.

PROSPECT MEDICAL HOLDINGS, INC.

ECHN

PROSPECT MANCHESTER HOSPITAL, INC.
PROSPECT ROCKVILLE HOSPITAL, INC.

ADVISORY BOARDS MEETING MINUTES

MEETING: **ADVISORY BOARD**
DATE: December 14, 2016 **LOCATION:** MMH CR A, B & C **CONVENED:** 7:30 a.m. **ADJOURNED:** 8:54 a.m.

TRUSTEES PRESENT: M. Maher, Suede, MD (Chairman); Michael Collins; M. Saud Anwar, MD; Irene Quong-Conlon; Mary Cronin; Mary (Molly) Devanney; Eric Kloter; Pamela Lewis, MD; Saqib Naseer, MD; Barbara. Phillips, MD;

MANAGEMENT PRESENT: Nina Kruse; Katherine Mon; Mary Powers; Linda Quirici; Joel Reich; Todd Rose; Joyce Tichy; Michael Veillette; Chantal Perigo (Recording Secretary)

NOT PRESENT: Joy Dorin; Dennis O'Neill, MD; Thomas Reardon

With a quorum present, Dr. Suede convened the meeting at 7:30 a.m. He thanked the members of the board his election as Chairman of the Advisory Board. He addressed the board about his commitment to the organization during a very exciting and crucial time. The primary goal is to continue to improve patient safety, patient outcomes and the overall patient experience in order to remain strong and competitive as well as improve the perception of Prospect ECHN in the community.

1. **Safety Moment**

DISCUSSION: Ms. Quirici stated that the quality goals for 2017 are in the final stages of the approval process. She shared the results of the 2016 quality goals. The Serious Safety Event Rate (SSER) ended at zero for RGH and has maintained a zero rating into FY2017. Falls with serious injuries ended at zero for both hospitals. Catheter-associated Urinary Tract Infection (CAUTI) rate remains at zero at both hospitals. There has been significant drop in surgical site infections (SSI) at both hospitals during the month of October and November 2016 from FY2015 and FY2016. She noted that for October 2015 the SSI rate was 9 versus 3 for October 2016. November 2015 SSI rate was 10 versus 1 for October 2016. The CAUTI program is in place and continued improvements are anticipated.

2. **Approval of Minutes of November 16, 2016**

DISCUSSION: The members of the Board reviewed the minutes of November 16, 2016. A motion was made and seconded.

ACTION: **VOTED to approve the minutes of November 16, 2016 as presented.**

3. **Proposed Bylaw Amendment Discussion**

DISCUSSION: The role of the Advisory Board remains in a development phase. Prospect is evaluating the governance processes for its Advisory Boards to determine if common practices can be implemented consistent with regulatory requirements such as those of The Joint Commission (TJC). The Advisory Boards generally advise upon matters that affect the community, including medical staff appointments and quality initiatives. The Prospect ECHN Advisory Board's scope may be expanded to include Prospect ECHN Eldercare Services, Inc. and Prospect ECHN Home Health, Inc., potentially to include review and approval of the Woodlake at Tolland (WAT) medical staff credentials as well as quality oversight for both WAT and the Visiting Nurse and Health Services of CT. In the interim the WAT credentials will be sent directly to the parent board for approval.

4. **Medical Executive Committee Minutes and Approval of Medical Staff Credentials**

DISCUSSION: The Medical Executive Committee minutes of November 8, 2016 were included in the packet for informational purposes. Dr. Suede announced the approval of a nurse driven protocol related to the catheter removal processes. The new protocol allows the nurse to determine patient qualification for catheter removal without physician orders. An update on secure texting and emailing patient health information (PHI) was provided at the MEC meeting. A new feature "patient status order notification" will be added to the Care Thread rollout. A workgroup has been established to update personalized order sets on Meditech.

There were no Medical Staff Credentials presented for approval.

6. **Chief Executive Officer's Report**

[redacted]

Ms. Kruse provided an overview of the Marketing and Communications Strategy for 2017 for the following program categories:

Service line marketing; ECHN brand development; digital, radio and Pandora advertisements, community education programs and promotions; employee and medical staff communications and community outreach liaison program. The outreach liaison program is a model developed by Prospect that will be an extension of the Marketing Department. Two individuals will be developing relationships with skilled nursing facilities, assisted living, and community providers to ensure patients experience a smooth transition to acute care hospitals and ultimately enhance the referral base.

[redacted]

In 2017 the marketing team will focus its efforts on website functionality, imagery and calls to action; digital media placement; identifying synergies with Waterbury Hospital; local non-profit and chamber support, service line and brand printed collateral; print advertising for community health education programs; community relations and coffee connections programs; media relations; and community outreach liaisons to enhance the promotion of our services across the ECHN network. Discussion followed regarding goals, advertising resources and referral strategies to help increase market share.

A question arose regarding the status of the new community charitable foundation and partnering opportunities. Ms. Kruse reported that the members have been identified and that a meeting is planned for some time in mid-January 2017, at which time the group will begin the organizational processes. The ECHN Community HealthCare Foundation continues to operate under the oversight of the Legacy ECHN Board of Trustees. Once the new foundation has been established the moneys allocated to the new entity will be transferred. It was noted that ECHN cannot be a beneficiary of fund distributions from the new entity. It was also noted that ECHN could coordinate events to contribute to the new foundation.

7. **Quality Report**

a. Quality Assurance & Performance Improvement (QAPI) FY2017 Plans/FY2017 Goals

DISCUSSION: The FY2017 Quality Assurance & Performance Improvement Plans and Goals have been completed. These items were approved by the QAPIC and will be presented to the MEC for approval on January 10, 2017. Final approval will be sought by the Advisory Boards at its next meeting on January 25, 2017.

Ms. Quirici highlighted some of the performances through August 2016 for both MMH and RGH related to patient experience (HCAHPS); Medicare spend per beneficiary; patient safety indicators (PSI) – 90; surgical site infections; central line associated blood stream infection (CLABSI); Clostridium Difficile (C-Diff); Readmissions; Timeliness of Care; falls with serious injury; influenza immunization; serious safety event rate; and stroke measures. These measures were selected to enhance patient care and are monitored by regulatory agencies for reimbursement purposes. Programs are in place to provide staff education and certification related to patient experience. A Sepsis program will go live in January 2017.

ECHN is focused on improving the patient and care giver centered experience star rating by at least 1 star for 2017. This includes improvements in HCAHPS related to communications with nurses and communications with doctors. MMH is currently at a 2 star rating, while RGH is at a 3 star rating. RGH is above achievement thresholds for communication with nurses; Medicare-spend per beneficiary. MMH is positive to achievement thresholds for PSI-90 and C-Diff. Ms. Quirici noted that although abdominal hysterectomy site infections are above thresholds, there has been considerable improvement, with 1 incident through August 2016 versus 6 incidents last year at this time. She also noted that there have been no falls with serious injuries at either hospital. There are 11 stroke measures being monitors of which 8 of 11 are at 100% for MMH and 9 of 11 are at 100% for RGH which is ahead of benchmarks at 90%. A question arose regarding employee satisfaction, which has a strong impact on patient experience. A new survey is planned for some time in late February/early March 2017. A question and answer period followed. The Board has requested a report identifying occurrences of unsafe staffing levels. Ms. Powers provided an overview of the unsafe staffing reporting mechanism that is currently in place and the standard plan of action. A per diem float pool initiative is underway to help address staffing shortages. A certified nursing assistant float pool has also been implemented. Flex positions are being reevaluated and adjusted to address staffing concerns. A staffing plan must be reported to the State of Connecticut on an annual basis to include an action plan for staffing needs.

[redacted]

[redacted]

9. **Next Meeting/Adjourment**

DISCUSSION: Mr. Collins thanked the members of the board for attending. He noted that the Advisory Board members are advocates for the communities that ECHN services and encouraged them to contact himself or any member of senior leadership any questions or concerns. He wished everyone Happy Holidays.

The next meeting of the Prospect MMH/RGH Board of Directors is scheduled for Wednesday, January 25, 2017 at 7:30 a.m. in the MMH CR A, B & C.

The meeting was adjourned.

Respectfully submitted,

Chantal M. Perigo
Recording Secretary

Irene Quong Conlon
Board Secretary

10. Next Meeting/Adjourment

DISCUSSION: The next meeting of the Prospect MMH/RGH Board of Directors is scheduled for Wednesday, December 14, 2016 at 7:30 a.m. in the MMH CR A, B & C. The calendar of meetings for 2017 was included in the packet for informational purposes. These dates have been posted on the BoardEffect Portal.

Dr. O'Neill stated that it has been approximately 6 ½ weeks since the closing of the transaction and although Mr. Collins had been onsite as Chief Integration Officer, his position as Interim CEO was abrupt due to the precipitous departure of the former CEO. Feedback from the medical staff, hospital staff and the senior management team has been very positive. He commended Mr. Collins for the work his is doing and the current state of the organization.

The meeting was adjourned.

Respectfully submitted,

Chantal M. Perigo
Recording Secretary

Irene Quong Conlon
Board Secretary

32016

Olejarz, Barbara

From: Mcconville, Dennis P <dmcconville@echn.org>
Sent: Friday, February 17, 2017 6:22 PM
To: Martone, Kim
Cc: Olejarz, Barbara
Subject: Prospect ECHN, Inc. - Compliance with Stipulation #20 Response
Attachments: OHCA DPH Martone Kimberly 2-17-2017 CORRECTED.pdf

Importance: High

Dear Kim:

After Ms. MacDonald emailed to you at 4:17 pm today the letter from Michael Collins, Interim CEO, that you requested regarding Stipulation #20, we discovered a typographical error that requires correction. Please disregard that letter and replace it with the correct letter that I have attached.

We will also be sending a hard copy of the correct letter to you via regular mail, to replace the incorrect version that we placed in the mail earlier today.

Regards,

Dennis

Dennis P. McConville
Senior Vice President, Chief Strategy Officer
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
(860) 268-4591 (cell)
dmcconville@echn.org

ECHN
Eastern Connecticut Health Network

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Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

VIA ELECTRONIC MAIL AND REGULAR MAIL

February 17, 2017

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134

Re: Compliance with Stipulation #20

Dear Ms. Martone:

I am in receipt of your email communication dated February 15, 2017 in which you requested certain information relating to Stipulation #20 of the Certificate of Need listed under Docket #15-32016-486. Below are the responses of Prospect ECHN to the questions set forth in that email.

1. **Has the Local Board been selected and what was the selection process?**

   Yes, the Local Board has been selected. The members of the Local Board were selected by Prospect ECHN in accordance with the requirements the Asset Purchase Agreement dated August 24, 2016 between ECHN as Seller and Prospect Medical Holdings as Buyer, which states as follows:

   > Local Board means the advisory board of each Hospital composed of community representatives, physicians on the respective Hospital's medical staff, and the Chief Executive Officer of each respective Hospital (for avoidance of doubt, each Hospital shall have its own Local Board). The initial members of the Local Board shall include at least five members of the Seller's Board of Trustees immediately prior to Closing and five other individuals identified by the Seller prior to Closing, two of whom shall be members of the community appointed in consultation with the mayor of the town in which the respective Hospital is located.

   Please note that the two Hospital Boards meet contemporaneously and have the same members, in recognition of the fact that Manchester Memorial Hospital and Rockville General Hospital function as an integrated system within Prospect ECHN.

Kimberly R. Martone
Office of Health Care Access
February 17, 2017

2. List the names and related information for each member of the Local Board.

The names and roles of the individuals on the Local Board are:

Name	Role
M. Maher Suede, MD	Medical Staff President, Former Seller Trustee
M. Saud Anwar, MD	Medical Staff Member
Michael Collins	Interim Chief Executive Officer
Mary Roche-Cronin	Community Member Recommended by Manchester Mayor
Molly C. Devanney	Community Member
Joy W. Dorin	Community Member, Former Seller Trustee
Eric L. Kloter	Community Member, Former Seller Trustee
Pamela Lewis, MD	Former Seller Trustee, Medical Staff Member
Saqib Naseer, MD	Medical Staff Vice-President (incoming President-designate)
Dennis G. O'Neill, MD	Medical Staff Member, Former Seller Trustee
Barbara Phillips, MD	Medical Staff Member, Former Seller Trustee
Irene Quong-Conlon	Community Member
Thomas M. Reardon	Prospect Representative
Vacant	Community Member -- Awaiting Vernon Mayor Recommendation

3. What members are the two community representatives and how were they chosen?

In accordance with the requirements of Stipulation #20, ECHN representatives and later Prospect ECHN representatives consulted with Town of Manchester Mayor Jay Moran and Town of Vernon Mayor Daniel Champagne to request their recommendations for individuals to serve as the community representatives for their respective towns.

Per Stipulation #20, the requirements for the position are "two unbiased persons who will fairly represent the interests of the communities served by MMH and RGH, respectively." In the case of Manchester, Mayor Moran recommended Ms. Mary Roche-Cronin, Director of Social Services for the Town of Manchester, for the Manchester community representative position. Because Ms. Roche-Cronin met the qualifications listed in Stipulation #20 Prospect ECHN accepted Mayor Moran's recommendation and selected Ms. Roche-Cronin for the Manchester community representative role.

In the case of Vernon, as of this date Prospect ECHN has not received a recommendation from Mayor Champagne of an "unbiased person" who will "fairly represent the interests of the communit[y] served by RGH". Mayor Champagne did make one recommendation, but Prospect ECHN advised him that the individual did not meet the requirement of Stipulation #20 for an "unbiased person". No subsequent recommendation has been received from the Mayor of Vernon.

Kimberly R. Martone
Office of Health Care Access
February 17, 2017

4. Fully explain how the Mayors of Manchester and Vernon were consulted in the selection of these two community representatives.

ECHN representatives met in person with each of the Mayors, described the roles of the community members, discussed the composition of the Local Board, and solicited their recommendations. These communications occurred both before and after the transaction between ECHN and Prospect, which closed on October 1, 2016. ECHN met with Mayor Moran on July 7, 2016 and he recommended Ms. Roche-Cronin on July 25, 2016. ECHN met with Mayor Champagne on July 11, 2016, and Prospect ECHN met with him on October 12, 2016, November 3, 2016, and most recently on January 31, 2017.

5. Have any joint Board meetings been held as yet, per Stipulation #19? Have any Local Board meetings occurred at all since the transfer of ownership. If so, please submit the related meeting minutes.

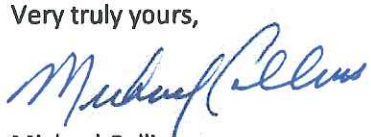
Prospect ECHN had one informal introductory meeting with the Local Board members on October 10, 2016, followed by meetings on November 16, 2016, December 14, 2016 and January 25, 2017. Because the October 10, 2016 meeting was a "meet and greet" there are no minutes. The minutes for the November and December meetings are attached, with confidential information regarding ongoing strategic initiatives redacted. The minutes for the January meeting are not available as of the current date. Prospect ECHN has not yet conducted a joint Board meeting per Stipulation #19.

6. If Prospect ECHN has rejected any candidates to be the community representatives, identify such candidates and explain why they were not selected.

As indicated above, Prospect ECHN received and approved one recommended candidate for the Town of Manchester, and that person currently sits on the Local Board. Prospect ECHN received one recommendation from the Town of Vernon, which it rejected for the reasons indicated in the response to Question 3. That person's name is Ellen Marmer, MD. Prospect ECHN has asked for additional recommendations from the Mayor of the Town of Vernon on a number of occasions, but to date has not received any.

Thank you for your consideration of this submission.

Very truly yours,



Michael Collins
Interim CEO

Enclosures

PROSPECT MEDICAL HOLDINGS, INC.

ECHN

PROSPECT MANCHESTER HOSPITAL, INC.
PROSPECT ROCKVILLE HOSPITAL, INC.

ADVISORY BOARDSMEETING MINUTES

MEETING: **ADVISORY BOARD**
DATE: December 14, 2016 **LOCATION:** MMH CR A, B & C **CONVENED:** 7:30 a.m. **ADJOURNED:** 8:54 a.m.

TRUSTEES PRESENT: M. Maher, Suede, MD (Chairman); Michael Collins; M. Saud Anwar, MD; Irene Quong-Conlon; Mary Cronin; Mary (Molly) Devanney; Eric Kloter; Pamela Lewis, MD; Saqib Naseer, MD; Barbara. Phillips, MD;

MANAGEMENT PRESENT: Nina Kruse; Katherine Mon; Mary Powers; Linda Quirici; Joel Reich; Todd Rose; Joyce Tichy; Michael Veillette; Chantal Perigo (Recording Secretary)

NOT PRESENT: Joy Dorin; Dennis O'Neill, MD; Thomas Reardon

With a quorum present, Dr. Suede convened the meeting at 7:30 a.m. He thanked the members of the board his election as Chairman of the Advisory Board. He addressed the board about his commitment to the organization during a very exciting and crucial time. The primary goal is to continue to improve patient safety, patient outcomes and the overall patient experience in order to remain strong and competitive as well as improve the perception of Prospect ECHN in the community.

1. Safety Moment
DISCUSSION: Ms. Quirici stated that the quality goals for 2017 are in the final stages of the approval process. She shared the results of the 2016 quality goals. The Serious Safety Event Rate (SSER) ended at zero for RGH and has maintained a zero rating into FY2017. Falls with serious injuries ended at zero for both hospitals. Catheter-associated Urinary Tract Infection (CAUTI) rate remains at zero at both hospitals. There has been significant drop in surgical site infections (SSI) at both hospitals during the month of October and November 2016 from FY2015 and FY2016. She noted that for October 2015 the SSI rate was 9 versus 3 for October 2016. November 2015 SSI rate was 10 versus 1 for October 2016. The CAUTI program is in place and continued improvements are anticipated.

2. Approval of Minutes of November 16, 2016
DISCUSSION: The members of the Board reviewed the minutes of November 16, 2016. A motion was made and seconded.

ACTION: **VOTED to approve the minutes of November 16, 2016 as presented.**

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DISCUSSION: The role of the Advisory Board remains in a development phase. Prospect is evaluating the governance processes for its Advisory Boards to determine if common practices can be implemented consistent with regulatory requirements such as those of The Joint Commission (TJC). The Advisory Boards generally advise upon matters that affect the community, including medical staff appointments and quality initiatives. The Prospect ECHN Advisory Board's scope may be expanded to include Prospect ECHN Eldercare Services, Inc. and Prospect ECHN Home Health, Inc., potentially to include review and approval of the Woodlake at Tolland (WAT) medical staff credentials as well as quality oversight for both WAT and the Visiting Nurse and Health Services of CT. In the interim the WAT credentials will be sent directly to the parent board for approval.

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DISCUSSION: The Medical Executive Committee minutes of November 8, 2016 were included in the packet for informational purposes. Dr. Suede announced the approval of a nurse driven protocol related to the catheter removal processes. The new protocol allows the nurse to determine patient qualification for catheter removal without physician orders. An update on secure texting and emailing patient health information (PHI) was provided at the MEC meeting. A new feature "patient status order notification" will be added to the Care Thread rollout. A workgroup has been established to update personalized order sets on Meditech.

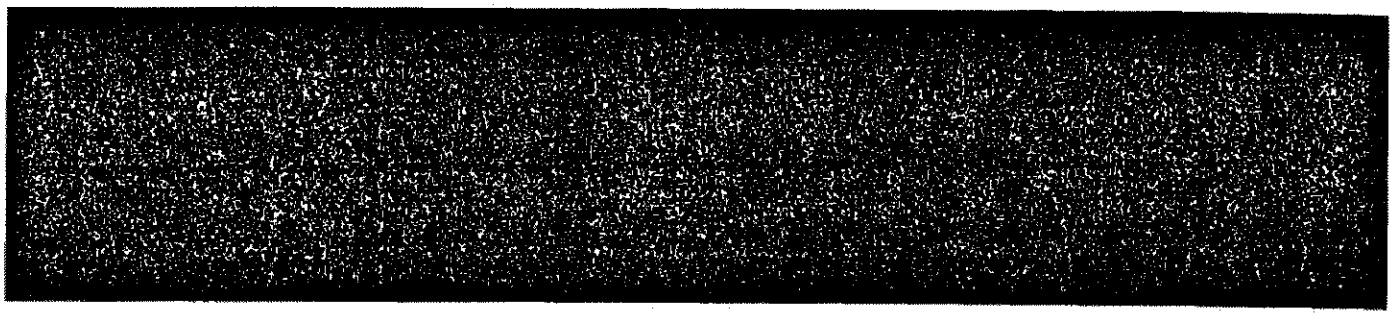
There were no Medical Staff Credentials presented for approval.

6. Chief Executive Officer's Report



Ms. Kruse provided an overview of the Marketing and Communications Strategy for 2017 for the following program categories:

Service line marketing; ECHN brand development; digital, radio and Pandora advertisements, community education programs and promotions; employee and medical staff communications and community outreach liaison program. The outreach liaison program is a model developed by Prospect that will be an extension of the Marketing Department. Two individuals will be developing relationships with skilled nursing facilities, assisted living, and community providers to ensure patients experience a smooth transition to acute care hospitals and ultimately enhance the referral base.



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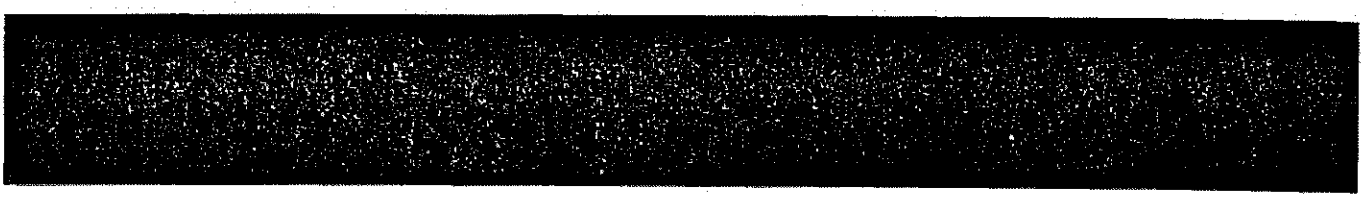
7. **Quality Report**

a. Quality Assurance & Performance Improvement (QAPI) FY2017 Plans/FY2017 Goals

DISCUSSION: The FY2017 Quality Assurance & Performance Improvement Plans and Goals have been completed. These items were approved by the QAPIC and will be presented to the MEC for approval on January 10, 2017. Final approval will be sought by the Advisory Boards at its next meeting on January 25, 2017.

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[redacted]

9. Next Meeting/Adjournment

DISCUSSION: Mr. Collins thanked the members of the board for attending. He noted that the Advisory Board members are advocates for the communities that ECHN services and encouraged them to contact himself or any member of senior leadership any questions or concerns. He wished everyone Happy Holidays.

The next meeting of the Prospect MMH/RGH Board of Directors is scheduled for Wednesday, January 25, 2017 at 7:30 a.m. in the MMH CR A, B & C.

The meeting was adjourned.

Respectfully submitted,

Chantal M. Perigo
Recording Secretary

Irene Quong Conlon
Board Secretary

PROSPECT MEDICAL HOLDINGS, INC.

ECHN

PROSPECT MANCHESTER HOSPITAL, INC.
PROSPECT ROCKVILLE HOSPITAL, INC.

ADVISORY BOARDSMEETING MINUTES

MEETING: **ANNUAL MEETING OF THE ADVISORY BOARD**
DATE: November 16, 2016 **LOCATION:** MMH CR A, B & C **CONVENED:** 7:30 a.m. **ADJOURNED:** 9:09 a.m.

TRUSTEES PRESENT: Michael Collins (Interim CEO); M. Saud Anwar, MD; Irene Quong-Conlon; Mary Cronin; Mary (Molly) Devanney (T); Joy Dorin; Eric Kloter; Pamela Lewis, MD; Saqib Naseer, MD; Dennis O'Neill, MD; , Barbara. Phillips, MD; David Topper

MANAGEMENT PRESENT: Dennis McConville; Mary Powers; Linda Quirici; Joel Reich; Joyce Tichy; Michael Veillette; Chantal Perigo (Recording Secretary)

NOT PRESENT: M. Maher, Suede, MD

GUEST: Deborah Berry, Chief Quality Officer, Prospect Medical Holdings (Prospect)
Garrison De Lee, Corporate Counsel, Prospect (T)
Thomas Reardon, President Prospect Medical Holdings East

With a quorum present, Mr. Collins serving as interim Chairman in lieu of elections convened the meeting at 7:33 a.m. He welcomed Ms. Berry and Messrs. De Lee, Reardon and Topper to the meeting. Formal introductions followed.

1. **Proposed Amendment to Bylaws**

DISCUSSION: Mr. Topper stated that he is excited about the opportunity to work with ECHN and is looking forward to a long relationship. Due to logistical challenges, including potential travel delays and time zone differences he will step down from his role on the Advisory Board and advised that Thomas Reardon would take his place as a Prospect representative. Mr. Topper expressed the hope that he would remain engaged with the Advisory Board by participating in its meetings as a guest from time to time. He was encouraged to do so to as an excellent means of maintaining ties between the local Prospect ECHN community and Prospect's leadership. A motion was made and seconded.

ACTION: **VOTED to acknowledge the resignation of David Topper as Prospect Representative on the joint Prospect Manchester Hospital and Prospect Rockville Hospital Advisory Boards, and to acknowledge the election of Thomas M. Reardon as Prospect Representative as ex-officio member with vote.**

Amendments to the Prospect Manchester Hospital and Prospect Rockville Hospital Advisory Board Bylaws were presented for approval and recommendation to the Prospect Manchester Hospital, Inc. and Prospect Rockville Hospital, Inc. Boards of Directors. The purpose of such amendments is to revise the composition of the Advisory Board so as to include the President of the Medical Staff as a standing member. It was noted that this Advisory Board Bylaws change would reinforce Prospect's strong commitment to physician participation in the work of the Advisory Board. A motion was made and seconded.

ACTION: **VOTED to approve the amendments to Section 2/Composition of the Prospect Manchester Hospital and Prospect Rockville Hospital Advisory Board Bylaws to change the composition of the Advisory Boards for these entities to include the President of the Medical Staff, and to recommend approval of same by the Prospect Manchester Hospital, Inc. and Prospect Rockville Hospital, Inc. Boards of Directors.**

Additional amendments are being considered to the Advisory Board Bylaws in order to include Prospect ECHN ElderCare Services, Inc. d/b/a Woodlake at Tolland Rehabilitation and Nursing Center (WAT) as an additional entity under Advisory Board oversight, which would allow for Advisory Board review and approval of the Woodlake at Tolland Medical Staff Appointments and quality matters. This change is under review from a corporate governance perspective. It was noted that the Advisory Board is fortunate to have Mr. Kloter as a member of the Advisory Board, as he has been a champion for post- acute care services. A brief discussion followed regarding staff participation from WAT and Prospect ECHN Home Health, Inc. d/b/a Visiting Nurse and Health Services of Connecticut, Inc. as both of these entities are involved in quality initiatives. This proposal will be presented to the incoming Board Chairman for consideration.

2. Board Questionnaire/Non-Disclosure, Code of Conduct and Confidentiality Statement

DISCUSSION: The Board Questionnaire/Non-Disclosure, Code of Conduct and the Confidentiality Statement were included in the meeting packets for completion. Members of the Advisory Board were asked to forward the completed forms to Ms. Perigo, and to direct questions Ms. Tichy or Ms. Perigo. Suggested corrections will be made to the form. A revised document will be sent to Advisory Board members.

3. Nomination and Vote of Officers and Terms

DISCUSSION: The floor was opened for nominations for the election of Advisory Board officers. M. Maher Suede, MD was nominated as Chairman. Nominations were closed and members of the Advisory Board were invited to ask questions or share comments. A motion was made and seconded.

ACTION: **VOTED unanimously to elect M. Maher Suede, MD as Chairman of the Prospect Manchester Hospital Advisory Board and the Prospect Rockville Hospital Advisory Board for a 1-year term to expire in November 2017.**

The floor was open for nominations of Vice Chairman. Eric L. Kloter was nominated to serve as Vice Chairman. Nominations were closed and members of the Advisory Board were invited to ask questions and share comments. A motion was made and seconded.

ACTION: **VOTED unanimously to elect Eric L. Kloter, as Vice Chairman of the Prospect Manchester Hospital Advisory Board and the Prospect Rockville Hospital Advisory Board for a 1-year term to expire in November 2017.**

The floor was open for the nominations of Secretary. Irene Quong Conlon was nominated to serve as Board Secretary. Nominations were closed and members of the Advisory Board were invited to ask questions and share comments. A motion was made and seconded.

ACTION: **VOTED unanimously to elect Irene Quong Conlon as Secretary of the Prospect Manchester Hospital Advisory Board and the Prospect Rockville Hospital Advisory Board for a 1-year term to expire in November 2017.**

Discussion followed regarding setting the Advisory Board member terms in accordance with Section 5 of the Local Advisory Board portion of the Prospect Manchester Hospital and the Prospect Rockville Hospital Bylaws. Mr. Collins read the list of terms attached as Exhibit A, which reflected prior discussions with each member regarding their desired length of term. It was noted that all are eligible for re-election at the conclusion of their initial term. Terms are effective as of the date of the Annual Meeting duly held on November 16, 2016. A question and answer period followed.

4. Review of Board Responsibilities

DISCUSSION: The Local Advisory Boards are responsible for quality, medical staff credentialing and capital expenditure oversight. Appointments, reappointments and status changes of the Manchester and Rockville hospitals medical staff will be presented to the board for review in approval and will include an application checklist of the new physician. The completed files for each candidate are available for Board member review in the Office of Medical Affairs. Board members are also encouraged to make inquiries about the candidates at meetings or by contacting Dr. Reich or Mr. Collins. Capital Expenditures will be reviewed monthly.

5. Medical Executive Committee Minutes and Approval of Medical Staff Credentials

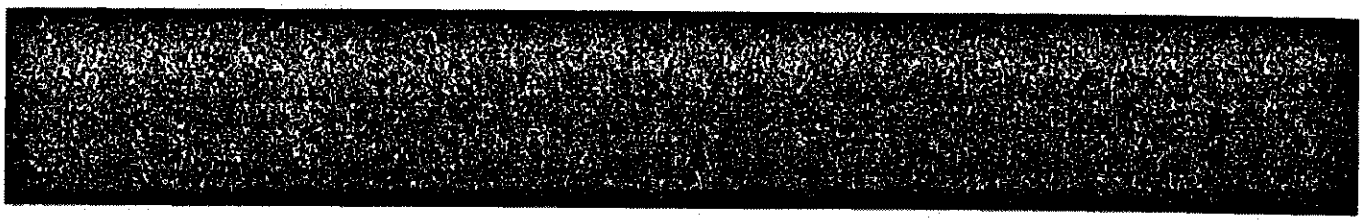
DISCUSSION: The Medical Executive Committee minutes of October 11, 2016 were included in the packet for informational purposes. The Board of Directors were provided an overview of the Medical Staff and Allied Health Professional Staff Credentialing process utilized to ensure qualified candidates meet hospital requirements and all regulatory and accreditation requirements set forth by the State of Connecticut Department of Public Health (DPH), the Centers for Medicare and Medicaid Services (CMS), the Joint Commission (TJC) and the Accreditation Council for Graduate Medical Education/American Osteopathic Association (ACGME/AOA). Once applications have been approved by the service chief and/or department chair; a three step approval process is conducted by the Credentials Committee, the MEC and finally by the governing board. A member of the Advisory Boards would serve on the Credentials Committee and have an integral part of the review process. A summary of the verification and post-verification process was provided and included a sample of the Medical Staff Membership and Privileges Application Checklists for various purposes.

Members of the Board reviewed the recommendations for Medical Staff appointments, status changes and completion of review periods approved by the Credentials Committee on November 1, 2016 and the Medical Executive Committee (MEC) on November 8, 2016. A brief discussion followed regarding the approval process. Once the credentials have been approved by the Advisory Boards they will be forwarded to the Prospect fiduciary boards for final approval by virtue of unanimous consent. Timing of the approval process is a key factor as not all candidates qualify for temporary privileges. Approvals should be completed by the last day of the current month in order to meet regulatory requirements. Copies of the signed unanimous consents from Prospect will be kept in the Advisory Boards meeting binder for permanent record. A motion was made and seconded.

ACTION: **VOTED unanimously to approve the recommendations for Medical Staff appointments, status changes and completion of review periods approved by the Credentials Committee on November 1, 2016 and the Medical Executive Committee (MEC) on November 8, 2016 as presented and recommend approval by the Prospect Manchester Hospital and Prospect Rockville Board of Directors.**

6. Chief Executive Officer's Report

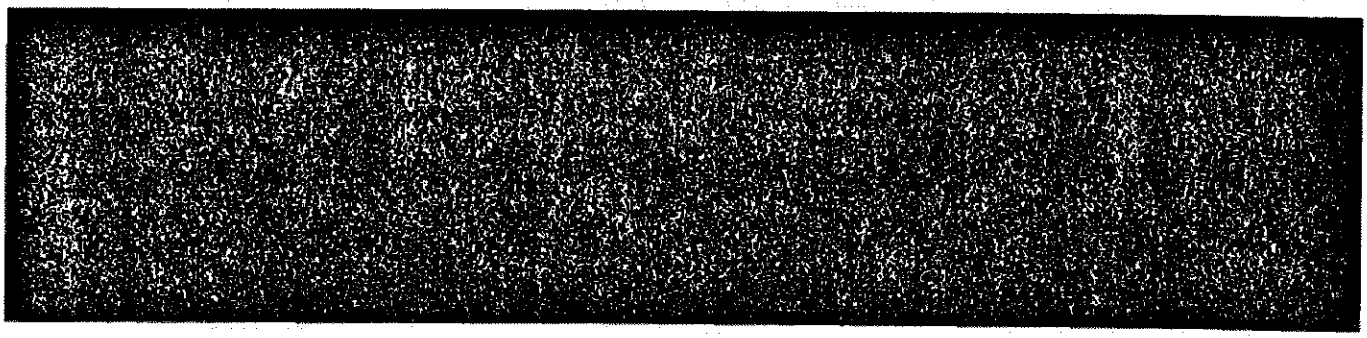
DISCUSSION: Mr. Collins stated that ECHN has been a community based health system for some time and he encouraged removal of the preference of individual identifiers (i.e. Rockville, Manchester, VNHSC etc.) in lieu of ECHN. He recently shared his observations at Employee Forums held in mid-October through early November 2016 and expressed his desire for employees to embrace a "TEAM" view of the system as a whole, rather than individual counterparts. No counterpart within the system would be successful without the others. Employee Forums throughout the system were relatively positive. Reporting mechanisms are being re-evaluated to ensure that issues across the system are being addressed by the appropriate senior leadership member. For example, nursing issues at any of the ECHN facilities would be handled by the Chief Nursing Officer.



A question arose regarding outreach to physicians for patient referrals and an outreach to the patient population. A concierge program, which has been very successful in California, is underway. An overview of the concierge roles and responsibilities to include community outreach was provided. A candidate has been identified and will begin employment in two weeks. The individual will be introduced to the Medical Staff at its next meeting on December 13, 2016. A second concierge position will be filled in the subsequent weeks. A marketing strategy is under development to include advertising of community events in the local media, ECHN's website as well as digital and radio advertising. The Better Being publication is mailed to over 155,000 homes bi-annually and is a vehicle for announcing the community health education programs. It was noted that the best form of advertising is the patient experience. The Vice President of Corporate Communications & Public Affairs provide an update at the next meeting. A question and answer period followed.

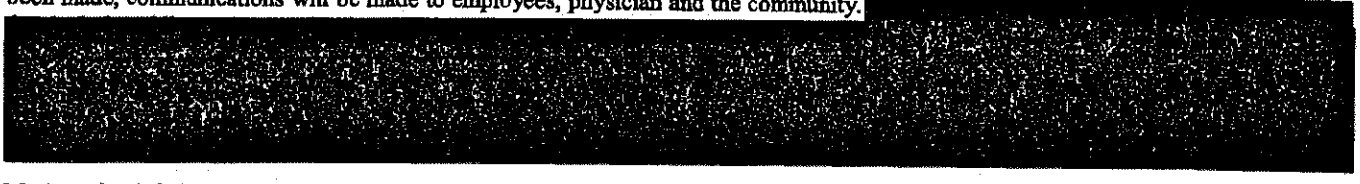
7. Annual Performance Improvement Plans

DISCUSSION: The FY2017 Plans (Performance Improvement, Patient Experience, Patient Safety and Risk Management) and the FY2017 Quality Assurance & Performance Improvement (QAPI) Goals have been completed. These items have been submitted to QAPIC for review and approval. The FY2017 plans and FY2017 goals will then be presented to the MEC for approval. Final approval will be sought by the Advisory Boards at its next meeting on December 14, 2016. A Patient/Family Council, endorsed by the Connecticut Hospital Association (CHA), is being developed that will enhance the patient experience process and improve upon quality and safety.



9. Capital Review

DISCUSSION: Clinical leaders have been diligently reviewing, evaluating and prioritizing capital requests that have been submitted over the past several years. A list of priority items was provided by category which include: investments to address compliance with regulations for licensure and accreditation; those that provide a return on investment or preservation of revenue; investments that impact patient, physician and/or employee satisfaction ("Splash" capital); and items that are at the end of their useful life. Regulatory licensure inspections were conducted by the CT Department of Public Health at Manchester Hospital, Rockville Hospital, Woodlake at Tolland, 460 Tolland Turnpike and 150 North Main as required for the transaction. Plans of correction were submitted to DPH as a result of the inspections which commit ECHN to engage consultants to conduct studies of building conditions, i.e. heating and ventilation systems, electrical systems, roofs, furnishings and finishes. From those studies, ECHN will need to submit additional plans to DPH that identify work to correct deficiencies. While those plans are being produced, requests for initial "splash" capital investments will be submitted with input from physicians for items that address technology and equipment needed for their specialties. Once splash capital investments have been made, communications will be made to employees, physician and the community.



Mr. Reardon left the meeting at 8:51 a.m.

10. Next Meeting/Adjourment

DISCUSSION: The next meeting of the Prospect MMH/RGH Board of Directors is scheduled for Wednesday, December 14, 2016 at 7:30 a.m. in the MMH CR A, B & C. The calendar of meetings for 2017 was included in the packet for informational purposes. These dates have been posted on the BoardEffect Portal.

Dr. O'Neill stated that it has been approximately 6 ½ weeks since the closing of the transaction and although Mr. Collins had been onsite as Chief Integration Officer, his position as Interim CEO was abrupt due to the precipitous departure of the former CEO. Feedback from the medical staff, hospital staff and the senior management team has been very positive. He commended Mr. Collins for the work his is doing and the current state of the organization.

The meeting was adjourned.

Respectfully submitted,

Chantal M. Perigo
Recording Secretary

Irene Quong Cenfon
Board Secretary

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
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VIA ELECTRONIC MAIL AND REGULAR MAIL

February 17, 2017

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134



Re: Compliance with Stipulation #20

Dear Ms. Martone:

I am in receipt of your email communication dated February 15, 2017 in which you requested certain information relating to Stipulation #20 of the Certificate of Need listed under Docket #15-32016-486. Below are the responses of Prospect ECHN to the questions set forth in that email.

1. **Has the Local Board been selected and what was the selection process?**

   Yes, the Local Board has been selected. The members of the Local Board were selected by Prospect ECHN in accordance with the requirements the Asset Purchase Agreement dated August 24, 2016 between ECHN as Seller and Prospect Medical Holdings as Buyer, which states as follows:

   > Local Board means the advisory board of each Hospital composed of community representatives, physicians on the respective Hospital's medical staff, and the Chief Executive Officer of each respective Hospital (for avoidance of doubt, each Hospital shall have its own Local Board). The initial members of the Local Board shall include at least five members of the Seller's Board of Trustees immediately prior to Closing and five other individuals identified by the Seller prior to Closing, two of whom shall be members of the community appointed in consultation with the mayor of the town in which the respective Hospital is located.

   Please note that the two Hospital Boards meet contemporaneously and have the same members, in recognition of the fact that Manchester Memorial Hospital and Rockville General Hospital function as an integrated system within Prospect ECHN.

Kimberly R. Martone
Office of Health Care Access
February 17, 2017

2. List the names and related information for each member of the Local Board.

The names and roles of the individuals on the Local Board are:

Name	Role
M. Maher Suede, MD	Medical Staff President, Former Seller Trustee
M. Saud Anwar, MD	Medical Staff Member
Michael Collins	Interim Chief Executive Officer
Mary Roche-Cronin	Community Member Recommended by Manchester Mayor
Molly C. Devanney	Community Member
Joy W. Dorin	Community Member, Former Seller Trustee
Eric L. Kloter	Community Member, Former Seller Trustee
Pamela Lewis, MD	Former Seller Trustee, Medical Staff Member
Saqib Naseer, MD	Medical Staff Vice-President (incoming President-designate)
Dennis G. O'Neill, MD	Medical Staff Member, Former Seller Trustee
Barbara Phillips, MD	Medical Staff Member, Former Seller Trustee
Irene Quong-Conlon	Community Member
Thomas M. Reardon	Prospect Representative
Vacant	Community Member -- Awaiting Vernon Mayor Recommendation

3. What members are the two community representatives and how were they chosen?

In accordance with the requirements of Stipulation #20, ECHN representatives and later Prospect ECHN representatives consulted with Town of Manchester Mayor Jay Moran and Town of Vernon Mayor Daniel Champagne to request their recommendations for individuals to serve as the community representatives for their respective towns.

Per Stipulation #20, the requirements for the position are "two unbiased persons who will fairly represent the interests of the communities served by MMH and RGH, respectively." In the case of Manchester, Mayor Moran recommended Ms. Mary Roche-Cronin, Director of Social Services for the Town of Manchester, for the Manchester community representative position. Because Ms. Roche-Cronin met the qualifications listed in Stipulation #20 Prospect ECHN accepted Mayor Moran's recommendation and selected Ms. Roche-Cronin for the Manchester community representative role.

In the case of Vernon, as of this date Prospect ECHN has not received a recommendation from Mayor Champagne of an "unbiased person" who will "fairly represent the interests of the communit[y] served by RGH". Mayor Champagne did make one recommendation, but Prospect ECHN advised him that the individual did meet the requirement of Stipulation #20 for an "unbiased person". No subsequent recommendation has been received from the Mayor of Vernon.

Kimberly R. Martone
Office of Health Care Access
February 17, 2017

4. Fully explain how the Mayors of Manchester and Vernon were consulted in the selection of these two community representatives.

ECHN representatives met in person with each of the Mayors, described the roles of the community members, discussed the composition of the Local Board, and solicited their recommendations. These communications occurred both before and after the transaction between ECHN and Prospect, which closed on October 1, 2016. ECHN met with Mayor Moran on July 7, 2016 and he recommended Ms. Roche-Cronin on July 25, 2016. ECHN met with Mayor Champagne on July 11, 2016, and Prospect ECHN met with him on October 12, 2016, November 3, 2016, and most recently on January 31, 2017.

5. Have any joint Board meetings been held as yet, per Stipulation #19? Have any Local Board meetings occurred at all since the transfer of ownership. If so, please submit the related meeting minutes.

Prospect ECHN had one informal introductory meeting with the Local Board members on October 10, 2016, followed by meetings on November 16, 2016, December 14, 2016 and January 25, 2017. Because the October 10, 2016 meeting was a "meet and greet" there are no minutes. The minutes for the November and December meetings are attached, with confidential information regarding ongoing strategic initiatives redacted. The minutes for the January meeting are not available as of the current date. Prospect ECHN has not yet conducted a joint Board meeting per Stipulation #19.

6. If Prospect ECHN has rejected any candidates to be the community representatives, identify such candidates and explain why they were not selected.

As indicated above, Prospect ECHN received and approved one recommended candidate for the Town of Manchester, and that person currently sits on the Local Board. Prospect ECHN received one recommendation from the Town of Vernon, which it rejected for the reasons indicated in the response to Question 3. That person's name is Ellen Marmer, MD. Prospect ECHN has asked for additional recommendations from the Mayor of the Town of Vernon on a number of occasions, but to date has not received any.

Thank you for your consideration of this submission.

Very truly yours,

Michael Collins
Interim CEO

Enclosures

PROSPECT MEDICAL HOLDINGS, INC.

ECHN

PROSPECT MANCHESTER HOSPITAL, INC.
PROSPECT ROCKVILLE HOSPITAL, INC.

ADVISORY BOARDSMEETING MINUTES

MEETING: **ADVISORY BOARD**
DATE: December 14, 2016 **LOCATION:** MMH CR A, B & C **CONVENED:** 7:30 a.m. **ADJOURNED:** 8:54 a.m.

TRUSTEES PRESENT: M. Maher, Suede, MD (Chairman); Michael Collins; M. Saud Anwar, MD; Irene Quong-Conlon; Mary Cronin; Mary (Molly) Devanney; Eric Kloter; Pamela Lewis, MD; Saqib Naseer, MD; Barbara. Phillips, MD;

MANAGEMENT PRESENT: Nina Kruse; Katherine Mon; Mary Powers; Linda Quirici; Joel Reich; Todd Rose; Joyce Tichy; Michael Veillette; Chantal Perigo (Recording Secretary)

NOT PRESENT: Joy Dorin; Dennis O'Neill, MD; Thomas Reardon

With a quorum present, Dr. Suede convened the meeting at 7:30 a.m. He thanked the members of the board his election as Chairman of the Advisory Board. He addressed the board about his commitment to the organization during a very exciting and crucial time. The primary goal is to continue to improve patient safety, patient outcomes and the overall patient experience in order to remain strong and competitive as well as improve the perception of Prospect ECHN in the community.

1. Safety Moment
DISCUSSION: Ms. Quirici stated that the quality goals for 2017 are in the final stages of the approval process. She shared the results of the 2016 quality goals. The Serious Safety Event Rate (SSER) ended at zero for RGH and has maintained a zero rating into FY2017. Falls with serious injuries ended at zero for both hospitals. Catheter-associated Urinary Tract Infection (CAUTI) rate remains at zero at both hospitals. There has been significant drop in surgical site infections (SSI) at both hospitals during the month of October and November 2016 from FY2015 and FY2016. She noted that for October 2015 the SSI rate was 9 versus 3 for October 2016. November 2015 SSI rate was 10 versus 1 for October 2016. The CAUTI program is in place and continued improvements are anticipated.

2. Approval of Minutes of November 16, 2016
DISCUSSION: The members of the Board reviewed the minutes of November 16, 2016. A motion was made and seconded.

ACTION: **VOTED to approve the minutes of November 16, 2016 as presented.**

3. Proposed Bylaw Amendment Discussion
DISCUSSION: The role of the Advisory Board remains in a development phase. Prospect is evaluating the governance processes for its Advisory Boards to determine if common practices can be implemented consistent with regulatory requirements such as those of The Joint Commission (TJC). The Advisory Boards generally advise upon matters that affect the community, including medical staff appointments and quality initiatives. The Prospect ECHN Advisory Board's scope may be expanded to include Prospect ECHN Eldercare Services, Inc. and Prospect ECHN Home Health, Inc., potentially to include review and approval of the Woodlake at Tolland (WAT) medical staff credentials as well as quality oversight for both WAT and the Visiting Nurse and Health Services of CT. In the interim the WAT credentials will be sent directly to the parent board for approval.

4. Medical Executive Committee Minutes and Approval of Medical Staff Credentials
DISCUSSION: The Medical Executive Committee minutes of November 8, 2016 were included in the packet for informational purposes. Dr. Suede announced the approval of a nurse driven protocol related to the catheter removal processes. The new protocol allows the nurse to determine patient qualification for catheter removal without physician orders. An update on secure texting and emailing patient health information (PHI) was provided at the MEC meeting. A new feature "patient status order notification" will be added to the Care Thread rollout. A workgroup has been established to update personalized order sets on Meditech.

There were no Medical Staff Credentials presented for approval.

6. Chief Executive Officer's Report

[redacted]

Ms. Kruse provided an overview of the Marketing and Communications Strategy for 2017 for the following program categories:

Service line marketing; ECHN brand development; digital, radio and Pandora advertisements, community education programs and promotions; employee and medical staff communications and community outreach liaison program. The outreach liaison program is a model developed by Prospect that will be an extension of the Marketing Department. Two individuals will be developing relationships with skilled nursing facilities, assisted living, and community providers to ensure patients experience a smooth transition to acute care hospitals and ultimately enhance the referral base.



In 2017 the marketing team will focus its efforts on website functionality, imagery and calls to action; digital media placement; identifying synergies with Waterbury Hospital; local non-profit and chamber support, service line and brand printed collateral; print advertising for community health education programs; community relations and coffee connections programs; media relations; and community outreach liaisons to enhance the promotion of our services across the ECHN network. Discussion followed regarding goals, advertising resources and referral strategies to help increase market share.

A question arose regarding the status of the new community charitable foundation and partnering opportunities. Ms. Kruse reported that the members have been identified and that a meeting is planned for some time in mid-January 2017, at which time the group will begin the organizational processes. The ECHN Community HealthCare Foundation continues to operate under the oversight of the Legacy ECHN Board of Trustees. Once the new foundation has been established the moneys allocated to the new entity will be transferred. It was noted that ECHN cannot be a beneficiary of fund distributions from the new entity. It was also noted that ECHN could coordinate events to contribute to the new foundation.

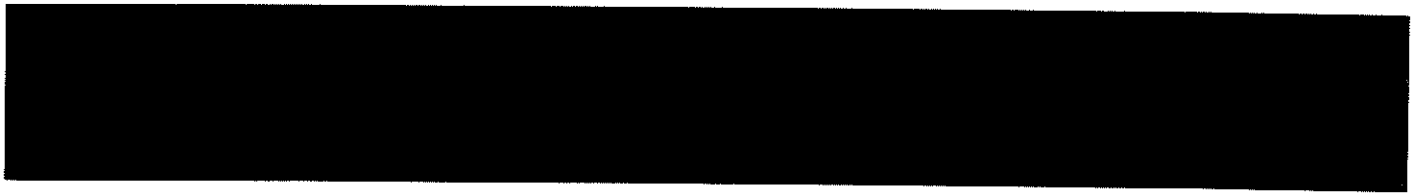
7. **Quality Report**

a. Quality Assurance & Performance Improvement (QAPI) FY2017 Plans/FY2017 Goals

DISCUSSION: The FY2017 Quality Assurance & Performance Improvement Plans and Goals have been completed. These items were approved by the QAPIC and will be presented to the MEC for approval on January 10, 2017. Final approval will be sought by the Advisory Boards at its next meeting on January 25, 2017.

Ms. Quirici highlighted some of the performances through August 2016 for both MMH and RGH related to patient experience (HCAHPS); Medicare spend per beneficiary; patient safety indicators (PSI) – 90; surgical site infections; central line associated blood stream infection (CLABSI); Clostridium Difficile (C-Diff); Readmissions; Timeliness of Care; falls with serious injury; influenza immunization; serious safety event rate; and stroke measures. These measures were selected to enhance patient care and are monitored by regulatory agencies for reimbursement purposes. Programs are in place to provide staff education and certification related to patient experience. A Sepsis program will go live in January 2017.

ECHN is focused on improving the patient and care giver centered experience star rating by at least 1 star for 2017. This includes improvements in HCAHPS related to communications with nurses and communications with doctors. MMH is currently at a 2 star rating, while RGH is at a 3 star rating. RGH is above achievement thresholds for communication with nurses; Medicare-spend per beneficiary. MMH is positive to achievement thresholds for PSI-90 and C-Diff. Ms. Quirici noted that although abdominal hysterectomy site infections are above thresholds, there has been considerable improvement, with 1 incident through August 2016 versus 6 incidents last year at this time. She also noted that there have been no falls with serious injuries at either hospital. There are 11 stroke measures being monitors of which 8 of 11 are at 100% for MMH and 9 of 11 are at 100% for RGH which is ahead of benchmarks at 90%. A question arose regarding employee satisfaction, which has a strong impact on patient experience. A new survey is planned for some time in late February/early March 2017. A question and answer period followed. The Board has requested a report identifying occurrences of unsafe staffing levels. Ms. Powers provided an overview of the unsafe staffing reporting mechanism that is currently in place and the standard plan of action. A per diem float pool initiative is underway to help address staffing shortages. A certified nursing assistant float pool has also been implemented. Flex positions are being reevaluated and adjusted to address staffing concerns. A staffing plan must be reported to the State of Connecticut on an annual basis to include an action plan for staffing needs.



[redacted]

[redacted]

9. Next Meeting/Adjourment

DISCUSSION: Mr. Collins thanked the members of the board for attending. He noted that the Advisory Board members are advocates for the communities that ECHN services and encouraged them to contact himself or any member of senior leadership any questions or concerns. He wished everyone Happy Holidays.

The next meeting of the Prospect MMH/RGH Board of Directors is scheduled for Wednesday, January 25, 2017 at 7:30 a.m. in the MMH CR A, B & C.

The meeting was adjourned.

Respectfully submitted,

Chantal M. Perigo
Recording Secretary

Irene Quong Conlon
Board Secretary

PROSPECT MEDICAL HOLDINGS, INC.

ECHN

PROSPECT MANCHESTER HOSPITAL, INC.
PROSPECT ROCKVILLE HOSPITAL, INC.

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Thomas Reardon, President Prospect Medical Holdings East

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1. Proposed Amendment to Bylaws

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Additional amendments are being considered to the Advisory Board Bylaws in order to include Prospect ECHN ElderCare Services, Inc. d/b/a Woodlake at Tolland Rehabilitation and Nursing Center (WAT) as an additional entity under Advisory Board oversight, which would allow for Advisory Board review and approval of the Woodlake at Tolland Medical Staff Appointments and quality matters. This change is under review from a corporate governance perspective. It was noted that the Advisory Board is fortunate to have Mr. Kloter as a member of the Advisory Board, as he has been a champion for post- acute care services. A brief discussion followed regarding staff participation from WAT and Prospect ECHN Home Health, Inc. d/b/a Visiting Nurse and Health Services of Connecticut, Inc. as both of these entities are involved in quality initiatives. This proposal will be presented to the incoming Board Chairman for consideration.

2. Board Questionnaire/Non-Disclosure, Code of Conduct and Confidentiality Statement

DISCUSSION: The Board Questionnaire/Non-Disclosure, Code of Conduct and the Confidentiality Statement were included in the meeting packets for completion. Members of the Advisory Board were asked to forward the completed forms to Ms. Perigo, and to direct questions Ms. Tichy or Ms. Perigo. Suggested corrections will be made to the form. A revised document will be sent to Advisory Board members.

3. Nomination and Vote of Officers and Terms

DISCUSSION: The floor was opened for nominations for the election of Advisory Board officers. M. Maher Suede, MD was nominated as Chairman. Nominations were closed and members of the Advisory Board were invited to ask questions or share comments. A motion was made and seconded.

ACTION: **VOTED unanimously to elect M. Maher Suede, MD as Chairman of the Prospect Manchester Hospital Advisory Board and the Prospect Rockville Hospital Advisory Board for a 1-year term to expire in November 2017.**

The floor was open for nominations of Vice Chairman. Eric L. Kloter was nominated to serve as Vice Chairman. Nominations were closed and members of the Advisory Board were invited to ask questions and share comments. A motion was made and seconded.

ACTION: **VOTED unanimously to elect Eric L. Kloter, as Vice Chairman of the Prospect Manchester Hospital Advisory Board and the Prospect Rockville Hospital Advisory Board for a 1-year term to expire in November 2017.**

The floor was open for the nominations of Secretary. Irene Quong Conlon was nominated to serve as Board Secretary. Nominations were closed and members of the Advisory Board were invited to ask questions and share comments. A motion was made and seconded.

ACTION: **VOTED unanimously to elect Irene Quong Conlon as Secretary of the Prospect Manchester Hospital Advisory Board and the Prospect Rockville Hospital Advisory Board for a 1-year term to expire in November 2017.**

Discussion followed regarding setting the Advisory Board member terms in accordance with Section 5 of the Local Advisory Board portion of the Prospect Manchester Hospital and the Prospect Rockville Hospital Bylaws. Mr. Collins read the list of terms attached as Exhibit A, which reflected prior discussions with each member regarding their desired length of term. It was noted that all are eligible for re-election at the conclusion of their initial term. Terms are effective as of the date of the Annual Meeting duly held on November 16, 2016. A question and answer period followed.

4. Review of Board Responsibilities

DISCUSSION: The Local Advisory Boards are responsible for quality, medical staff credentialing and capital expenditure oversight. Appointments, reappointments and status changes of the Manchester and Rockville hospitals medical staff will be presented to the board for review in approval and will include an application checklist of the new physician. The completed files for each candidate are available for Board member review in the Office of Medical Affairs. Board members are also encouraged to make inquiries about the candidates at meetings or by contacting Dr. Reich or Mr. Collins. Capital Expenditures will be reviewed monthly.

5. Medical Executive Committee Minutes and Approval of Medical Staff Credentials

DISCUSSION: The Medical Executive Committee minutes of October 11, 2016 were included in the packet for informational purposes. The Board of Directors were provided an overview of the Medical Staff and Allied Health Professional Staff Credentialing process utilized to ensure qualified candidates meet hospital requirements and all regulatory and accreditation requirements set forth by the State of Connecticut Department of Public Health (DPH), the Centers for Medicare and Medicaid Services (CMS), the Joint Commission (TJC) and the Accreditation Council for Graduate Medical Education/American Osteopathic Association (ACGME/AOA). Once applications have been approved by the service chief and/or department chair; a three step approval process is conducted by the Credentials Committee, the MEC and finally by the governing board. A member of the Advisory Boards would serve on the Credentials Committee and have an integral part of the review process. A summary of the verification and post-verification process was provided and included a sample of the Medical Staff Membership and Privileges Application Checklists for various purposes.

Members of the Board reviewed the recommendations for Medical Staff appointments, status changes and completion of review periods approved by the Credentials Committee on November 1, 2016 and the Medical Executive Committee (MEC) on November 8, 2016. A brief discussion followed regarding the approval process. Once the credentials have been approved by the Advisory Boards they will be forwarded to the Prospect fiduciary boards for final approval by virtue of unanimous consent. Timing of the approval process is a key factor as not all candidates qualify for temporary privileges. Approvals should be completed by the last day of the current month in order to meet regulatory requirements. Copies of the signed unanimous consents from Prospect will be kept in the Advisory Boards meeting binder for permanent record. A motion was made and seconded.

ACTION: **VOTED unanimously to approve the recommendations for Medical Staff appointments, status changes and completion of review periods approved by the Credentials Committee on November 1, 2016 and the Medical Executive Committee (MEC) on November 8, 2016 as presented and recommend approval by the Prospect Manchester Hospital and Prospect Rockville Board of Directors.**

6. Chief Executive Officer's Report

DISCUSSION: Mr. Collins stated that ECHN has been a community based health system for some time and he encouraged removal of the preference of individual identifiers (i.e. Rockville, Manchester, VNHSC etc.) in lieu of ECHN. He recently shared his observations at Employee Forums held in mid-October through early November 2016 and expressed his desire for employees to embrace a "TEAM" view of the system as a whole, rather than individual counterparts. No counterpart within the system would be successful without the others. Employee Forums throughout the system were relatively positive. Reporting mechanisms are being re-evaluated to ensure that issues across the system are being addressed by the appropriate senior leadership member. For example, nursing issues at any of the ECHN facilities would be handled by the Chief Nursing Officer.

[redacted]

A question arose regarding outreach to physicians for patient referrals and an outreach to the patient population. A concierge program, which has been very successful in California, is underway. An overview of the concierge roles and responsibilities to include community outreach was provided. A candidate has been identified and will begin employment in two weeks. The individual will be introduced to the Medical Staff at its next meeting on December 13, 2016. A second concierge position will be filled in the subsequent weeks. A marketing strategy is under development to include advertising of community events in the local media, ECHN's website as well as digital and radio advertising. The Better Being publication is mailed to over 155,000 homes bi-annually and is a vehicle for announcing the community health education programs. It was noted that the best form of advertising is the patient experience. The Vice President of Corporate Communications & Public Affairs provide an update at the next meeting. A question and answer period followed.

7. Annual Performance Improvement Plans

DISCUSSION: The FY2017 Plans (Performance Improvement, Patient Experience, Patient Safety and Risk Management) and the FY2017 Quality Assurance & Performance Improvement (QAPI) Goals have been completed. These items have been submitted to QAPIC for review and approval. The FY2017 plans and FY2017 goals will then be presented to the MEC for approval. Final approval will be sought by the Advisory Boards at its next meeting on December 14, 2016. A Patient/Family Council, endorsed by the Connecticut Hospital Association (CHA), is being developed that will enhance the patient experience process and improve upon quality and safety.

[redacted]

9. Capital Review

DISCUSSION: Clinical leaders have been diligently reviewing, evaluating and prioritizing capital requests that have been submitted over the past several years. A list of priority items was provided by category which include: investments to address compliance with regulations for licensure and accreditation; those that provide a return on investment or preservation of revenue; investments that impact patient, physician and/or employee satisfaction ("Splash" capital); and items that are at the end of their useful life. Regulatory licensure inspections were conducted by the CT Department of Public Health at Manchester Hospital, Rockville Hospital, Woodlake at Tolland, 460 Tolland Turnpike and 150 North Main as required for the transaction. Plans of correction were submitted to DPH as a result of the inspections which commit ECHN to engage consultants to conduct studies of building conditions, i.e. heating and ventilation systems, electrical systems, roofs, furnishings and finishes. From those studies, ECHN will need to submit additional plans to DPH that identify work to correct deficiencies. While those plans are being produced, requests for initial "splash" capital investments will be submitted with input from physicians for items that address technology and equipment needed for their specialties. Once splash capital investments have been made, communications will be made to employees, physician and the community. [redacted]

Mr. Reardon left the meeting at 8:51 a.m.

10. Next Meeting/Adjourment

DISCUSSION: The next meeting of the Prospect MMH/RGH Board of Directors is scheduled for Wednesday, December 14, 2016 at 7:30 a.m. in the MMH CR A, B & C. The calendar of meetings for 2017 was included in the packet for informational purposes. These dates have been posted on the BoardEffect Portal.

Dr. O'Neill stated that it has been approximately 6 ½ weeks since the closing of the transaction and although Mr. Collins had been onsite as Chief Integration Officer, his position as Interim CEO was abrupt due to the precipitous departure of the former CEO. Feedback from the medical staff, hospital staff and the senior management team has been very positive. He commended Mr. Collins for the work his is doing and the current state of the organization.

The meeting was adjourned.

Respectfully submitted,

Chantal M. Perigo
Recording Secretary

Irene Quong Conlon
Board Secretary

Olejarz, Barbara

From: Olejarz, Barbara on behalf of Martone, Kim
Sent: Thursday, February 23, 2017 11:24 AM
To: Michael Collins
Subject: Compliance with Certificate of Need Agreed Settlement

Tracking:

Recipient	Delivery
Michael Collins	
Martone, Kim	Delivered: 2/23/2017 11:24 AM
Roberts, Karen	
Stan, Christopher	Delivered: 2/23/2017 11:24 AM
Karen.Roberts@ct.gov	Delivered: 2/23/2017 11:24 AM

2/23/17

Mr. Michael Collins
Interim Chief Executive Officer
Prospect ECHN, Inc.

RE: Compliance with Certificate of Need Agreed Settlement under Docket Number 15-32016-486.
Sale of the Assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.

Dear Mr. Collins

OHCA has received your response to its Certificate of Need Compliance inquiry regarding the Prospect ECHN Local or Advisory Board composition. OHCA requires additional information and clarification regarding this matter. Please see OHCA's additional questions below:

1. You indicate that the Local Board has been selected. However, as of this date, the Vernon Community Member remains a vacant position. What steps is Prospect ECHN actively taking to resolve the issue of the vacant community representative member?

2. OHCA asked in inquiry question #6, for an explanation as to why any board member who was recommended by the two mayors was not selected and accepted for board membership ("*explain why they were not selected*"). In response, you refer to your response to inquiry question #3, wherein you indicate that Prospect ECHN has not received a recommendation of an unbiased person who will fairly represent the interests of the community served by RGH. OHCA notes that this explanation merely quotes the wording of Stipulation #20 and does not provide further explanation as to the reason for candidate rejection. Please indicate why the recommendation was not accepted for the vacant board position.

Please provide a response to the above by end of day, Tuesday, February 28, 2017.

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
Phone: 860-418-7029 Fax: 860-418-7053
Email: Kimberly.Martone@ct.gov Website: www.ct.gov/ohca



Olejarz, Barbara

From: Microsoft Outlook
To: Michael Collins
Sent: Thursday, February 23, 2017 11:24 AM
Subject: Relayed: Compliance with Certificate of Need Agreed Settlement

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

Michael Collins (mcollins@echn.org)

Subject: Compliance with Certificate of Need Agreed Settlement

Olejarz, Barbara

From: Perigo, Chantal <CPerigo@echn.org>
Sent: Tuesday, February 28, 2017 9:15 AM
To: Martone, Kim; Olejarz, Barbara
Cc: Mcconville, Dennis P; Collins, Michael; Tichy, Joyce A; Von.Crockett; Frank.Saidara; 'Thomas Reardon'; 'tom.reardon@chartercare.org'
Subject: Compliance with CON Agreed Settlement under Docket #15.320.16.486
Attachments: Compliance with CON agreed settlement under Docket #15-32016-486.pdf

Importance: High



Sent on behalf of Mr. Collins

Good Morning,

Attached please find ECHN's response to your questionnaire regarding compliance with CON agreed settlement under Docket #15.32016.486. Hard versions have been sent via US Mail.

Regards,
Chantal Perigo
Executive Secretary
ECHN

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

VIA ELECTRONIC MAIL AND REGULAR MAIL

February 28, 2017

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134

Re: Compliance with Certificate of Need Agreed Settlement under Docket #15-32016-486

Dear Ms. Martone:

I am in receipt of your email communication dated February 23, 2017 in which you requested additional information on behalf of OHCA relating to Stipulation #20 of the Certificate of Need listed under Docket #15-32016-486. Below are the responses of Prospect ECHN to the questions set forth in that email.

1. **You indicate that the Local Board has been selected. However, as of this date, the Vernon Community Member remains a vacant position. What steps is Prospect ECHN actively taking to resolve the issue of the vacant community representative member?**

   As indicated in my response to you dated February 17, 2107, ECHN met with Mayor Champagne on July 11, 2016 to discuss the appointment of an Advisory Board member. Subsequently, Prospect ECHN met with him on October 12, 2016, November 3, 2016, and most recently on January 31, 2017 for the same purpose. Additionally, Mayor Champagne volunteered to, and did, attend and participate in the most recent Advisory Board meeting on February 22, 2017. Prospect ECHN welcomes Mayor Champagne's attendance at future Advisory Board meetings, and pending his nomination of an unbiased person we have contacted the Mayor and asked him to serve on the Advisory Board on an interim basis.

2. **OHCA asked in inquiry question #6, for an explanation as to why any board member who was recommended by the two mayors was not selected and accepted for board membership ("explain why they were not selected"). In response, you refer to your response to inquiry question #3, wherein you indicate that Prospect ECHN has not received a recommendation of an unbiased person who will fairly represent the interests of the community served by RGH. OHCA notes that this explanation merely quotes the wording of Stipulation #20 and does not**

provide further explanation as to the reason for candidate rejection. Please indicate why the recommendation was not accepted for the vacant board position. Has the Local Board been selected and what was the selection process?

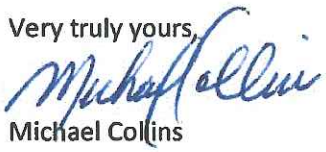
In concluding that Dr. Marmer did not demonstrate the required qualification of being an unbiased person, Prospect relied on the statements that Dr. Marmer made at public hearings and/or on the public record prior to and after the transaction between Eastern Connecticut Health Network, Inc. and Prospect Medical Holdings, Inc. Examples of such statements are enclosed with this letter. With the exception of this position, which as indicated in the response to Question 1 above ECHN has invited the Mayor of Vernon to fill with himself or another qualified designee, the Advisory Board's composition is complete.

In response to your question about the process used to select Advisory Board members, Prospect ECHN provides the following outline describing the process and criteria for selecting those members.

1. Prospect ECHN reviewed the terms of the Asset Purchase Agreement dated August 25, 2016 between Eastern Connecticut Health Network, Inc. and Prospect Medical Holdings, Inc. relating to the composition of the Advisory Board.
2. Prospect ECHN selected physicians, former ECHN Board members and other community members who met the requirements in the Asset Purchase Agreement, with careful consideration given to those individuals' prior demonstrated sustained commitment and community service directly in support of the mission of ECHN.
3. Prospect ECHN reviewed the requirements in Stipulation #20 of the Certificate of Need for "two unbiased persons" to serve as community members "selected in consultation with the Mayors of Manchester and Vernon."
4. Based on ECHN's consultation with the Mayor of Manchester who recommended Mary Roche-Cronin for the MMH community representative, Prospect ECHN determined her to be an unbiased person and named her to the MMH community representative position.
5. Prospect ECHN consulted with the Mayor of Vernon on the dates indicated in the response to Question 1 above, but has not as yet received from the Mayor of Vernon a recommendation for an unbiased person to serve as the RGH community representative. Thus, Prospect ECHN has not been able to fill that position.

Thank you for your consideration of this submission.

Very truly yours,



Michael Collins
Interim CEO

Enclosures

Approved but not OK; ECHN hospital sales questioned

By Don Michak and John Kennedy Journal Inquirer | Posted: Wednesday, April 30, 2014 9:22 am

Eastern Connecticut Health Network President and CEO Peter J. Karl on Tuesday disclosed that three weeks earlier the board of trustees at the regional nonprofit approved a definitive agreement to sell it to a for-profit hospital chain in Texas.

Karl also revealed that under the agreement with Tenet Healthcare Corp. and its junior partner in the joint venture poised to make the acquisition, Yale New Haven Health System, ECHN's Rockville General Hospital in Vernon could not be shuttered for three years after a sale.

When a questioner suggested that period was too short and asked if "you are selling us down the river," Karl adamantly denied doing so.

"This is the best for the community because we are able to invest in the organization," he said, adding the "alternative scenario" would mean that ECHN would have to close both Rockville General and its second, larger hospital, Manchester Memorial, "within a five-year period."

The CEO's comments came as he and others involved in the controversial deal — Trip Pilgrim, the chief development officer at Tenet, and Vincent Petrini, a senior vice president at Yale New Haven Health — were grilled by about a dozen area residents who attended a forum at Rockville High School on the proposed sale.

Several made observations that led to awkward silences among the officials as audience members called out for them to respond.

Though the board of trustees has signed off on the deal, any sale also would require approval by ECHN's "corporators" as well as by state regulators.

'Run them into a ditch'

The most stinging comments came from Vernon resident Jean Merz, who blasted Tenet, its past corporate practices, and its compensation of executives. She also suggested that Karl had mismanaged ECHN and run its Manchester Memorial and Rockville General hospitals into the ground.

Merz said she and others also didn't believe that ECHN had done "due diligence" on Tenet. Karl and his colleagues, she said, appear to have found their corporate partner in "the Cayman Islands," a reference to the annual sojourns ECHN officials and some of their spouses have made to the Caribbean nation, ostensibly for business meetings of the network's offshore insurance subsidiary.

"Mr. Pilgrim, we don't want your company in Connecticut, we don't want you at Rockville," she told the Tenet executive. "We do not want money going to your CEO, who makes $22 million a year. We do not want money going to your stockholders. … We think your company looks for loopholes in Medicare and Medicaid to perpetuate fraud.

"Mr. Karl, we don't think you own Rockville General or Manchester Memorial hospitals, we think that the people of those towns own them," she added. "You've run them — and you've run them into a ditch."

Neither Karl, Pilgrim, nor Petrini responded to Merz.

Dying a slow death

The officials also took flak from two former mayors of Vernon, both Democrats. Rockville General, despite cuts in recent years, remains one of the town's largest private employers.

One of them, Ellen Marmer — a pediatric cardiac surgeon who was on the Rockville General staff for more than three decades — suggested that the financial problems ECHN is experiencing today began with the merger between Manchester Memorial and Rockville General that created the health system.

"We heard the same dog-and-pony show when you lost maternity for us," she said, referring to the closure several years ago of Rockville's birthing unit. "I refuse to let this hospital die a Tenet, Yale, and ECHN death."

She added: "Two people will tell you to go to hell, and from one, you'll ask directions, and the other, you'll want to punch out. I want to punch you out, because you're telling us to go to hell."

Former Mayor Marie Herbst objected to the provision that Karl said would ensure that Rockville General remain open for three years.

Herbst, one of the 261 community volunteers who as ECHN corporators will be asked to approve the trustees' decision to sell, said Rockville General is in a section of Vernon

where residents don't necessarily have cars to drive to other towns for medical care and where many may not be properly insured, so "three years is not a guarantee."

"It is our community hospital — it is our home — it belongs to us," she said, adding that she didn't think the partners in the planned deal had given enough thought to what would happen if the hospital closed.

"You're taking something that belongs to this community and you're giving it away, and the only thing I can find at all is that it might last three years, and that's not enough for me," she said.

Questions ducked

An hour before the 90-minute meeting at the high school, an ECHN spokeswoman, Nina Kruse, offered a limited response to 15 questions about the planned buyout that were posed last weekend by the Journal Inquirer.

Kruse declined, for example, to say whether ECHN had agreed to provide any particular severance benefits to its top executives in the event of a sale, citing a policy of "not sharing private employee matters."

Similarly, asked if ECHN or Tenet had agreed to specific staffing levels after an acquisition, she said such details "are subject to the confidentiality terms in the negotiated agreement" and would be disclosed later during "the regulatory approval process."

The spokeswoman cited the same confidentiality terms as she ducked questions about whether ECHN had negotiated any protections for nonunion employees, especially at Rockville General, in the event of a sale.

Asked if Tenet had agreed not to sell or close ECHN facilities for a certain period of time, Kruse again cited the confidentiality terms — provisions apparently violated by Karl hours later as he responded to questions at the high school.

Karl in a brief address before the audience was invited to comment argued that the "era of free-standing, small hospital environment is coming to an end." He said there has been a "change in the landscape" brought about not only by the new federal health care law, but also by "a whole host of other cuts."

"Our job is to preserve the 3,000 employees that we have at ECHN," he said. "We want to make sure that we keep both hospitals open, that's part of the deal."

He added: "We want to make sure that we don't lose any more market share to Hartford."

The CEO also talked unusually frankly about "profit" — a word that has been studiously avoided by officials at the state's "nonprofit" hospitals, who instead have preferred to discuss "margins."

"We no longer generate enough profit to invest in our facilities," he said. "We need to figure out how to get our costs down as much as possible without eliminating any quality. ... If you don't generate enough of a profit, you simply can't reinvest in your hospitals. We have been generating a profit in the area of $6 million to $8 million a year, and the issue now with all of these added taxes and the sequestration, we can't generate that profit any longer.

"If the Affordable Care Act is successful, an organization is going to be paid completely differently for caring for the whole patient. … We recognize that the only way we can be sustainable is if we can get those costs down by 15 percent or 20 percent, and we can't do that any longer," he continued.

Asked by an Ellington resident "who gets the check" from Tenet upon a sale, Karl said "if there's any funds left over, they go to the attorney general's office, who reviews those funds to make sure all debts are paid, and then into a community foundation that is set up with a completely independent board of directors."

Pilgrim, meanwhile, emphasized that Tenet is well positioned to fix ECHN's financial problems, in part because of its access to capital. He also stressed that Tenet has the advantage of economies of scale, saying it is "like bulk purchasing, like going to Costco."

The benefits would accrue not only to the supply chain, he said, but also in the human resources and information technology departments.

Prospect snubs Vernon critic

Won't recognize Marmer's appointment by mayor to advisory panel

By Kym Soper
Journal Inquirer

The new, for-profit parent company of Rockville General Hospital has repeatedly rejected the Vernon mayor's appointment to a state-mandated advisory board without explanation, leaving that town without a voice, or a vote, at the table.

The move has many local officials baffled and in an uproar, as Vernon Mayor Daniel Champagne's candidate — Dr. Ellen Marmer, a pediatric heart surgeon and a former Vernon mayor — is clearly knowledgeable and qualified for the post.

State Rep. Michael Winkler, D-Vernon, said the appointment to the Prospect Medical Eastern Connecticut Health Network advisory board should be the mayor's prerogative, and that the new owners have no standing to reject it.

Marmer is "uniquely qualified" and "would be a strong advocate for Vernon in the continued operation of Rockville

SEE PROSPECT / PAGE 3

Prospect mum on Marmer's rejection

PROSPECT
CONTINUED FROM PAGE 1

General Hospital," Winkler said. "She's just a fantastic appointment by the mayor."

State Sen. Tony Guglielmo, R-Stafford, whose district includes Vernon and surrounding towns that Rockville General serves, agreed.

"She's certainly qualified as an M.D. and a former mayor, and as someone who will speak her mind," Guglielmo said. "If you go on straight qualifications, there's no question that she's a top flight person" for the job.

Champagne said he's been frustrated by the lack of representation on the board for his town, which is required by the state as a condition of the sale.

In October when California-based Prospect bought nonprofit ECHN in a $105 million deal, state regulators required it maintain an advisory board that includes voting community members from Manchester and Vernon, the two towns where hospitals are located.

Vernon residents, in particular, have grave concerns that Prospect will close Rockville General after the requirement to keep it operating for three years has passed.

Manchester Mayor Jay Moran nominated that town's Human Services Director, Mary Roche Cronin, to the 14-member board, and she said she has attended at least three meetings thus far.

Champagne, Marmer, and the town of Vernon remain steadfast, however, waiting for their seat on the advisory board, which is subordinate to Prospect's board of directors and primarily includes staff doctors from Manchester Memorial and Rockville General, interim CEO Michael Collins, and five individuals from ECHN's Board of Trustees.

ECHN and Prospect officials both refused to comment, either on the rejection of Marmer's appointment or to reveal the board members' names.

Marmer, who worked for decades at Rockville but now has admitting privileges at all Hartford hospitals, said Prospect doesn't want her on the board because she's been a vocal critic of the takeover.

"It's because I know where all the bodies are buried," Marmer said of Prospect's rejection. "They're afraid of me because I'm outspoken and I have a lot of history with the hospital and the town."

Marmer said Prospect's snub was done with "full malice and forethought on their part. The last thing they want is to have a proactive, knowledgeable person on that board."

Prospect and ECHN have already shown bad faith with staff layoffs last week, she said. They want someone who would "rubber-stamp" whatever they do.

"But I will continue to fight for this medical community until somebody shuts me up," she said. "If Prospect gets their way, Rockville won't be an active hospital — it'll be a way station. It's already happening."

And that will be the beginning of the end for Manchester Memorial Hospital, Marmer predicted.

Eventually, when Rockville General is no longer viable, residents from Bolton, Coventry, Ellington, Tolland, and the surrounding area will "hop on the highway and skip right on by Manchester and head into Hartford" only 10 more minutes away to see a doctor or get hospital care, she said.

For now, both Winkler and Guglielmo said they plan to investigate and see if the Vernon mayor has any recourse.

"When you make a contract, you have to keep to it. That's just the way we operate in a civil society," Guglielmo said. "You can't just get rid of what you don't like. Both sides are obligated to honor the deal."

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
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February 28, 2017

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134

Re: Compliance with Certificate of Need Agreed Settlement under Docket #15-32016-486

Dear Ms. Martone:

I am in receipt of your email communication dated February 23, 2017 in which you requested additional information on behalf of OHCA relating to Stipulation #20 of the Certificate of Need listed under Docket #15-32016-486. Below are the responses of Prospect ECHN to the questions set forth in that email.

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provide further explanation as to the reason for candidate rejection. Please indicate why the recommendation was not accepted for the vacant board position. Has the Local Board been selected and what was the selection process?

In concluding that Dr. Marmer did not demonstrate the required qualification of being an unbiased person, Prospect relied on the statements that Dr. Marmer made at public hearings and/or on the public record prior to and after the transaction between Eastern Connecticut Health Network, Inc. and Prospect Medical Holdings, Inc. Examples of such statements are enclosed with this letter. With the exception of this position, which as indicated in the response to Question 1 above ECHN has invited the Mayor of Vernon to fill with himself or another qualified designee, the Advisory Board's composition is complete.

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3. Prospect ECHN reviewed the requirements in Stipulation #20 of the Certificate of Need for "two unbiased persons" to serve as community members "selected in consultation with the Mayors of Manchester and Vernon."
4. Based on ECHN's consultation with the Mayor of Manchester who recommended Mary Roche-Cronin for the MMH community representative, Prospect ECHN determined her to be an unbiased person and named her to the MMH community representative position.
5. Prospect ECHN consulted with the Mayor of Vernon on the dates indicated in the response to Question 1 above, but has not as yet received from the Mayor of Vernon a recommendation for an unbiased person to serve as the RGH community representative. Thus, Prospect ECHN has not been able to fill that position.

Thank you for your consideration of this submission.

Very truly yours,

Michael Collins
Interim CEO

Enclosures

Approved but not OK; ECHN hospital sales questioned

By Don Michak and John Kennedy Journal Inquirer | Posted: Wednesday, April 30, 2014 9:22 am

Eastern Connecticut Health Network President and CEO Peter J. Karl on Tuesday disclosed that three weeks earlier the board of trustees at the regional nonprofit approved a definitive agreement to sell it to a for-profit hospital chain in Texas.

Karl also revealed that under the agreement with Tenet Healthcare Corp. and its junior partner in the joint venture poised to make the acquisition, Yale New Haven Health System, ECHN's Rockville General Hospital in Vernon could not be shuttered for three years after a sale.

When a questioner suggested that period was too short and asked if "you are selling us down the river," Karl adamantly denied doing so.

"This is the best for the community because we are able to invest in the organization," he said, adding the "alternative scenario" would mean that ECHN would have to close both Rockville General and its second, larger hospital, Manchester Memorial, "within a five-year period."

The CEO's comments came as he and others involved in the controversial deal — Trip Pilgrim, the chief development officer at Tenet, and Vincent Petrini, a senior vice president at Yale New Haven Health — were grilled by about a dozen area residents who attended a forum at Rockville High School on the proposed sale.

Several made observations that led to awkward silences among the officials as audience members called out for them to respond.

Though the board of trustees has signed off on the deal, any sale also would require approval by ECHN's "corporators" as well as by state regulators.

'Run them into a ditch'

The most stinging comments came from Vernon resident Jean Merz, who blasted Tenet, its past corporate practices, and its compensation of executives. She also suggested that Karl had mismanaged ECHN and run its Manchester Memorial and Rockville General hospitals into the ground.

Merz said she and others also didn't believe that ECHN had done "due diligence" on Tenet. Karl and his colleagues, she said, appear to have found their corporate partner in "the Cayman Islands," a reference to the annual sojourns ECHN officials and some of their spouses have made to the Caribbean nation, ostensibly for business meetings of the network's offshore insurance subsidiary.

"Mr. Pilgrim, we don't want your company in Connecticut, we don't want you at Rockville," she told the Tenet executive. "We do not want money going to your CEO, who makes $22 million a year. We do not want money going to your stockholders. … We think your company looks for loopholes in Medicare and Medicaid to perpetuate fraud.

"Mr. Karl, we don't think you own Rockville General or Manchester Memorial hospitals, we think that the people of those towns own them," she added. "You've run them — and you've run them into a ditch."

Neither Karl, Pilgrim, nor Petrini responded to Merz.

Dying a slow death

The officials also took flak from two former mayors of Vernon, both Democrats. Rockville General, despite cuts in recent years, remains one of the town's largest private employers.

One of them, Ellen Marmer — a pediatric cardiac surgeon who was on the Rockville General staff for more than three decades — suggested that the financial problems ECHN is experiencing today began with the merger between Manchester Memorial and Rockville General that created the health system.

"We heard the same dog-and-pony show when you lost maternity for us," she said, referring to the closure several years ago of Rockville's birthing unit. "I refuse to let this hospital die a Tenet, Yale, and ECHN death."

She added: "Two people will tell you to go to hell, and from one, you'll ask directions, and the other, you'll want to punch out. I want to punch you out, because you're telling us to go to hell."

Former Mayor Marie Herbst objected to the provision that Karl said would ensure that Rockville General remain open for three years.

Herbst, one of the 261 community volunteers who as ECHN corporators will be asked to approve the trustees' decision to sell, said Rockville General is in a section of Vernon

where residents don't necessarily have cars to drive to other towns for medical care and where many may not be properly insured, so "three years is not a guarantee."

"It is our community hospital — it is our home — it belongs to us," she said, adding that she didn't think the partners in the planned deal had given enough thought to what would happen if the hospital closed.

"You're taking something that belongs to this community and you're giving it away, and the only thing I can find at all is that it might last three years, and that's not enough for me," she said.

Questions ducked

An hour before the 90-minute meeting at the high school, an ECHN spokeswoman, Nina Kruse, offered a limited response to 15 questions about the planned buyout that were posed last weekend by the Journal Inquirer.

Kruse declined, for example, to say whether ECHN had agreed to provide any particular severance benefits to its top executives in the event of a sale, citing a policy of "not sharing private employee matters."

Similarly, asked if ECHN or Tenet had agreed to specific staffing levels after an acquisition, she said such details "are subject to the confidentiality terms in the negotiated agreement" and would be disclosed later during "the regulatory approval process."

The spokeswoman cited the same confidentiality terms as she ducked questions about whether ECHN had negotiated any protections for nonunion employees, especially at Rockville General, in the event of a sale.

Asked if Tenet had agreed not to sell or close ECHN facilities for a certain period of time, Kruse again cited the confidentiality terms — provisions apparently violated by Karl hours later as he responded to questions at the high school.

Karl in a brief address before the audience was invited to comment argued that the "era of free-standing, small hospital environment is coming to an end." He said there has been a "change in the landscape" brought about not only by the new federal health care law, but also by "a whole host of other cuts."

"Our job is to preserve the 3,000 employees that we have at ECHN," he said. "We want to make sure that we keep both hospitals open, that's part of the deal."

He added: "We want to make sure that we don't lose any more market share to Hartford."

The CEO also talked unusually frankly about "profit" — a word that has been studiously avoided by officials at the state's "nonprofit" hospitals, who instead have preferred to discuss "margins."

"We no longer generate enough profit to invest in our facilities," he said. "We need to figure out how to get our costs down as much as possible without eliminating any quality. ... If you don't generate enough of a profit, you simply can't reinvest in your hospitals. We have been generating a profit in the area of $6 million to $8 million a year, and the issue now with all of these added taxes and the sequestration, we can't generate that profit any longer.

"If the Affordable Care Act is successful, an organization is going to be paid completely differently for caring for the whole patient. … We recognize that the only way we can be sustainable is if we can get those costs down by 15 percent or 20 percent, and we can't do that any longer," he continued.

Asked by an Ellington resident "who gets the check" from Tenet upon a sale, Karl said "if there's any funds left over, they go to the attorney general's office, who reviews those funds to make sure all debts are paid, and then into a community foundation that is set up with a completely independent board of directors."

Pilgrim, meanwhile, emphasized that Tenet is well positioned to fix ECHN's financial problems, in part because of its access to capital. He also stressed that Tenet has the advantage of economies of scale, saying it is "like bulk purchasing, like going to Costco."

The benefits would accrue not only to the supply chain, he said, but also in the human resources and information technology departments.

Prospect snubs Vernon critic

Won't recognize Marmer's appointment by mayor to advisory panel

By Kym Soper
Journal Inquirer

The new, for-profit parent company of Rockville General Hospital has repeatedly rejected the Vernon mayor's appointment to a state-mandated advisory board without explanation, leaving that town without a voice, or a vote, at the table.

The move has many local officials baffled and in an uproar, as Vernon Mayor Daniel Champagne's candidate — Dr. Ellen Marmer, a pediatric heart surgeon and a former Vernon mayor — is clearly knowledgeable and qualified for the post.

State Rep. Michael Winkler, D-Vernon, said the appointment to the Prospect Medical Eastern Connecticut Health Network advisory board should be the mayor's prerogative, and that the new owners have no standing to reject it.

Marmer is "uniquely qualified" and "would be a strong advocate for Vernon in the continued operation of Rockville

■ SEE **PROSPECT** / PAGE 3

Prospect mum on Marmer's rejection

■ **PROSPECT**
CONTINUED FROM PAGE 1

General Hospital," Winkler said. "She's just a fantastic appointment by the mayor."

State Sen. Tony Guglielmo, R-Stafford, whose district includes Vernon and surrounding towns that Rockville General serves, agreed.

"She's certainly qualified as an M.D. and a former mayor, and as someone who will speak her mind," Guglielmo said. "If you go on straight qualifications, there's no question that she's a top flight person" for the job.

Champagne said he's been frustrated by the lack of representation on the board for his town, which is required by the state as a condition of the sale.

In October when California-based Prospect bought nonprofit ECHN in a $105 million deal, state regulators required it maintain an advisory board that includes voting community members from Manchester and Vernon, the two towns where hospitals are located.

Vernon residents, in particular, have grave concerns that Prospect will close Rockville General after the requirement to keep it operating for three years has passed.

Manchester Mayor Jay Moran nominated that town's Human Services Director, Mary Roche Cronin, to the 14-member board, and she said she has attended at least three meetings thus far.

Champagne, Marmer, and the town of Vernon remain steadfast, however, waiting for their seat on the advisory board, which is subordinate to Prospect's board of directors and primarily includes staff doctors from Manchester Memorial and Rockville General, interim CEO Michael Collins, and five individuals from ECHN's Board of Trustees.

ECHN and Prospect officials both refused to comment, either on the rejection of Marmer's appointment or to reveal the board members' names.

Marmer, who worked for decades at Rockville but now has admitting privileges at all Hartford hospitals, said Prospect doesn't want her on the board because she's been a vocal critic of the takeover.

"It's because I know where all the bodies are buried," Marmer said of Prospect's rejection. "They're afraid of me because I'm outspoken and I have a lot of history with the hospital and the town."

Marmer said Prospect's snub was done with "full malice and forethought on their part. The last thing they want is to have a proactive, knowledgeable person on that board."

Prospect and ECHN have already shown bad faith with staff layoffs last week, she said. They want someone who would "rubber-stamp" whatever they do.

"But I will continue to fight for this medical community until somebody shuts me up," she said. "If Prospect gets their way, Rockville won't be an active hospital — it'll be a way station. It's already happening."

And that will be the beginning of the end for Manchester Memorial Hospital, Marmer predicted.

Eventually, when Rockville General is no longer viable, residents from Bolton, Coventry, Ellington, Tolland, and the surrounding area will "hop on the highway and skip right on by Manchester and head into Hartford" only 10 more minutes away to see a doctor or get hospital care, she said.

For now, both Winkler and Guglielmo said they plan to investigate and see if the Vernon mayor has any recourse.

"When you make a contract, you have to keep to it. That's just the way we operate in a civil society," Guglielmo said. "You can't just get rid of what you don't like. Both sides are obligated to honor the deal."

User, OHCA

From: Roberts, Karen
Sent: Monday, March 06, 2017 1:15 PM
To: colleen713.smith@gmail.com
Cc: Martone, Kim; Cotto, Carmen; User, OHCA
Subject: Re: Compliance with CON Docket # 15-32016-486, Prospect ECHN

To: Colleen Scott, MSN, RN, NEA-BC
Independent Monitor for Prospect ECHN CON Docket # 15-32016-486

Hi Ms. Scott – as the Independent Monitor for the Prospect ECHN CON under Docket # 15-32016-486, we wanted to alert you to several compliance related email communications that have recently occurred between the Office of Health Care Access (OHCA) and Mr. Michael Collins, Interim CEO for the two Prospect ECHN hospitals. Please reference PDF pages 716 – 772 of http://www.ct.gov/dph/lib/dph/ohca/con_completed/2016/15_32016_486_compliance.pdf for the recent communications that have occurred.

Condition #20 states:

> 20. For three (3) years following the Closing Date, PMH shall allow for two (2) community representatives to serve as voting members of the New MMH and New RGH Local Board with rights and obligations consistent with other voting members under the Local Board Bylaws. The community representatives shall be selected in consultation with the Mayors of Manchester and Vernon in order to ensure the appointment of two unbiased persons who will fairly represent the interests of the communities served by MMH and RGH, respectively. OHCA is imposing this Condition to ensure continued access to health care services for the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(2),(3),(5),(7),(8),(11) & (12); FF 28-30*

At this time, there is no further questions for the Applicant in this regard, but OHCA will continue to need to be kept updated on the status of or any changes to the two community representatives, required pursuant to Condition #20.

Thank you.

Sincerely,

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E: *karen.roberts@ct.gov*



User, OHCA

From: Colleen Smith <colleen713.smith@gmail.com>
Sent: Monday, March 06, 2017 4:29 PM
To: Roberts, Karen
Cc: Martone, Kim; Cotto, Carmen; User, OHCA
Subject: Re: Compliance with CON Docket # 15-32016-486, Prospect ECHN

Dear Karen,
Thank you for this update regarding Condition #20. I was aware that ECHN has experienced difficulty in finding a suitable Vernon representative for the local Advisory Board. I will follow up immediately with Dennis McConville and Michael Collins regarding their progress in filling this position with a qualified, unbiased Vernon community representative.
Sincerely,
Colleen Smith

Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

On Mar 6, 2017, at 1:14 PM, Roberts, Karen <Karen.Roberts@ct.gov> wrote:

To: Colleen Scott, MSN, RN, NEA-BC
Independent Monitor for Prospect ECHN CON Docket # 15-32016-486

Hi Ms. Scott – as the Independent Monitor for the Prospect ECHN CON under Docket # 15-32016-486, we wanted to alert you to several compliance related email communications that have recently occurred between the Office of Health Care Access (OHCA) and Mr. Michael Collins, Interim CEO for the two Prospect ECHN hospitals. Please reference PDF pages 716 – 772 of http://www.ct.gov/dph/lib/dph/ohca/con_completed/2016/15_32016_486_compliance.pdf for the recent communications that have occurred.

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health care services for the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(2),(3),(5),(7),(8),(11) & (12); FF 28-30*

At this time, there is no further questions for the Applicant in this regard, but OHCA will continue to need to be kept updated on the status of or any changes to the two community representatives, required pursuant to Condition #20.

Thank you.

Sincerely,

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E: *karen.roberts@ct.gov*

<image001.jpg>

User, OHCA

From:	Roberts, Karen
Sent:	Tuesday, March 07, 2017 11:17 AM
To:	colleen713.smith@gmail.com
Cc:	Cotto, Carmen; User, OHCA; Martone, Kim
Subject:	CON Compliance issue for Docket # 15-32016-486 Prospect ECHN

To: Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

Hi Colleen

This email is being sent to you as the Independent Monitor for the Certificate of Need (CON) Order issued under Docket Number 15-32016-486 for Prospect ECHN. Please be informed OHCA finds that the submission sent by Prospect ECHN on October 20, 2016 which included the *"final execution copies of the Asset Purchase Agreement with schedules ..."* is deficient in terms of the wording of Condition #3 of the CON Order, which states the following (yellow highlighting added):

3. Applicants shall notify OHCA in writing of the Closing Date of the Asset Purchase authorized by this Order within twenty (20) days of such closing and shall supply final execution copies of all agreements related to same, including but not limited to:
    a. the APA, including any and all schedules and exhibits; and
    b. Bylaws or similar governance documents for New ECHN, as well as for New MMH and New ROH.

The Applicants may redact from the APA any information that is exempt from disclosure under Conn. Gen. Stat. § 1-210. If the Applicants redact materials in accordance with the revious sentence, the Applicants shall provide a list to OHCA, which identifies in general terms the nature of the redacted material and why it is claimed to be exempt for ublic record j)Ur oses.

The material filed by Prospect ECHN on October 20, 2016 {which is on the OHCA website at http://www.ct.gov/dph/lib/dph/ohca/con_completed/2016/15_32016_486_compliance.pdf)} has a significant number of Schedules to the Asset Purchase Agreement, but there are numerous Schedules wherein Prospect ECHN merely lists Redacted per Conn. Gen. Stat. § 1-210(b)" then either sub (2) or (5) is listed. There is no filing of the required list to OHCA identifying the redacted material and "why it is claimed to be exempt for public record purposes."

As Independent Monitor for this CON Docket Number, please have this compliance issue resolved at the earliest possible convenience. Thank you. Karen

Sincerely,

User, OHCA

From:	Colleen Smith <colleen713.smith@gmail.com>
Sent:	Tuesday, March 07, 2017 12:08 PM
To:	Roberts, Karen
Cc:	Cotto, Carmen; User, OHCA; Martone, Kim
Subject:	Re: CON Compliance issue for Docket # 15-32016-486 Prospect ECHN

Dear Karen,
I will follow up with ECHN today.
Thanks,
Colleen Smith

On Mar 7, 2017, at 11:16 AM, Robe1ts, Karen <Karen.Roberts@ct.gov> wrote:

To: Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen7 I 3.smith@gmail.com
http://nursingconsultingpartners.com/

Hi Colleen

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The Applicants may redact from the APA any information that is exempt from disclosure under Conn. Gen. Stat. § 1-210. If the AQPlicants redact materials in accordance with the previous sentence, the Applicants shall provide a list to OHCA, which identifies in general terms the nature of the redacted material and why it is claimed to be exem_Bt for ubl ic record ur oses.

The material filed by Prospect ECHN on October 20, 2016 {which is on the OHCA website at http://www.ct.gov/dph/lib/dph/ohca/con_completed/2016/15_32016_486_compliance.pdf)} has a significant number of Schedules to the Asset Purchase Agreement, but there are numerous Schedules wherein Prospect ECHN merely lists Redacted per Conn. Gen. Stat. § 1-21O(b)" then either sub (2) or (5) is listed. There is no filing of the required list to OHCA identifying the redacted material and "why it is claimed to be exempt for public record purposes."

As Independent Monitor for this CON Docket Number, please have this compliance issue resolved at the earliest possible convenience. Thank you. Karen

Sincerely,

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 *I E: karen.roberts@ct.gov*

<imageOOl.jpg >

User, OHCA

From: Roberts, Karen
Sent: Tuesday, March 07, 2017 2:27 PM
To: Mcconville, Dennis P; colleen713.smith@gmail.com
Cc: User, OHCA; Cotto, Carmen
Subject: Regarding CON Compliance filings for Docket #15-32016-486 (Prospect ECHN)

Hi Mr. McConville

This email is regarding the contents of your letter attached to an email sent to OHCA on November 30, 2016 (see email below) regarding the submission of material required by Conditions #8, #9 and #10 of the Certificate of Need Order. Your letter regards the timing of the initial filings for the material required by these three Conditions. Please note the following regarding the timeframes you mention in your letter:

- Regarding Condition #8, per the wording of the Condition this material is due "*Within one hundred and eighty (180) days following the Closing Date and thereafter on the same semi-annual schedule as set forth in Conditions 9 and 10"*. The initial capital commitment report is due **March 30, 2017**, which is 180 days from the 10/1 closing date. After the initial filing, the submissions follow the 5/31 and 11/30 timeframes. OHCA notes that the **March 30th** date is close to the semi-annual filing date for the additional financial filings in #9 and #10 due on **May 31st**. Please indicate whether the Applicant will be ready to file this material on the due date of **March 30th** or would like OHCA to consider having the initial submission regarding instead filed on **May 31st**.

- Regarding the initial submission of Conditions 9 and 10 on **May 31, 2017** rather than the **November 30, 2016** date listed in the wording of the conditions; that seems reasonable considering the timing of the closing date (10/1/2016).

- OHCA further notes that there are several Conditions that require information to be filed by **March 30, 2017**, 180 days from the closing: Condition #4, Condition #6, and the aforementioned Condition #8.

Please let OHCA know whether the Applicant will be filing the initial financial report due pursuant to Condition #8 on March 30, 2017 or whether the Applicant would like to consider having the initial filing submitted on or by May 31, 2017. Thank you. Karen

Sincerely,

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E: *karen.roberts@ct.gov*



From: Mcconville, Dennis P [mailto:dmcconville@echn.org]
Sent: Wednesday, November 30, 2016 3:00 PM
To: User, OHCA
Cc: Martone, Kim; Ellen J. Shin (ellen.shin@prospectmedical.com); Joyce A. Tichy Esq. (joyce.tichy@gmail.com) (joyce.tichy@gmail.com); Michele Volpe; Collins, Michael; Jonathan.Spees; Garrison DeLee (garrison.delee@prospectmedical.com); Frank.Saidara; Basile, Mary C
Subject: 15-32016-486-CON

The attached letter is submitted as required for conditions 8, 9 and 10 contained in the Final Decision for Docket Number: 15-32016-486-CON, the Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings.

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
dmcconville@echn.org

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

User, OHCA

From: Roberts, Karen
Sent: Tuesday, March 07, 2017 3:33 PM
To: User, OHCA
Cc: Cotto, Carmen
Subject: FW: Regarding CON Compliance filings for Docket #15-32016-486 (Prospect ECHN)

For the file for Docket # 15-32016-486, Prospect ECHN.

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E: *karen.roberts@ct.gov*

From: Martone, Kim
Sent: Tuesday, March 07, 2017 3:32 PM
To: 'dmcconville@echn.org'
Cc: Roberts, Karen
Subject: FW: Regarding CON Compliance filings for Docket #15-32016-486 (Prospect ECHN)

Dennis, your request is fine.

Kim

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
Phone: 860-418-7029 Fax: 860-418-7053
Email: Kimberly.Martone@ct.gov Website: www.ct.gov/ohca

From: Roberts, Karen
Sent: Tuesday, March 07, 2017 3:29 PM

To: Martone, Kim
Subject: FW: Regarding CON Compliance filings for Docket #15-32016-486 (Prospect ECHN)

From: Mcconville, Dennis P [mailto:dmcconville@echn.org]
Sent: Tuesday, March 07, 2017 3:12 PM
To: Roberts, Karen
Cc: User, OHCA; Cotto, Carmen; colleen713.smith@gmail.com
Subject: RE: Regarding CON Compliance filings for Docket #15-32016-486 (Prospect ECHN)

Karen.

Thank you. I interpreted the language in Condition #8 with the reference to the "*same semi-annual schedule as set forth in Conditions 9 and 10*", as applying to all the required filing dates for Condition #8. With the closing of our transaction on October 1, 2016, it makes sense to me because we are reporting capital investments through March 31, 2017 which marks the end of the 180 day period post-closing. That would give us time to produce the report. Prospect ECHN respectfully requests permission to file the Capital Investment Report with the information for Conditions 9 and 10 no later than May 31, 2017.

The information for Conditions 4 and 6 will be filed by March 30, 2017.

Thank you,

Dennis

From: Roberts, Karen [mailto:Karen.Roberts@ct.gov]
Sent: Tuesday, March 07, 2017 2:27 PM
To: Mcconville, Dennis P; colleen713.smith@gmail.com
Cc: User, OHCA; Cotto, Carmen
Subject: Regarding CON Compliance filings for Docket #15-32016-486 (Prospect ECHN)

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- OHCA further notes that there are several Conditions that require information to be filed by **March 30, 2017**, 180 days from the closing: Condition #4, Condition #6, and the aforementioned Condition #8.

Please let OHCA know whether the Applicant will be filing the initial financial report due pursuant to Condition #8 on March 30, 2017 or whether the Applicant would like to consider having the initial filing submitted on or by May 31, 2017. Thank you. Karen

Sincerely,

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E: *karen.roberts@ct.gov*

From: Mcconville, Dennis P [mailto:dmcconville@echn.org]
Sent: Wednesday, November 30, 2016 3:00 PM
To: User, OHCA
Cc: Martone, Kim; Ellen J. Shin (ellen.shin@prospectmedical.com); Joyce A. Tichy Esq. (joyce.tichy@gmail.com) (joyce.tichy@gmail.com); Michele Volpe; Collins, Michael; Jonathan.Spees; Garrison DeLee (garrison.delee@prospectmedical.com); Frank.Saidara; Basile, Mary C
Subject: 15-32016-486-CON

The attached letter is submitted as required for conditions 8, 9 and 10 contained in the Final Decision for Docket Number: 15-32016-486-CON, the Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings.

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
dmcconville@echn.org

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

User, OHCA

From: Mcconville, Dennis P <dmcconville@echn.org>
Sent: Tuesday, March 14, 2017 11:36 AM
To: User, OHCA; Roberts, Karen
Cc: Martone, Kim; Colleen Smith; Tichy, Joyce A; Basile, Mary C; Collins, Michael; Frank.Saidara; Garrison DeLee (garrison.delee@prospectmedical.com)
Subject: DN 15-32016-486 CON, List of Redacted Schedules
Attachments: DN 15-32016-486 CON, Letter Addressing Condition #3, Karen Roberts 03 14 17.pdf

Karen,

Please find the attached letter which includes the list of redacted material for the Asset Purchase Agreement for Manchester Memorial Hospital and Rockville General Hospital. The list identifies in general terms the nature of the redacted material and why it is claimed to be exempt for public record purposes.

Regards,

Dennis

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
(860) 268-4591 (cell)
(860) 647-6860 (fax)
dmcconville@echn.org

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

March 14, 2017

VIA EMAIL

Karen Roberts
Principal Healthcare Analyst
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134-0308

Re: **Docket Number: 15-32016-486**

Project Title: **Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.**

Dear Ms. Roberts:

Pursuant to Condition Number Three (3) of the Order for the above referenced Certificate of Need Final Decision, please find the attached list of redacted material for the Asset Purchase Agreement for Prospect Manchester Hospital, Inc. and for Prospect Rockville Hospital, Inc. which identifies in general terms the nature of the redacted material and why it is claimed to be exempt for public record purposes.

If you have any questions or need anything further, please feel free to contact me at (860) 533-3429.

Very truly yours,

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network

cc: Kimberly Martone, Director of Operations, Department of Public Health Division of Office of Health Care Access
Colleen Smith, Nursing Consultant Partners, LLC
Joyce A. Tichy, Senior Vice President and General Counsel, ECHN
Michael Collins, Interim CEO, ECHN
Frank Saidara, Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Garrison De Lee, Assistant General Counsel, Prospect Medical Holdings, Inc.

Re: Docket Number: 15-32016-486
Project Title: Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.

Condition Number Three (3)
List of schedules redacted and reason for redaction

Redacted Schedule	Description	Statutory Reference	Reason
Schedule 1.02(i)	Persons with "Seller's Knowledge"	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]	Contains files the disclosure of which would constitute an invasion of personal privacy
Schedule 2.01(b)	Leased Real Property	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy
Schedule 2.01(c)	Leased Personal Property	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy, and (b) commercial or financial information given in confidence
Schedule 2.01(f)	Assumed Contracts	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy, and (b) commercial or financial information given in confidence
Schedule 2.01(f) Addendum	Resident Agreements for Residents of ECHN Eldercare Services, Inc. d/b/a Woodlake at Tolland Rehabilitation & Nursing Center	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2) & (b)(5)]	Contains (a) files the disclosure of which would create an invasion of personal privacy; and (b) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy, and (c) commercial or financial information given in confidence
Schedule 2.02(j)	Excluded Contracts	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy, and (b) commercial or financial information given in confidence
Schedule 2.05	Examples of Implementation of Section 2.05	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy
Schedule 2.05(a)	Joint Venture Valuations	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy, and (b) commercial or financial information given in confidence
Schedule 3.02	Consents	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy, and (b) commercial or financial information given in confidence
Schedule 3.04	Subsidiaries and Third Party Rights	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.05	Legal and Regulatory Compliance	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence

Schedule 3.06	Audited and Unaudited Financial Statements*	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.08	Recent Activities	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.08(d)	Sold Assets	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.10	Equipment Depreciation Schedule	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.12(c)	Buildings Not Structurally Sound or in Need of Material Repairs	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.12(g)	Rent Roll	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.13(a)	Environmental Claims	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.13(b)	Materials of Environmental Concern Storage Locations/Underground Storage Tanks	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.14	Intellectual Properties and Information Systems	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.15	Insurance	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.17	Unexpected Occurrences	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]	Contains medical files and similar files the disclosure of which would constitute an invasion of personal privacy
Schedule 3.19(d)	Prohibitions on Competition	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.21(c)	Claims Involving Legal Requirements of Employment	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]	Contains personnel files the disclosure of which would constitute an invasion of personal privacy
Schedule 3.21(d)	Recently Terminated Employees	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]	Contains personnel files the disclosure of which would constitute an invasion of personal privacy

Schedule 3.21(e)	Non-Competition Agreements	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.22	Employee Benefit Plans	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.22(g)	Employee Welfare Benefit Plan	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.23	Proceedings and Claims	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]	Contains personnel and medical files and similar files the disclosure of which would constitute an invasion of personal privacy
Schedule 3.25(a)	Medical Staff	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2) & (b)(5)]	Contains (a) files the disclosure of which would create an invasion of personal privacy; and (b) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy, and (c) commercial or financial information given in confidence
Schedule 3.25(a)	Medical Staff Members Reported to National Practitioner Databank Reports within Past Three Years	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]	Contains personnel files and similar files the disclosure of which would constitute an invasion of personal privacy
Schedule 3.25(b)	Material Medical Staff Disputes	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]	Contains personnel files and similar files the disclosure of which would constitute an invasion of personal privacy
Schedule 3.30(c)	Outstanding Membership Interests	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 3.31	Ten Largest Non-Governmental Payors of Hospital Businesses	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 5.03(b)	Written Severance Agreements	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(2)]	Contains personnel files and similar files the disclosure of which would constitute an invasion of personal privacy
Schedule 5.25(b)	ECHN – Extended Reporting Period Options	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 5.30	Tax Claims	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence
Schedule 7.04(d)	Certain Other Consents	[REDACTED PER CONN. GEN. STAT. § 1-210(b)(5)]	Contains (a) information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (b) commercial or financial information given in confidence

User, OHCA

From: Roberts, Karen
Sent: Monday, March 20, 2017 2:14 PM
To: colleen713.smith@gmail.com
Cc: Cotto, Carmen; User, OHCA
Subject: RE: CON Compliance Prospect ECNH (DN 15-32016-486)

To: Colleen O□Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http:□nursingconsultingpartners.com□

Hi Colleen:

This email is being sent to you as the Independent Monitor for the Certificate of Need (CON) Order issued under Docket Number 15-32016-486 for Prospect ECHN. Please be informed that the Office of Health Care Access (□OHCA□) re□uires additional clarification for the public record regarding the formation and operation of the Local Board or Boards for Prospect ECHN. The wording of the February 17th and 28th responses to OHCA from Prospect ECHN appear to discuss this body as a singular Local Board (term Board is used instead of Boards).

The following is Finding of Fact □28 of the CON Agreed Settlement for Docket Number 15-32016-486 (underlining added):

> Following the closing, New MMH and New RGH will each maintain an advisory board subordinate to PMH□s Board of Directors and comprised of community representatives, physicians on the medical staffs of New MMH and New RGH, and the New Hospitals□CEO (the □Local Board□). The initial members of the Local Board will include at least five members of ECHN□s Board of Trustees. PMH plans to appoint the same individuals to the Local Board of New MMH and the Local Board of New RGH and to have the boards meet concurrently to encourage interaction within the system. PMH will schedule regular standing meetings to update the Local Board. Ex. G, p. 30; Ex. □, p. 2165

It is unclear from a review of material filed by Prospect ECHN since the transaction date, whether the Local Board is (a) a singular body, or (b) two separate boards that have the same membership and meet concurrently and is being called . As Independent Monitor for this CON Docket Number, please have Prospect ECHN provide clarification of this matter to OHCA at the earliest convenience. Thank you. □aren

Sincerely,

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health

410 Capitol Avenue, MS 13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 F: (860) 418-7053 E:*karen.roberts@ct.gov*

User, OHCA

From: Colleen Smith <colleen713.smith@gmail.com>
Sent: Monday, March 20, 2017 3:06 PM
To: Roberts, Karen
Cc: Cotto, Carmen; User, OHCA
Subject: Re: CON Compliance Prospect ECNH (DN 15-32016-486)

Dear Karen,
Dennis McConville and I have discussed the composition of the RGH and MMH advisory boards. Each does have individual local representatives from the 2 towns. However, most of the other board members are shared and the intent is to meet concurrently as a more efficient process and as stated in the 2/28 response to OHCA to encourage shared communication.
I will speak with Mr. McConville and request the additional clarification for the public record.
Best regards,
Colleen Smith

Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

On Mar 20, 2017, at 2:13 PM, Roberts, Karen <Karen.Roberts@ct.gov> wrote:

To: Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

Hi Colleen:

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The following is Finding of Fact # 28 of the CON Agreed Settlement for Docket Number 15-32016-486 (underlining added):

> Following the closing, New MMH and New RGH will each maintain an advisory board subordinate to PMH's Board of Directors and comprised of community representatives, physicians on the medical staffs of New MMH and New RGH, and the New Hospitals' CEO (the "Local Board"). The initial members of the Local Board will include at least five members of ECHN's Board of Trustees. PMH plans to appoint the same individuals to the Local Board of New MMH and the Local Board of New RGH and to have the boards meet concurrently to encourage interaction within the system. PMH will schedule regular standing meetings to update the Local Board. Ex. G, p. 30; Ex. K, p. 2165

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Sincerely,

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E:*karen.roberts@ct.gov*

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Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

User, OHCA

From: Roberts, Karen
Sent: Monday, March 20, 2017 3:08 PM
To: Colleen Smith
Cc: User, OHCA; Cotto, Carmen
Subject: RE: CON Compliance Prospect ECNH (DN 15-32016-486)

Thanks Colleen. We have the list of members from a previous filing and it is one list, but from that it is unclear if there are two organized bodies or one organized body (understanding that there is one set of members). Karen

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E: *karen.roberts@ct.gov*

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Monday, March 20, 2017 3:06 PM
To: Roberts, Karen
Cc: Cotto, Carmen; User, OHCA
Subject: Re: CON Compliance Prospect ECNH (DN 15-32016-486)

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I will speak with Mr. McConville and request the additional clarification for the public record.
Best regards,
Colleen Smith

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Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

On Mar 20, 2017, at 2:13 PM, Roberts, Karen <Karen.Roberts@ct.gov> wrote:

To: Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

Hi Colleen:

This email is being sent to you as the Independent Monitor for the Certificate of Need (CON) Order issued under Docket Number 15-32016-486 for Prospect ECHN. Please be informed that the Office of Health Care Access ("OHCA") requires additional clarification for the public record regarding the formation and operation of the Local Board or Boards for Prospect ECHN. The wording of the February 17th and 28th responses to OHCA from Prospect ECHN appear to discuss this body as a singular Local Board (term Board is used instead of Boards).

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Sincerely,

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E:*karen.roberts@ct.gov*

Colleen O'Brien Smith MSN RN NEA-BC
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colleen713.smith@gmail.com
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User, OHCA

From: Roberts, Karen
Sent: Wednesday, March 29, 2017 2:23 PM
To: User, OHCA; Martone, Kim
Cc: Cotto, Carmen
Subject: FW: Response re Compliance with CON agreed settlement
Attachments: Compliance with CON agreed settlement under docket #15.32016.486.pdf

---

From: Perigo, Chantal [mailto:CPerigo@echn.org] **On Behalf Of** Collins, Michael
Sent: Wednesday, March 29, 2017 2:20 PM
To: Roberts, Karen
Subject: Response re Compliance with CON agreed settlement

Attached is our response to the questions regarding compliance with the CON agreed settlement under docket # 15-32016-486.

Should you have any additional questions, please feel free to contact our office at 860-533-3414

Regards,

Michael Collins
Interim CEO
ECHN

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

VIA ELECTRONIC MAIL AND REGULAR MAIL

March 29, 2017

Karen Roberts
Compliance Officer
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA
P.O. Box 340308
Hartford, Connecticut 06134

Re: Compliance with Certificate of Need Agreed Settlement under Docket #15-32016-486

Dear Ms. Roberts:

We understand that you have requested clarification of the structure of the Prospect ECHN, Inc. ("Prospect ECHN") Advisory Boards (Local Boards); i.e., whether (a) there is one Local Board that is operating as a singular body, or (b) there are two separate boards that have the same membership and meet concurrently.

The arrangement in place at Prospect ECHN for its Local Boards is consistent with description (b). In compliance with its obligation to maintain two separate Local Boards for its two hospitals, Prospect ECHN maintains two separate Local Advisory Boards which share the same membership and meet concurrently. To the extent that the term "Local Board" has been used in the past this was for convenience and in order to convey that because ECHN's two hospitals operate in an integrated manner, and because the Local Boards meet concurrently and have the same members, the Local Boards' activities and actions generally occur simultaneously for the common benefit of both hospitals. When appropriate, however, separate action is taken by the Local Boards with respect to each hospital.

Because this choice of terminology may have led to confusion, Prospect ECHN will endeavor going forward to use the plural term "Boards" when referring to the Local Advisory Boards.

Karen Roberts
Office of Health Care Access
March 29, 2017

Thank you for your consideration of this communication.

Very truly yours,

Michael Collins
Interim CEO

User, OHCA

From: Mcconville, Dennis P <dmcconville@echn.org>
Sent: Wednesday, March 29, 2017 3:11 PM
To: User, OHCA; Martone, Kim; Colleen Smith; Roberts, Karen
Cc: Ellen J. Shin (Legal Department); Tichy, Joyce A; Collins, Michael; Frank.Saidara; Garrison DeLee (garrison.delee@prospectmedical.com); Von.Crockett
Subject: DN 15-32016-486 CON Final Decision, Condition #4 and #6
Attachments: DN 15-32016-486 CON,Letter Addressing Condition #4_03 29 2017.pdf; DN 15-32016-486 CON,Letter Addressing Condition #6_03 29 2017.pdf

The attached letters are submitted as required for condition number 4 and for condition number 6 contained in the Final Decision for Docket Number: 15-32016-486-CON, the Transfer of Assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings.

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
dmcconville@echn.org

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

Eastern Connecticut Health Network
71 Haynes Street
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March 29, 2017

Deputy Commissioner Janet M. Brancifort, MPH, RRT
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134

Re: **Docket Number: 15-32016-486, Final Order, Condition Number Four**

Project Title: **Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.**

Dear Deputy Commissioner Brancifort:

This letter is submitted in accordance with the Order for the above referenced Certificate of Need Final Decision, specifically Condition Number Four (4) regarding the transfer of assets of Eastern Connecticut Health Network, Inc. (ECHN) to Prospect Medical Holdings, Inc. (PMH).

Condition Number Four (4) requires that PMH will "submit a plan (the "Health Needs Plan") for continuing to support and implement ECHN's 2016 CHNA and for conducting the New Hospital's next comprehensive study of community health needs in the Service Area (the "Community Health Needs Study" or "Study")".

PMH has and will continue to implement the 2016 ECHN Community Health Needs Plan which is enclosed. The following is the information required for Condition Number Four (4) related to the next comprehensive study of community health needs in the service area that PMH will conduct.

(i) The data that will be collected and analyzed to systematically assess health status indicators of the Service Area;

As was done with the 2016 ECHN Community Health Needs Assessment (CHNA) effort, PMH will select a consultant to collect primary and secondary health data from

both quantitative and qualitative sources that will be incorporated in the assessment. Professional Research Consultants, Inc. (PRC) (www.PRCCustomResearch.com) was engaged to conduct the 2016 CHNAs on behalf of the hospitals. Those CHNA Reports may be found at the following URL: http://www.echn.org/community-benefit-reporting . As with PRC's approach, the plan will include the following data: population characteristics, social and economic data that has been shown to influence health, health survey data using a tool that is based on the Centers for Disease Control & Prevention (CDC) Behavioral Risk Factor Surveillance Survey (BRFSS), survey data collected from key community representatives and organizations who can identify primary concerns of the communities that they work with, vital statistics and public health data from various state and national sources. The methodology for the study will include sample design and the quality control procedures used for the collection of data to ensure that the sample is representative and therefore the findings may be generalized to the total population of community members in the defined area with a high degree of confidence. Detailed findings will identify the health needs and include benchmark comparisons against state and national data, comparison against relevant Healthy People 2020 targets and incorporate qualitative findings from key community informants. Finally, the findings will be blended into a single, comprehensive report organized by health topic.

(ii) The identity of key community stakeholders and health organizations, unaffiliated with PMH, including without limitation, representatives of medically underserved populations that will be enlisted to participate in the study and the manner and extent of such participation by stakeholders in both the development of health priorities and planned implementation;

Key community organizations and leaders will be asked to rate the degree to which various health issues are a problem in their own community to assist in the development of health priorities. These key informants will include independent physicians, public health experts/representatives, other health providers, social service representatives and other community leaders. Individuals whose organizations work with low-income, minority populations or other medically underserved populations will be included in the gathering of this qualitative data.

The plan will be to request participation from the key informants that participated in the 2016 study which included the following organizations:

Community Health Resources	Highland Park Market
First Choice Health Centers, Inc.	Lion Heart Health & Fitness
Healthwise Medical Associates, LLP	Manchester Community Services Council

- Manchester Public Schools
- Manchester School Readiness Council
- Manchester Senior, Adult & Family Services
- Manchester Youth Services Bureau
- North Central District Health Department
- Paradigm Chiropractic & Functional Medicine
- Prohealth Chiropractic Center
- Town of Manchester Health Department
- Town of Manchester Senior Center
- Shoprite of East Hartford
- Vernon Public Schools
- WIC Program

In addition, as part of the current Health Needs Plan, the implementation strategy identifies community partners that plan to collaborate with ECHN and its affiliates to address the priority health issues chosen for action in the FY 2016 – FY 2019 period. PMH will look for opportunities to work with these partner organizations for the planning and implementation of the next CHNA and Plan. These partners include but are not limited to:

- Area Churches
- Chambers of Commerce
- Community Health Resources
- Community Physicians & Providers
- CT Community for Addiction Recovery
- CT Suicide Advisory Board
- Early Head Start
- East Central Multidisciplinary Team
- East of the River Action for Substance Abuse Elimination
- First Choice Health Center
- Geissler's Supermarket
- Highland Park Market
- Hockanum Valley Community Council
- Manchester Police Department
- Manchester Public Schools (Family & Community Partnerships)
- Manchester School Readiness Committee
- Manchester & Vernon Juvenile Review Boards
- Manchester & Vernon Local Prevention Council
- Public Schools
- Senior Centers
- Skilled Nursing Facilities
- Town Health and Human Services Agencies
- Vernon School Readiness Committee

(iii) The qualifications of consultants experienced in performing CHNAs who will be retained by PMH to ensure that the priority health needs of the community are accurately determined;

Professional Research Consultants, Inc. conducted the 2016 CHNAs on behalf of the hospitals. PRC is a nationally recognized healthcare consulting firm with over three decades of experience with health-related surveying, including more than twenty years of experience implementing community health assessment tools, methods and protocols.

PRC has conducted CNHAs across the country for health care organizations. PMH will engage a firm of like qualifications for the 2019 study. http://www.prccustomresearch.com/about/who-is-prc/

(iv) The frequency with which the study will be repeated;

The next CHNAs for the hospitals will be conducted in 2019 with PRC or a professional research firm with comparable qualifications.

(v) The manner in which results of the study and the implementation strategy to address the priority health needs identified therein will be distributed to the community;

A copy of the 2016 Community Health Needs Assessment Implementation Strategy for the Eastern Connecticut Health Network – The Manchester Memorial Hospital and The Rockville General Hospital Incorporated is included in this filing. The 2016 CHNAs for Manchester and Vernon are available to the public on the hospitals' website at http://www.echn.org/community-benefit-reporting. In addition, a summary description of the assessment will be published in an upcoming edition of *Better Being*, a widely distributed ECHN Newsletter which promotes the community health education programs available at ECHN.

(vi) The manner in which the study will complement the population health management objectives of PMH and the new hospitals.

PMS's Coordinated Regional Care (CRC) team has established several programs to address the care coordination and care management needs of the ECHN community. These programs use information and data received from multiple sources, i.e., PCP referrals, CMS data or payer claims and utilization data to identify, stratify and outreach to appropriate patients within the population with a targeted intervention. The following programs are currently in place:

Emergency Department (ED) Care Management: The goal of this program is to identify appropriate clinical, behavioral or social resources for patients who seek care at ECHN hospital EDs. It was identified that during the evenings and weekend days there was a greater opportunity to redirect those patients seeking services in the ED to a community based provider including primary care, specialists or behavioral health providers. For those patients without a community based provider, assistance with selecting and accessing a provider was given. The ED care managers also provide education on condition and symptom management in order to avoid subsequent ED visits. The ED

care managers will engage the PCP aligned care coordination staff to provide follow up for those most at risk patients.

Transition of Care: The goal of this program is to identify patients admitted to an ECHN facility with focused conditions, notify the PCP of the admission and to facilitate appropriate physician follow-up once the patient has transitioned back to home. The Transitional Care Coordinator (TCC) focuses on those patients with a diagnosis of heart failure, chronic obstructive pulmonary disease or pneumonia. The TCC meets with patients, their family or caregivers to provide education on their diagnosis, review symptom management and their treatment plan and to facilitate a smooth transition from hospital to the next appropriate level of care. Patients being discharged to home have a PCP follow-up visit scheduled prior to their discharge. The TCC will engage the PCP aligned care coordination staff to ensure the follow up visit is made as scheduled.

Quality Programs: ECHN primary care and select specialists are benchmarked and measured on patient adherence to specific chronic conditions or age and gender specific preventive care measures. Quality data that is received from payers is reviewed with providers in order to prompt patient interventions as necessary. The clinical quality measures that are being addressed are:

- Adult BMI Assessment
- Breast Cancer Screening
- Cervical Cancer Screening
- Colorectal Cancer Screening
- Controlling Blood Pressure
- Chlamydia Screening
- Childhood Immunization Status
- Adolescent Immunization Status
- Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents
    - BMI
    - Nutritional counseling for overweight children/adolescents
    - Physical Activity Assessment
- Annual Physical Exams
- Annual Influenza Vaccines
- Comprehensive Diabetes Management
    - Retinal Eye Exam
    - Medical Attention for Nephropathy
    - Blood Sugar Control
    - Blood Pressure Control

These programs are in place to decrease the cost of healthcare while increasing the efficiency of care, to promote a healthier population and to improve the community's experience with the health system.

PMH is committed to ensuring that the population served by Prospect ECHN has access to healthcare providers, programs and resources that address the identified health needs of its communities. PMH will continue to partner with other community organizations whose purpose and mission align with the goal of improving community health and wellness.

If you have any questions or need anything further, please feel free to contact me at (860) 533-3429.

Very truly yours,



Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network

Enclosure:
2016 Community Health Needs Assessment – Implementation Strategy

cc: Kimberly Martone, Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
Colleen Smith, Nursing Consultant Partners, LLC
Ellen J. Shin, General Counsel, Prospect Medical Holdings, Inc.
Joyce A. Tichy, Senior Vice President and General Counsel, ECHN
Michael Collins, Interim CEO, ECHN
Frank Saidara, Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Garrison De Lee, Assistant General Counsel, Prospect Medical Holdings, Inc.

2016 Community Health Needs Assessment

Implementation Strategy

Eastern Connecticut Health Network

The Manchester Memorial Hospital

The Rockville General Hospital Incorporated

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Community Health Needs Assessment

About Eastern Connecticut Health Network

Eastern Connecticut Health Network (ECHN) is a community-based healthcare system serving 19 towns across eastern Connecticut. ECHN provides a full spectrum of wellness, prevention, acute care, rehabilitation and restorative care to the community. Our system also operates several outpatient facilities, a comprehensive physician network of primary care and specialty practices.

ECHN is comprised of the following companies:

- The Manchester Memorial Hospital, 71 Haynes Street, Manchester, CT 06040;
    - 249 Licensed Beds
- The Rockville General Hospital Incorporated, 31 Union Street, Vernon, CT 06066;
    - 102 Licensed Beds
- Visiting Nurse and Health Services of Connecticut, 8 Keynote Drive, Vernon, CT 06066
- Eastern Connecticut Medical Professionals Foundation, 71 Haynes Street, Manchester, CT 06040
- Woodlake at Tolland Rehabilitation & Nursing Center, 26 Shenipsit Road, Tolland, CT 06084

ECHN also partners with many other providers through contractual arrangements and in joint venture arrangements offering services such as transportation, radiation oncology, occupational health services and imaging services.

ECHN completed its last Community Health Needs Assessment in 2016. [IRS Form 990, Schedule H, Part V].

Community Served

Definition of Community Served

ECHN's community, as defined for the purposes of the Community Health Needs Assessment, included each of the residential Zip Codes that comprise the hospital's town location including 06040 and 06042 for Manchester Memorial Hospital and 06066 for Rockville General Hospital.

This community definition was determined because the majority of ECHN's patients originate from these areas for use of our hospital services.

Demographics of the Community

The population of Manchester Memorial Hospital's service area is estimated at 58,253 people. It is predominantly non-Hispanic White (71.4%), but also has substantial African America (12.3%) and Hispanic (12%) populations.

Source 2010: http://www.census.gov/quickfacts/table/PST045215/0900344700,00

The population of Rockville General Hospital's service area is estimated at 29,179 people. It is predominantly non-Hispanic White (85.1%), but also has substantial African America (5.8%) and Hispanic (6.5%) populations.

Source 2010: http://www.census.gov/quickfacts/table/PST045215/0901378250,00

Collaboration

How CHNA Data Were Obtained

These assessments incorporate data from both quantitative and qualitative sources. Quantitative data input includes primary research (phone surveys) and secondary research (vital statistics and other existing health-related data); these quantitative components allow for comparison to benchmark data at the state and national levels. Qualitative data input includes primary research gathered through an online key informant survey (OKIS).

The Community Health Needs Assessment was sponsored by a collaboration of community partners and relied on information provided by:

- public health and vital statistics data;
- a variety of existing (secondary) data;
- data representing the most recent BRFSS (Behavioral Risk Factor Surveillance System) prevalence and trends data (published online by the Centers for Disease Control and Prevention);
- state-wide risk factor data;
- nationwide risk factor data;
- Healthy People 2020 which provides science-based, 10-year national objectives for improving the health of all Americans;
- phone surveys (based on the Centers for Disease Control Behavioral Risk Factor Surveillance Survey);
- and online key informant surveys.

The participants for the online surveys included physicians and other health providers, public health experts, social service representatives and community leaders. For a full listing of participating agencies, please reference the 2016 CHNA for Manchester Memorial Hospital or the 2016 CHNA for Rockville General Hospital.

Public Dissemination

These CHNA's are available to the public using the following URL:
http://www.echn.org/community-benefit-reporting

A summary description of the assessment will be published in an upcoming edition of Better Being, a widely distributed ECHN Newsletter which promotes the community health education programs available at ECHN.

Health Needs of the Community

Significant Health Needs of the Community

The following areas represent the more significant health needs of the community and opportunities for improvement, based on the information gathered through the 2016 Community Health Needs Assessment for Manchester Memorial Hospital.

Areas of Opportunity-Manchester

Areas	Specifics
Access to Healthcare Services	• Cost of prescriptions • Skipping/Stretching Prescriptions
Cancer	• Cancer is a leading cause of death • Prostate and Female Breast Cancer Incidence • *Cancer ranked as a top concern in the OKIS*
Chronic Kidney Disease	• Kidney Disease Deaths
Diabetes	• Diabetes Prevalence
Heart Disease & Stroke	• Cardiovascular disease is leading cause of death • High Blood Pressure Prevalence • *Heart Disease & Stroke ranked as a top concern in OKIS*
HIV/AIDS	• HIV Prevalence
Infant Health & Family Planning	• Low-Weight Births • Infant Mortality
Injury & Violence	• *Injury and Violence ranked as a top concern in the OKIS*
Mental Health	• Diagnosed Depression • *Mental Health ranked as a top concern in the OKIS*
Nutrition, Physical Activity & Weight	• Low Food Access • Overweight & Obesity (Adults) • *Nutrition, Physical Activity & Weight ranked as a top concern in the OKIS*
Potentially Disabling Conditions	• Activity Limitations • Arthritis Prevalence (50+) • Blindness/Vision Trouble
Respiratory Disease	• Asthma Prevalence • Chronic Obstructive Pulmonary Disorder (COPD) Prevalence
Sexually Transmitted Diseases	• Chlamydia Incidence
Substance Abuse	• Drug-Induced Deaths • Negatively Affected by Substance Abuse (Self or Others) • *Substance Abuse ranked as a top concern in the OKIS*

OKIS=Online Key Informant Survey

Areas of Opportunity-Rockville/Vernon

The following areas represent the more significant health needs of the community and opportunities for improvement, based on the information gathered through the 2016 Community Health Needs Assessment for Rockville General Hospital.

Areas	Specifics
Access to Healthcare Services	• Primary Care Physicians
Cancer	• Cancer is a leading cause of death • Prostate Cancer Deaths • Female Breast Cancer Incidence
Heart Disease & Stroke	• Cardiovascular disease is leading cause of death • 1+ Cardiovascular Risk Factors
Injury & Violence	• 65+ Falls Age-Adjusted Death Rate
Mental Health	• Suicide Rate
Nutrition, Physical Activity & Weight	• Low Food Access • Overweight & Obesity (Adults) • Recreational/Fitness Facilities • *Nutrition, Physical Activity & Weight ranked as a top concern in the OKIS*
Potentially Disabling Conditions	• Activity Limitations • Arthritis Prevalence (50+) • Osteoporosis (50+)
Respiratory Disease	• CLRD Deaths • Asthma Prevalence (50+) • Chronic Obstructive Pulmonary Disorder (COPD) Prevalence
Substance Abuse	• Cirrhosis/Liver Disease Deaths • *Substance Abuse ranked as a top concern in the OKIS*
Tobacco Use	• *Tobacco Use ranked as a top concern in the OKIS*

OKIS=Online Key Informant Survey

Implementation Strategy

Identify & Prioritizing Health Needs

Identification of Health Needs

The significant health needs ("Areas of Opportunity" outlined above) were determined after consideration of various criteria, including: standing in comparison with benchmark data; identified trends; the preponderance of significant findings within topic areas; the magnitude of the issue in terms of the number of persons affected; and the potential health impact of a given issue.

Prioritization of Health Needs

Prioritization of the needs addressed by this plan included input from community stakeholders and the internal stakeholders of the hospitals gathered to evaluate, discuss and prioritize health issues for the hospital's community based on findings of the 2016 Community Health Needs Assessment (CHNA). We reviewed the scope and severity of each of the identified areas and our ability to impact each health issue given our available resources and competencies.

Implementation Strategy Adoption

This summary outlines Manchester Memorial Hospital and Rockville General Hospital plans (Implementation Strategy) to address certain community's health needs by: 1) sustaining efforts operating within a targeted health priority area; 2) developing programs and initiatives to address identified health needs; and 3) promoting an understanding of these health needs among other community organizations and to the public.

Hospital-Level Community Benefit Planning

Priority Health Issues To Be Addressed

In consideration of the top health priorities identified through the CHNA process — and taking into account hospital resources and overall alignment with the hospital's mission, goals and strategic priorities — it was determined that ECHN would focus on developing and/or supporting strategies and initiatives to improve:

- **Access to Healthcare Services**
- **Cancer**
    - **Screening Programs**
    - **Early Detection Program**
    - **Smoking Prevention and Cessation**
    - **Survivorship Care Plans**
- **Heart Disease & Stroke**
- **Infant Health & Family Planning**
- **Mental Health**
- **Nutrition, Physical Activity & Weight**
- **Substance Abuse**
- **Diabetes**

Implementation Strategies & Action Plans

The following displays outline Manchester Memorial Hospital and Rockville General Hospital's plans to address those priority health issues chosen for action in the FY2016-FY2019 period.

Access to Healthcare Services	
Community Partners/ Planned Collaboration	• Eastern Connecticut Medical Professionals Foundation (ECMPF) • ECHN Graduate Medical Education (GME) Family Medicine Program • Visiting Nurse & Health Services of Connecticut • ECHN Hospitalist Program
Goal	**To improve healthcare access to primary healthcare services by promoting the education, training, recruitment of and communication with primary care providers for the towns of Manchester and Vernon**
Timeframe	FY2017-FY2019
Scope	Residents in Manchester and Vernon/Rockville
Strategies & Objectives	**Strategy #1:** Build the capacity of ECMPF primary care offices to provide primary and preventive healthcare services **Strategy #2:** Continue support for the ECHN GME Family Medicine Residency Program trained at ECHN and actively recruit graduates to practice locally **Strategy #3:** Ensure that ECHN hospital and home health care management programs as well as the ECHN hospitalist practitioners provide effective transitions of care for patients treated at ECHN facilities with an emphasis on communication with primary care physicians
Anticipated Impact	• Maintain and grow the staff of primary care providers • Increase the number of patients who have a designated primary care provider in their community • Prompt and effective communication with primary care physicians regarding their patients hospital and post discharge care
Plan to Evaluate Impact	• Conduct an inventory of primary care providers annually • Measure a baseline of patients under the care of ECMPF primary care providers and then measure annually • Poll ECHN primary care, internal medicine and family practice physicians regarding communication by care managers and hospitalists
Results	*Pending*

Cancer	Screening Programs for Lung, Colorectal and Prostate Cancers
Community Partners/ Planned Collaboration	• Evergreen Endoscopy Center • Community Physicians • Churches • Senior Centers • Town Health and Human Service Agencies
Goals	• **Help our community achieve the nationally recognized benchmark of 80% of eligible patients receiving a colorectal screening** • **Increase the number of eligible patients in our community that have their lung cancer screening** • **Offer a screening program based on new guidelines for prostate screening**
Timeframe	• 2017-2019
Scope	Residents in the community who meet the evidence based eligibility criteria for colorectal, lung and prostate cancers
Strategies and Objectives	**Strategy #1: Colon Cancer - Colorectal screening and education** • Develop a marketing campaign for Colon Cancer Awareness Month each year to create awareness • Hold a colonoscopy screening event to promote screenings, educate the community • Promote the "Open Access Program" offered by local physicians at Evergreen Endoscopy Center that makes convenient appointments easier to obtain for screenings **Strategy #2: Lung Cancer - Promote and educate community on ECHN's Low Dose CT Screening Program** • Maintain ECHN's ACR accreditation as a Designated Cancer Screening Center • Develop marketing and promotional material to create awareness of the need for screening and the community resources available • Provide education to community and physicians through presence at health fairs and by hosting community education lectures **Strategy #3: Prostate Cancer - Host a Prostate Screening Event** • Determine eligibility and process to adhere to national standard of prostate screenings • Collaborate with local physicians and health care workers to hold a screening event • Market and promote a prostate cancer screening event

Anticipated Impact	• Increase the number of eligible adults age 50-75 that have their appropriate colorectal screening (2016 Community Needs Assessment reported this as 79%) • Increase in the number of participants in the Open Access Program • Increase in the number of participants in ECHN's Low Dose CT Program; thereby capturing lung cancer in its earlier and more treatable stages • Educate residents on proper prostate screening and capture prostate in its earlier and more treatable stages
Plan to Evaluate Impact	• Statistical information from the Open Access Program, Low Dose CT Program and the prostate screening event • 2019 Community Needs Assessment
Results	Pending

Cancer	Early Detection Program
Community Partners/ Planned Collaboration	• ECHN Women's Center for Wellness • Town Health and Human Services Agencies • Community Providers • DPH/CDC • Churches • Early Head Start
Goal	**Increase the number of low-income, uninsured, underinsured and underserved women who receive access to breast and cervical cancer screening, diagnostic and treatment referral services. Provide these same women with the knowledge, skills and opportunity to improve diet, physical activity and other life style habits to prevent, delay or control heart disease and other chronic conditions**
Timeframe	Duration of the grant funded program
Scope	This strategy will focus on women in the communities serviced by ECHN
Strategies and Objectives	**Strategy #1: Educate women about the importance of preventative and screening services and lifestyle changes** • Develop and coordinate educational lectures and seminars which will be offered to the community • Publish information in ECHN's Better Being newsletter regarding health screenings, educational programs and lectures • Participate in health fairs and community events • Coordinate with ECHN providers to present educational programs and lectures related to women's health, diabetes and heart disease **Strategy #2: Build community relationships to increase awareness of the ECHN Early Detection Program** • The Community Health Navigator will engage and collaborate with community partners in order to provide education on program benefits and services available • The Community Health Navigator will provide written material, in both English and Spanish, to community partners and providers detailing services available, and contact information for eligibility
Anticipated Impact	• The ECHN Early Detection Program will reach 100% compliance with complete follow-up of abnormal breast and Pap test screening. In addition the Program will reach 100% compliance with the National Breast and Cervical Cancer Early Detection Program's minimum compliance goals for the time between initial abnormal finding(s) to the final diagnosis • The ECHN Early Detection Program will meet the WISEWOMAN Program benchmark for the number of women receiving screenings for heart disease and diabetes
Plan to Evaluate Impact	• Statistical quarterly reports from the DPH/CDC
Results	Pending

Cancer	Smoking Prevention and Cessation
Community Partners/ Planned Collaboration	• Community physicians • Hockanum Valley Community Council • First Choice Health Center • Public schools • Town Health and Human Service Agencies
Goals	• **Educate the community about the hazards of smoking and secondhand smoke.** • **Increase the number of people who quit smoking.**
Timeframe	• 2017-2019
Scope	Residents and students in the ECHN service area
Strategies and Objectives	**Strategy #1: Freedom From Smoking®** • Provide program at least 3 times a year • Advertise program through Better Being and with community partners • Increase number of facilitators to 2 • Provide program at multiple locations **Strategy #2: Offer smoking prevention presentation to public and private schools** • Contact schools with 6th grade classes offering presentations • Participate in health fairs at high schools and vocational schools **Strategy #3: Provide CEU program to community primary care physicians** • Provide education regarding available smoking prevention and cessation programs **Strategy #4: Participate in health fairs** • Provide material on nicotine addiction • Provide material on Freedom From Smoking®
Anticipated Impact	• Individuals will quit smoking as a result of attending Freedom From Smoking® • Community physicians will refer more patients to Freedom From Smoking® and make use of other smoking cessation programs • Children and adolescents will avoid use of nicotine products
Plan to Evaluate Impact	• Freedom From Smoking® end of program questionnaires to determine number of participants who quit smoking • Freedom From Smoking® statistics • County and State surveys • 2019 Community Needs Assessment
Results	Pending

Cancer	Survivorship Care Plans for Eligible Cancer Patients

Community Partners/ Planned Collaboration	• Eastern Connecticut Cancer Institute members including:
	  ○ Community medical oncology providers
	  ○ Community radiation oncology providers
	  ○ ECHN Cancer Committee members
	  ○ Northeast Regional Radiation Oncology Network

Goal	**100% of cancer patients treated at ECHN facilities meeting eligibility criteria will receive a survivorship care plan by 2019**
Timeframe	• 2017 50% of cancer patients will receive a survivorship care plan within 6 months of completion of adjuvant cancer therapy • 2018 75% of cancer patients will receive a survivorship care plan within 6 months of completion of adjuvant cancer therapy • 2019 100% of cancer patients will receive a survivorship care plan within 6 months of completion of adjuvant cancer therapy
Scope	A focus on the patients that have been diagnosed and treated for cancer in the ECHN network
Strategies and Objectives	**Strategy #1: Offer support to cancer survivors:** • Established process to identify patients who have completed cancer therapy and provide patients with summary care plan which includes cancer diagnosis, stage and treatment received **Strategy #2: Educate cancer survivors on managing lifestyle behaviors after treatment completion** • Survivorship care plan will include road map for recommended follow up care • Educate and encourage lifestyle changes to reduce cancer recurrence and/or improve quality of life.
Anticipated Impact	Provide comprehensive cancer care plans for patients in order to obtain all appropriate services within their community
Plan to Evaluate Impact	Not less than once a year, the ECHN Cancer Committee will discuss the process, navigation, and statistical benchmarking of survivorship care plans
Results	Pending

Heart Disease & Stroke	
Community Partners/ Planned Collaboration	• MMH and RGH Cardiac Rehabilitation Departments • Visiting Nurse & Health Services of Connecticut • Community healthcare providers- cardiologists and pulmonologists • Senior Centers • Skilled Nursing Facilities
Goal	**To reduce the behaviors and manage conditions that lead to cardiovascular disease including but not limited to high blood pressure, high blood cholesterol, tobacco use, physical inactivity, poor nutrition, over-weight and obesity and diabetes**
Timeframe	2017 -2019
Scope	This strategy will focus on residents in Manchester and Vernon/Rockville and ECHN employees
Strategies & Objectives	**Strategy #1: Provide education for cardiovascular disease risk factors and behavior modification** • Produce multi-year plan to improve health and reduce risky behaviors of our ECHN employees and families • Provide community education lecture(s) on the signs and symptoms of stroke and heart attack, the early recognition of symptoms and importance of seeking immediate medical care • Promote nutrition counseling services offered by local supermarkets and community centers to promote healthy diets • Promote physical fitness activities/programs available in the community including fitness centers, cardiac rehabilitation programs, schools, parks and recreation programs • Participate in community health fairs throughout service area where blood pressure, cholesterol, body fat composition analysis and education resources will be offered **Strategy #2: Promote the Freedom From Smoking® cessation program** • Provide program at least 3 times a year • Advertise program through Better Being and with community partners • Increase number of facilitators to 2 • Provide program at multiple locations • Promote available smoking cessation programs to physicians in the community and hospitals as an option for patients who smoke

	Strategy #3: Promote cardiac rehabilitation • Promote cardiac rehabilitation services to restore people who have had a heart condition or heart surgery to the highest possible physiological, emotional, social, and vocational level
Anticipated Impact	• Ability for employees and the community to recognize early signs and symptoms of stroke and heart attack • Increased focus on lifestyle, prevention and overall wellness for ECHN employees and residents
Plan to Evaluate Impact	• Repeat community assessment on mortality rates for cardiovascular diseases • Freedom From Smoking® statistics • Increased participation by ECHN employees in health screenings • Attendance by community members at lectures focused on heart disease and healthy lifestyle
Results	*Pending*

Infant Health & Family Planning	
Community Partners/ Planned Collaboration	• ECHN Family Development Center • RGH Maternity Care Center (MCC) • Family Birthing Center Childbirth Educators • Manchester School Readiness Committee* • Vernon School Readiness Committee * • Community physicians (*Both committees include schools, YMCA's, preschools, Departments of Health, places of worship, Family Development Centers)
Goals	• **Improve access to prenatal and parenting education** • **Increase preconception and first trimester prenatal education** • **Improve the low weight birth percentages** • **Decrease infant mortality and increase infant and child health and wellbeing** • **Decrease teenager pregnancy rates**
Timeframe	2017 - 2019
Scope	This strategy will focus on the service areas of Manchester and Vernon.
Strategies & Objectives	**Strategy #1: Improve access to care and education:** • Continue family planning education sessions/tours • Encourage the use of the Maternity Care Center (MCC) at Rockville General Hospital • Provide information through ECHN digital boards, Readiness Committees, ECHN social media and ECHN Website • Continue to publicize educational opportunities through Better Being magazine • Continue the distribution of ECHN prenatal folders through the community practices that contain comprehensive topical information **Strategy #2: Increase preconception and first trimester pregnancy education:** • Encourage regular ECHN birth class attendance • Provide information through ECHN digital boards, Readiness Committees, ECHN social media and Website • Pursue the development of a preconception and an early pregnancy class offering **Strategy #3: Improve the low birth weight percentages** • Identify mothers who are "at-risk" with the neonatal screening program and by working with community OB practices

	• Continue the hospital-based neonatal abstinence syndrome prescreening and education program **Strategy #4: Decrease teenager pregnancy rates** • Partner with schools and other community to offer education • Explore and pursue opportunities for ECHN obstetrical leaders to partner with community groups to identify needs and create solutions **Strategy #5: Decrease infant mortality and promote infant and child health and wellbeing:** • Continue to offer SIDS reduction techniques including safe sleeping • Provide information regarding proper child care through ECHN digital boards, Readiness Committees, ECHN social media and website • Encourage the use of the MCC o Pursue the possibility of expanding the Family Circles Group (Prenatal Care Education) o Pursue the start of a MCC New Mother's group. • Continue to offer new mothers group at both the hospital and at the MCC • Continue to offer expectant grandparent classes • Continue to offer Infant and Child certified CPR and first aid classes to new parents, grandparents and home day care providers • Continue the hospital based neonatal abstinence syndrome prescreening and education program • Continue to offer baby care classes
Anticipated Impact	• Increased access to infant care and education which includes preconception education and first trimester prenatal education offerings • Increased birth weights and lower infant mortality • Decrease in teen pregnancies • Improved infant and childhood health and wellbeing
Plan to Evaluate Impact	• Monitor attendance at education programs • Monitor hospital birth weights • Elicit feedback from community providers, community groups including Readiness Committees • Repeat community assessment 2019
Results	*Pending*

Mental Health	
Community Partners/ Planned Collaboration	• **ECHN Behavioral Health Programs and Providers** • **Community Health Resources (CHR)** • **Manchester Public Schools (Family & Community Partnerships)** • **East Central Multidisciplinary Team** • **Senior Centers** • **Skilled Nursing Facilities** • **Community Centers** • **Chambers of Commerce** • **Community Physicians** • **CT Suicide Advisory Board**
Goal	**Increase access to and use of mental health services**
Timeframe	February 2017- 2019
Scope	This strategy will focus on residents in Manchester and Vernon/Rockville
Strategies & Objectives	**Strategy #1: Establish additional mental health services sites:** • Establish counseling services at the Women's Center for Wellness • Explore opportunities to imbed clinicians at school-based health centers **Strategy #2: Explore the expansion of inpatient psychiatry services to be offered at MMH and RGH** • Study, and if sufficient need exists, develop an inpatient Geropsychiatry Program to be offered by ECHN. • Evaluate the demand, for additional inpatient psychiatric services which could be offered at RGH. **Strategy #3: Participate in the Zero Suicide Initiative to standardize suicide risk assessment and network with providers to secure wrap around supports** • Provide auditorium to CHR for Columbia Suicide Scales training January 2017 • Complete organizational assessment of suicide risk protocols
Anticipated Impact	• Increase points and ease of access to skilled professionals to decrease suicide risk and improve mental health • Increase options of psychiatry support to geriatric population to improve community functioning

Plan to Evaluate Impact	• Patient Satisfaction surveys at satellite sites • Volume of referrals to new psychiatry units • DMHAS report of Zero Suicide Initiative data • Repeat community assessment 2019
Results	*Pending*

Nutrition, Physical Activity & Weight	
Community Partners/ Planned Collaboration	• ECHN's Center for Weight Loss • Community Physicians • Walden Behavioral Care • John A. DeQuattro Cancer Center: Eastern Connecticut Cancer Institute • Geissler's Supermarket • Highland Park Market
Goal	**Ensure that residents have access to food and information about healthy eating habits**
Timeframe	2017-2019
Scope	This strategy will focus on residents in Manchester and Vernon/Rockville
Strategies & Objectives	**Strategy #1: Produce and distribute printed education materials covering various nutrition topics for primary care physician offices to provide to patients** • Distribute education materials individually or placed in waiting rooms. Potential Topics: Fiber Facts, Understanding Fats, Portion Control, Ways to Increase Fruits/Vegetable Intake, Healthy Lunch Options, Guide for Healthy Restaurant Dining, Sugar Content of Commonly Consumed Beverages, Outline of Area Food Pantry/Resources • Materials will include contact information for Outpatient Nutrition Services and the Diabetes Self-Management Program offered by ECHN **Strategy #2: Offer nutrition lectures in community settings (i.e.: Local fire/police departments, senior centers, community centers, Adult Daycare Centers)** **Strategy #3: Collaborate with area supermarkets to provide grocery store tours designed to teach healthy buying habits** **Strategy #4: Promote awareness of the ECHN Center for Weight Loss which offers information about obesity, associated health risks and surgical options for weight loss** • http://www.echn.org/weightloss/ **Strategy #5: Promote awareness of behavioral health eating disorders, i.e. bulimia, anorexia, binge-eating disorder, and the treatment programs available locally** • Provide materials to providers and promote awareness on the internet of the Walden Eating Disorders Center offered by ECHN's Rockville Hospital for inpatient care http://www.waldeneatingdisorders.com/locations/rockville/ and the Walden Clinic in South Windsor offering outpatient education and treatment for eating disorders http://www.waldeneatingdisorders.com/locations/south-windsor/

Anticipated Impact	• Engagement of PCP providers and the public regarding the topics of weight and nutrition
Plan to Evaluate Impact	• Track number of handouts provided by PCP offices • Track clients that attend Grocery Store Tours and Nutrition Lectures; provide surveys for additional comments/suggestions for future events • Track attendance at community lectures on weight loss and eating disorders
Results	*Pending*

Substance Abuse	
Community Partners/ Planned Collaboration	• ECHN Behavioral Health Addiction Services • Manchester & Vernon Local Prevention Councils • Manchester & Vernon Juvenile Review Boards • Manchester Police Department • East of the River Action for Substance Abuse Elimination (ERASE) • CT Community for Addiction Recovery (CCAR) • Community Health Resources (CHR)
Goal	**Increase points of contact for addicts to secure support toward sobriety**
Timeframe	January 2017- 2019
Scope	This strategy will focus on residents in Manchester and Vernon/Rockville
Strategies & Objectives	**Strategy #1: Continue ECHN's partnership with the Manchester Police Department in the H.O.P.E. Initiative (Heroin/Opioid Prevention & Education Initiative)** • Work with police and the RGH and MMH emergency departments serving as the clinical gateways to treat individuals with substance abuse and to enroll them in ECHN's addiction program • With other key partners, connect the individuals quickly to substance abuse treatment supports in the greater community **Strategy #2: Increase prevention supports to youth:** • Actively participate in local prevention council sponsored events/services • Imbed clinician in school-based locations for early intervention **Strategy #3: Enter into formal collaboration with CCAR** • CCAR Recovery Coaches will become active partners in the ED at MMH when individuals present with substance abuse issues by February 2017
Anticipated Impact	• Decrease in overdose deaths • Early detection/intervention of youth with illicit substance use • Increased patient access to peer supports toward successful sobriety
Plan to Evaluate Impact	• Local prevention council focus group feedback • H.O.P.E Initiative program evaluation by UCONN researchers • DMHAS data reporting Recovery Coach involvement
Results	*Pending*

Diabetes	
Community Partners/ Planned Collaboration	• ECHN Diabetes Self-Management Program providers • Primary care providers
Goals	• **Increase public awareness of diabetes and risk factors** • **Encourage a healthy lifestyle toward diabetes prevention** • **Encourage attendance at diabetes education classes** • **Identify people at risk for diabetes**
Timeframe	2017 - 2019
Scope	This strategy will focus on residents in Manchester and Vernon service areas
Strategies & Objectives	**Strategy #1: Raise awareness of diabetes prevalence risk factors and educate the public on ways to manage lifestyle behaviors that affect them including diet, weight and physical activity** • Offer free community health educational lecture and seminar programs presented by hospital medical and clinical staff • Include educational information in each issue of Better Being, ECHN's free community magazine distributed to approximately 155,000 households in service area • Participate in community health fairs throughout service area where free glucose tests are conducted and educational resources are shared **Strategy #2: Offer Diabetes Self-Management Program and Nutrition Counseling for individuals already diagnosed with diabetes** • Offer group and individual classes • Promote classes through www.echn.org/diabetes-services and ECHN's social media sites • Promote classes through ECHN digital screens
Anticipated Impact	• Increase detection of diabetes in the Manchester and Vernon service areas • Increase the number of patients with diabetes receiving education and counseling • Decrease diabetes mortality in the Manchester and Vernon service areas
Plan to Evaluate Impact	• Assess class volumes • Assess lecture volumes • Repeat community assessment 2019
Results	*Pending*

Identified Needs That Are Not Addressed

In acknowledging the wide range of priority health issues that emerged from the CHNA process, ECHN's hospitals determined that it could most effectively focus on those which it deemed most pressing, most under-addressed and most within its ability to influence. While the hospitals and its providers do treat individuals with the following conditions, the plan does not specifically address them with additional resources, providers or programs.

- Chronic Kidney Disease
- HIV/AIDS
- Injury & Violence Prevention
- Potentially Disabling Conditions
- Respiratory Disease
- Sexually Transmitted Diseases

Approval

The strategies detailed in this implementation plan have been reviewed and approved by Prospect ECHN's Local Advisory Boards and its corporate Board.



M. Maher Suede, M.D., Chair
MMH and RGH Local Advisory Boards, Prospect ECHN, Inc.

Samuel S. Lee, Chairman
Prospect ECHN, Inc.

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March 29, 2017

Deputy Commissioner Janet M. Brancifort, MPH, RRT
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134

Re: **Docket Number: 15-32016-486, Final Order, Condition Number Six**

Project Title: **Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.**

Dear Deputy Commissioner Brancifort:

This Services Plan is submitted in accordance with the Order for the above referenced Certificate of Need Final Decision, specifically Condition Number Six (6) regarding the transfer of assets of Eastern Connecticut Health Network, Inc. (ECHN) to Prospect Medical Holdings, Inc. (PMH).

Condition Number Six (6) requires that "Within one hundred and eighty (180) days following the Closing Date, PMH shall submit a plan demonstrating how health care services will be provided by the New Hospitals for the first three years following the Asset Purchase, including any consolidation, reduction, or elimination of existing services or introduction of new service (the Services Plan)".

As described in the Certificate of Need (CON), Prospect ECHN, Inc. (ECHN) does not anticipate any reduction, elimination or relocation of services or facilities. ECHN, however, does continuously evaluate the need for health care services in our service area. The 2016 Community Health Needs Assessment (CHNA) provides critical information for future services planning. The CHNA process and the implementation of the resulting Health Plan engages the ECHN Medical Staff and community providers in a significant way to guide resource allocation and program development according to community health need.

PMH will support the priority needs identified by the CHNA with a variety of physician alignment and population health management strategies, enhanced through PMH's implementation of Coordinated Regional Care ("CRC"), which focuses on the health of vulnerable populations. CRC provides for clinical integration among hospitals, physicians and other medical, social and community providers working closely with strategic partner health plans and other payers under a value-based, global risk reimbursement payment system. The goal of the CRC model is to ensure that patients receive appropriate care, at the appropriate time, in the appropriate setting, while avoiding unnecessary, inefficient and duplicative services and reducing medical errors.

A critical effort for ECHN is to build and manage a tightly integrated, coordinated regional care system with providers across the continuum. In its development of the CRC model, ECHN is partnering with its physician led Independent Practice Association to address gaps in care and services to ensure the effective management of all patients across the network. Furthermore, clinical integration in partnership with its medical staff will bring the numbers of covered lives needed to be successful in developing and executing programs to manage population health.

In time, the profile of service offerings at ECHN will change as it aligns its hospitals and physicians. With the intensive care management programs of PMH and the commitment to implementing the CRC model in the local service area, ECHN will be positioned to continue to integrate and expand its network of providers and program offerings. The rate of this change will be influenced by the willingness of the health plans to partner under global risk arrangements and in turn will influence further adjustments to hospital inpatient and outpatient service offerings.

Future decisions regarding the introduction of new services or the termination of existing services will consider and follow the CON process.

Below is a listing of ECHN's current service offerings for Manchester Memorial Hospital (MMH) and Rockville General Hospital (RGH). A detailed list by location is also enclosed:

Behavioral Health Services

- Adult Behavioral Health Inpatient Services
- Adult Behavioral Health Outpatient Services
- Adult Partial Hospitalization Program
- Adolescent Inpatient Services
- Child and Adolescent Outpatient Services
- Child and Adolescent Partial Hospitalization Program

- Clinical Day School
- Crisis Services
- Eating Disorders Program

Cardiac, Vascular, & Neurology Services

- Cardiac Diagnostic Testing (i.e., Echo, EKG, etc.)
- Cardiac Rehabilitation
- Cardio Pulmonary Services
- Heart Failure Clinic
- Medical Cardiology
- Medical Neurology
- Sleep Lab
- SPECT (Cardiac Nuclear Medicine)
- Stress Lab
- Telemetry Monitoring
- Telestroke Services

Emergency Services

- Emergency Department
- Urgent Care

General Acute Care Services

- General Medical/Surgical Care
- Medical/Surgical Intensive Care Unit (ICU)
- Other Special Care Unit (SCU)
- Pediatric Medical/Surgical Care
  (age 14+ on adult medical/surgical units)

Laboratory Services

- Laboratory
- Phlebotomy

Medical Imaging Services

- Bone Density
- CT Scan
- Diagnostic Radiology (x-ray)
- Interventional Radiology
- Mammography
- MRI
- Nuclear Medicine

- PET Scan
- Ultrasound

Metabolic Services

- Diabetes Management
- Dialysis
- Nutritional Services

Oncology Services

- Chemotherapy
- Medical Oncology Services
- Radiation Oncology (In partnership with Community Cancer Care)

Rehabilitation Services

- Occupational Therapy
- Physical Therapy
- Speech Therapy

Surgical Services

- Bariatric Surgery
- Colorectal Surgery
- Endoscopy
- General Surgery
- Gynecology
- Joint Replacement
- Minimally Invasive Surgery
- Ophthalmology
- Oral and Maxillofacial Surgery
- Orthopedic Surgery
- Otolaryngology (Ear, Nose and Throat)
- Plastic and Reconstructive Surgery
- Robotic Surgery
- Spine/Neurosurgery
- Thoracic Surgery
- Urology
- Vascular Surgery
- Wound Care

Women and Infant Services

- Breast Ultrasound
- Breast Ultrasound Biopsy

- Maternity Care Center (Prenatal and Postpartum Services)
- Neonatal Intensive Care Unit (Level III NICU)
- Obstetrics
- Stereotactic Breast Biopsy

Other - Miscellaneous Services

- Community Health Education
- Complementary and Alternative Medicine Services
- Home Care Services
- Hospice Care
- Long-Term Care
- Occupational Medicine
- Short-Term Rehabilitation

In addition, the following further describes current efforts underway to enhance existing service line and program offerings, many of which incorporate the priority health needs of our service area as identified in the Community Health Needs Assessment ("CHNA") completed in 2016.

1. **Behavioral Health**
   - **a.** Geropsychiatry Program - An evaluation is underway to introduce a Geropsychiatry Program for inpatients aged 65 and over at MMH.
   - **b.** Adult Psychiatric Beds – An evaluation is also underway to add additional adult psychiatric beds at RGH for a health need that continues to grow in demand.
   - **c.** Mental Health programs (CHNA) - In addition to the current behavioral health service offerings at MMH and RGH described above, ECHN is committed to increasing access to and use of outpatient mental health services for the residents of our service area. This includes participation in the Zero Suicide Initiative to standardize suicidal risk assessment and network with providers to secure wrap around supports. The impact anticipated includes increasing the points of access and the ease to access skilled professionals to decrease suicide risk and improve mental health.
   - **d.** Substance Abuse programs (CHNA) - A commitment has been made to increase points of contact to secure supports toward sobriety for the residents of our service area. One strategy to address this growing problem is a partnership with the Manchester Police Department in the H.O.P.E. Initiative (Heroin/Opioid

Prevention & Education Initiative) and the Emergency Departments at MMH and RGH. Another is to increase prevention supports to local youth with a formal collaboration with the CT Community for Addiction Recovery (CCAR) whereby Recovery Coaches are available in the Emergency Department at MMH when individuals present with substance abuse issues.

2. **Cardiac, Vascular, & Neurology Services** (CHNA) **-** Efforts to reduce the behaviors and manage the conditions that lead to cardiovascular disease include providing education for cardiovascular disease risk factors and behavior modification, promoting the Freedom from Smoking cessation program and promoting cardiac rehabilitation services.

3. **Emergency Services/Urgent Care -** In addition to providing emergency services at MMH and RGH, as well as Urgent Care services in South Windsor, ECHN provides the following in the emergency departments:
   a. H.O.P.E Initiative (CHNA) **-** The H.O.P.E. Initiative is a partnership between ECHN and the Manchester Police Department to treat individuals with substance abuse in the MMH and RGH Emergency Departments and enroll them in ECHN's addiction program and/or connect them to other treatment supports in the greater community.
   b. CCAR Recovery Coaches partnership (CHNA) **-** Recovery Coaches will be active partners in the ED at MMH when individuals present with substance abuse issues as part of the CCAR collaboration.

4. **General Acute Care Services -** The New Hospitals will provide the same General Acute Care Services as prior to the acquisition with no anticipated change in operations or services. There is no anticipated change in patient population or payor mix. Future decisions on the introduction of new services or the termination of existing services will be identified in CON filings where required.

5. **Laboratory Service -** Future decisions regarding lab draw service locations, whether new, relocation or termination, will be identified in CON filings as required.

6. **Medical Imaging Services -** The New Hospitals will provide the same Medical Imaging Services as prior to the acquisition with no anticipated change in operations or services. There is no anticipated change in patient population or payor mix. Future decisions on the introduction of new services, new imaging technology or the termination of existing services will be identified in CON filings as required.

7. **Metabolic Services**
   - **a.** Diabetes (CHNA) - Efforts to raise awareness of diabetes prevalence risk factors include education on ways to manage lifestyle behaviors including diet, weight and physical activity. In addition, the Diabetes Self-Management Program and Nutritional Counseling are available for individuals already diagnosed with diabetes.
   - **b.** Nutrition, Physical Activity and Weight (CHNA) - Strategies and objectives have been developed with the goal to ensure service area residents have access to food and information about healthy eating habits. These include distribution of education materials covering nutrition topics to primary care physician offices, offering nutrition lectures in community settings, and collaborating with area supermarkets to teach healthy buying habits. In addition, information is offered on obesity, associated health risks and surgical options for weight loss, as well as behavioral health eating disorders, including bulimia, anorexia and binge eating disorder. This includes promoting the awareness of the ECHN Center for Weight Loss, the inpatient Walden Eating Disorders Center at RGH and the outpatient eating disorders treatment programs at the Walden Clinic in South Windsor.

8. **Oncology Services –** ECHN's Eastern Connecticut Cancer Institute (ECCI) at the John A. DeQuattro Cancer Center, on the MMH campus, brings ECHN affiliated providers including ECHN Medical Staff, MMH, RGH, Women's Center for Wellness (WCW) and joint venture companies, Community Cancer Care and the Evergreen Endoscopy Center (EEC), together to offer a full range of enhanced programs and services for cancer patients. These services are integrated into a seamless continuum of care from diagnosis to end of treatment and beyond. Many support services including the services of nurse navigators, medical social workers and nutritionists are available. The Commission on Cancer has awarded the Three Year Certificate of Accreditation to the Comprehensive Community Cancer Program at MMH.
   - **a.** Screening programs for Lung, Colorectal and Prostate Cancers (CHNA) - ECHN is committed to help our community receive appropriate lung, colorectal and prostate screenings. The Open Access Program, offered by local physicians at Evergreen Endoscopy Center, makes convenient appointments easier to obtain for colon cancer screenings. MMH is a Designated Cancer Screening Center and is able to provide a Low Dose CT screening which is able to capture lung cancer in its earlier and more treatable stages. Plans are being made to offer a screening program based on the new guidelines for prostate screening in order to capture prostate cancer in its earlier and more treatable stages.

b. Early Detection Program (CHNA) - The ECHN Women's Center for Wellness (WCW), a department of RGH, offers breast cancer screening and diagnostic services. It is home to ECHN's Breast Care Collaborative where nurses help women with a diagnosis of breast cancer navigate the health system for their care. The WCW offers the Connecticut Breast and Cervical Cancer Early Detection Program, which is a DPH grant funded program focused on women in the communities served by ECHN. The goal is to increase the number of low-income, uninsured, underinsured and underserved women who receive access to breast and cervical cancer screening, diagnostic and treatment referral services. In addition, through the related Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN) Program offered at WCW, these women are provided with the knowledge, skills and opportunity to improve diet, physical activity and other life style habits to prevent, delay or control heart disease and other chronic conditions.

c. Smoking Prevention programs (CHNA) – ECCI offers the American Lung Association's "Freedom from Smoking" program with the goals to educate the community about the hazards of smoking and second hand smoke and to increase the number of people who quit smoking. ECHN has committed to provide the program, offer smoking prevention presentations at area schools and provide educational materials at local health fairs.

d. Survivorship Care Plans (CHNA) - ECHN has committed to provide survivorship care plans to cancer patients treated at ECHN facilities which include offering support to cancer survivors and education on managing lifestyle behaviors after treatment completion.

8. **Rehabilitation Services -** ECHN Rehabilitation Services specialize in a wide variety of therapies and treatments which are provided at rehabilitation locations throughout the service area. The New Hospitals will provide the same rehabilitation services as prior to the acquisition with no anticipated change in operations or services. There is no anticipated change in patient population or payor mix. Future decisions on the introduction of new services or the termination of existing services will be identified in CON filings.

9. **Surgical Services -** The ECHN Center for Weigh Loss, located at MMH and in South Windsor, CT, provides non-surgical and surgical (bariatric) options for weight loss. All plans include long-term support and care to ensure better outcomes for patients.

10. **Woman and Infant Services**

a. The Family Development Center offers programs that are committed to helping families develop their strengths, parenting skills and confidence. Programs include Early Head Start, Family Resource Center and Nurturing Families Network for prenatal women, parents, families and children and teens.
b. The Maternity Care Center at RGH offers medical prenatal care and postpartum services to Medicaid beneficiaries.
c. The Family Birthing Center at MMH provides inpatient maternity services using the Labor, Delivery, Recovery, Postpartum (LDRP) model of care. Complete family-centered maternity services are offered, including comprehensive prenatal care and education classes, private LDRP rooms and alternative birthing options.
d. The Women's Center for Wellness, a department of RGH, provides digital mammography, ultrasound, non-surgical breast biopsies and bone density exams as well as integrative medicine and wellness services such as massage, acupuncture, Reiki therapy and nutritional counseling. Free mammogram, Pap test and heart disease screenings are available for women who qualify.
e. Infant Health and Family Planning (CHNA) - The ECHN Family Development Center, the RGH Maternity Care Center, the Family Birthing Center Childbirth educators and community partners are collaborating to improve access to prenatal and parenting education, increase preconception and first trimester prenatal education, improve low birth weight percentages, decrease infant mortality and increase infant and child health and wellbeing and decrease teenage pregnancy rates.

11. Other Services/Programs

a. Community Health Education - ECHN offers health education lectures, free screenings, support groups and other outreach programs each month at various locations throughout the service area.
b. Integrative Medicine Services - Integrative medicine services available through ECHN include acupuncture, therapeutic massage, pregnancy massage, postpartum massage and Reiki therapy at the Women's Center for Wellness. Massage, Reiki and pet therapy are services available for patients with cancer.
c. Long-Term Care & Rehabilitation - Woodlake at Tolland Nursing & Rehabilitation Center is the affiliated 130 bed skilled nursing home and short-term rehabilitation facility.
d. Visiting Nurse & Health Services of CT (VNHSC) - VNHSC offers a variety of home care services including nursing care, home health aides, rehabilitation therapy, medical social work and hospice care.
e. A Caring Hand, the home care agency, provides companions, homemakers, personal care assistants and live-in caregiver services.

f. Eastern Connecticut Medical Professionals Foundation (ECMP) - ECMP is a group of community and hospital-based, multi-specialty practices affiliated with ECHN and is a major provider of primary care service in the ECHN service area.

g. Coordinated Regional Care (CRC) - The CRC team addresses the care coordination and care management needs of the ECHN community. The program's goals are to decrease the cost while increasing the efficiency of care, to promote a healthier population and to improve the community's experience with the health system.

Again, ECHN does not anticipate any reduction, elimination or relocation of hospital services or facilities at this time or for the near future. The goals of the 2016 Health Plan will result in the enhancement of current service offerings. We anticipate adjustments to services will be needed as we will monitor patient utilization and outcomes to evaluate the need to adjust, consolidate existing services or add new services. As we organize and build the Coordinated Regional Care network with our physician led Independent Practice Association, we will invest resources and implement intensive care management programs aimed at promoting population health. These efforts will lead to further clinical integration with the goal of expanding the network of providers and program offerings. More effective management of patients in lower cost outpatient settings will require ongoing evaluation of the demand for hospital services and adjustments to service offerings. It is our hope that we will become more efficient as a health system with a strong and effective network of providers, programs and services to the benefit of our patients and the communities we serve.

If you have any questions or need anything further, please feel free to contact me at (860) 533-3429.

Very truly yours,



Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network

Enclosures:
MMH and RGH Services Listing and Locations

cc: Kimberly Martone, Director of Operations, Office of Health Care Access
Connecticut Department of Public Health

Colleen Smith, Nursing Consultant Partners, LLC
Ellen J. Shin, General Counsel, Prospect Medical Holdings, Inc.
Joyce A. Tichy, Senior Vice President and General Counsel, ECHN
Michael Collins, Interim CEO, ECHN
Frank Saidara, Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Garrison De Lee, Assistant General Counsel, Prospect Medical Holdings, Inc.

List of ECHN's Current Service Lines and Service Locations

As of March 27, 2017

M = Service falls under Manchester Memorial Hospital *R = Service falls under Rockville General Hospital* *J = Service provided through a joint venture affiliate* *A=Services provided through a wholly owned affiliate*	**Manchester Memorial Hospital** 71 Haynes Street Manchester		**Rockville General Hospital** 31 Union Street Vernon		1707 Boston Turnpike Coventry	11 Pinney Street Ellington	175 West Road Ellington	622 Hebron Avenue Glastonbury	43 Woodland Street Hartford	100 Haynes Street Manchester	130 Hartford Road Manchester	150 North Main Street Manchester	360 Tolland Turnpike Manchester	2400 Tamarack Avenue South Windsor	2600 Tamarack Avenue South Windsor	2800 Tamarack Avenue South Windsor	6 Fieldstone Commons Tolland	26 Shenipsit Lake Road Tolland	428 Hartford Turnpike Vernon	47 Hartford Turnpike Vernon	8 Keynote Drive Vernon
Service (by Service Line)	**IP**	**OP**	**IP**	**OP**	Outpatient Service Locations																
Behavioral Health Services																					
Adult Behavioral Health Inpatient Services	M	M[(1)]																			
Adult Behavioral Health Outpatient Services		M										M									
Adult Partial Hospitalization Program												M									
Adolescent Inpatient Services	M	M[(1)]																			
Child and Adolescent Outpatient Services		M		R																	
Child and Adolescent Partial Hospitalization Program		M																			
Clinical Day School		M																			
Crisis Services		M		R																	
Eating Disorders Program				R										J							
Cardiac, Vascular, & Neurology Services																					
Cardiac Diagnostic Testing (i.e. Echo, EKG, etc.)	M	M	R	R																	
Cardiac Rehabilitation		M		R																	
Cardio Pulmonary Services	M	M	R	R																	
Heart Failure Clinic		M																			
Medical Cardiology	M	M	R	R																	
Medical Neurology	M	M	R	R																	
Sleep Lab		M																			
SPECT (Cardiac Nuclear Medicine)	M	M	R	R																	
Stress Lab	M	M	R	R																	
Telemetry Monitoring	M	M	R	R																	
Telestroke Services	M	M	R	R																	
Emergency Services																					
Emergency Department	M	M	R	R																	
Urgent Care																R					
General Acute Care Services																					
General Medical/Surgical Care	M	M[(1)]	R	R[(1)]																	
Medical/Surgical Intensive Care Unit (ICU)	M	M[(1)]	R	R[(1)]																	
Other Special Care Unit (SCU)	M	M[(1)]	R	R[(1)]																	
Pediatric Medical/Surgical Care[(2)]	M	M[(1)]	R	R[(1)]																	
Laboratory Services																					
Laboratory	M	M	R	R	M		M	M	M	M	M		M		M	M	M		M		
Phlebotomy	M	M	R	R	M		R	M	M	M	M		M		M	M	R		M		
Medical Imaging Services																					
Bone Density								M							R		J				
CT Scan	M	M	R	R												R	J				
Diagnostic Radiology (x-ray)	M	M	R	R				M								R	J				
Interventional Radiology	M	M	R	R																	
Mammography		M		R				M							R		J				
MRI	M	M	R	R												R	J				
Nuclear Medicine	M	M	R	R																	
PET Scan		M																			
Ultrasound	M	M	R	R											R	R	J				

List of ECHN's Current Service Lines and Service Locations

As of March 27, 2017

M = Service falls under Manchester Memorial Hospital *R = Service falls under Rockville General Hospital* *J = Service provided through a joint venture affiliate* *A=Services provided through a wholly owned affiliate*	**Manchester Memorial Hospital** 71 Haynes Street Manchester		**Rockville General Hospital** 31 Union Street Vernon		1707 Boston Turnpike Coventry	11 Pinney Street Ellington	175 West Road Ellington	622 Hebron Avenue Glastonbury	43 Woodland Street Hartford	100 Haynes Street Manchester	130 Hartford Road Manchester	150 North Main Street Manchester	360 Tolland Turnpike Manchester	2400 Tamarack Avenue South Windsor	2600 Tamarack Avenue South Windsor	2800 Tamarack Avenue South Windsor	6 Fieldstone Commons Tolland	26 Shenipsit Lake Road Tolland	428 Hartford Turnpike Vernon	47 Hartford Turnpike Vernon	8 Keynote Drive Vernon
Service (by Service Line)	**IP**	**OP**	**IP**	**OP**	Outpatient Service Locations																
Metabolic Services																					
Diabetes Management		M																			
Dialysis	M	M	R	R																	
Nutritional Services	M	M	R	R											R						
Oncology services																					
Chemotherapy	M	M																			
Oncology services	M	M	R	R						M											
Radiation Oncology										J											
Rehabilitation Services																					
Occupational Therapy	M	M	R	R												M				R	
Physical Therapy	M	M	R	R		R		M								M				R	
Speech Therapy	M	M	R	R																	
Surgical Services																					
Bariatrics	M																				
Colorectal	M	M	R	R																	
Endoscopy	M	M	R	R										J							
General Surgery	M	M	R	R																	
Gynecology	M	M	R	R																	
Joint Replacement	M																				
Minimally Invasive	M	M	R	R																	
Ophthalmology	M	M	R	R																	
Oral and Maxofacial Surgery	M	M	R	R																	
Orthopedic	M	M	R	R																	
Otolaryngology (Ear, Nose and Throat)	M	M	R	R																	
Plastic and Reconstructive	M	M	R	R																	
Robotic	M	M																			
Spine/Neurosurgery	M	M	R	R																	
Thoracic	M	M	R	R																	
Urology	M	M	R	R																	
Vascular	M	M	R	R																	
Wound Care	M	M	R																		
Women and Infant Services																					
Breast Ultrasound	M	M	R	R											R		J				
Breast Ultrasound Biopsy	M	M	R	R											R						
Maternity Care Center (Medical Prenatal & Postpartum Services)				R																	
Neonatal Intensive Care Unit (Level III NICU)	M																				
Obstetrics	M	M[(1)]																			
Stereotactic Breast Biopsy															R						
Other - Miscellaneous Services																					
Community Health Education		M		R						M					R	R					
Complementary and Alternative Medicine Services	M	M	R	R				M		M					R						
Home Care Services																					A
Hospice	M		R																		A
Long-Term Care																		A			
Occupational Medicine																M					
Short-Term Rehabilitation																		A			

(1) Patients may receive outpatient observation services on one of the designated inpatient units.

(2) Manchester Memorial Hospital and Rockville General Hospital do not have dedicated units for inpatient pediatric services. Patients age 14 years and older receive inpatient services on the adult medical/surgical units.

ECHN: System Service Locations

Street	Site	Town	State	Zipcode
1707 Boston Turnpike	Meadowbrook Plaza	Coventry	CT	06238
11 Pinney Street	ECHN Rehabilitation Services at the Ellington Y	Ellington	CT	06029
175 West Road	ECHN Medical Offices	Ellington	CT	06029
622 Hebron Avenue	Glastonbury Wellness Center	Glastonbury	CT	06033
43 Woodland Street	Medical Office Building at Gothic Park	Hartford	CT	06105
100 Haynes Street	John A. DeQuattro Cancer Center	Manchester	CT	06040
130 Hartford Road	Manchester Medical Offices	Manchester	CT	06040
150 North Main Street	ECHN Medical Office Building	Manchester	CT	06042
360 Tolland Turnpike	Tolland Turnpike, East Point	Manchester	CT	06040
71 Haynes Street	Manchester Memorial Hospital	Manchester	CT	06040
2400 Tamarack Avenue	Evergreen Walk	South Windsor	CT	06074
2600 Tamarack Avenue	Women's Center for Wellness	South Windsor	CT	06074
2800 Tamarack Avenue	CorpCare Occupational Health	South Windsor	CT	06074
2800 Tamarack Avenue	ECHN Medical Office Building at Evergreen Walk	South Windsor	CT	06074
2800 Tamarack Avenue	Evergreen Imaging Center	South Windsor	CT	06074
2800 Tamarack Avenue	Urgent Care at South Windsor	South Windsor	CT	06074
6 Fieldstone Commons	ECHN Medical Offices	Tolland	CT	06084
26 Shenipsit Lake Road	Woodlake at Tolland Nursing and Rehabilitation Center	Tolland	CT	06084
31 Union Street	Rockville General Hospital	Vernon	CT	06066
428 Hartford Turnpike	Hartford Turnpike	Vernon	CT	06066
47 Hartford Turnpike	The Rehab Center at Big Sky Fitness	Vernon	CT	06066
8 Keynote Drive	Visiting Nurse and Health Services of Connecticut	Vernon	CT	06066

As of March 27, 2017

Social Justice Study Group
South United Methodist Church
1226 Main St.
Manchester, CT 06040

March 30, 2017

Raul Pino, M.D., M.P.H.
Commissioner, CT Department of Public Health
410 Capitol Ave.
Mail Stop #13COM
Hartford, CT 06106

Dear Commissioner Pino:

We are one of the concerned groups that came to the hearings when a permit was being sought by Prospect Medical Holdings to purchase ECHN, our interest being the need for quality, locally-based health care in the Manchester-Vernon area. At that time, we asked for a community-elected ombudsman with full membership on the Advisory Board. We were disappointed when that was not granted, but were pleased to see that community-appointed representatives from Vernon and Manchester were to serve on the Advisory Board.

Manchester's representative, Mary Roche-Cronin, was appointed as agreed and is representing our concerns effectively. We were, however, very concerned that Vernon's representative, Dr. Ellen Marmer, was denied membership on the Board, possibly because she has been a vocal critic of the merger and is perceived as "biased against Prospect." Vernon Mayor Daniel Champagne had been asked to nominate an individual to fill this position. He apparently felt that Dr. Marmer had the right combination of skills and experience to successfully represent Vernon's interests; however, his expressed choice was ignored and Dr. Marmer has been repeatedly denied membership on the Board. This seems to us an injustice to the communities served by ECHN, and a repudiation of our understanding of the contract.

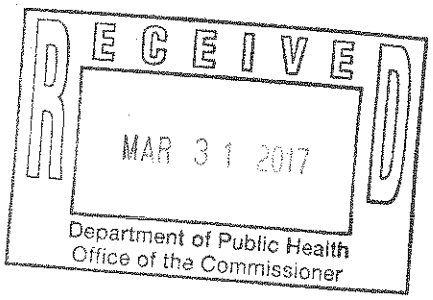
It has also come to our attention that Prospect has acted in ways that are counter to what was originally promised, particularly in the area of layoffs, such as Mayor Jay Moran of Manchester being notified of hospital layoffs as they were occurring. This lack of transparency leads us to believe that ECHN's mission, "to improve ... well-being by providing high-quality, compassionate healthcare," is being discarded in the name of profitability.

We call on the state to investigate any reported violations of the Prospect-ECHN contract.

Thank you for your continued service.

The Members of the Study Group

Cc: Dr. Ellen Marmer
Kimberly Martone, Director, DPH Office of Health Care Access
Rep. Michael Winkler, D-Vernon
Sen. Tony Guglielmo, R-Stafford
Mayor Jay Moran, Manchester, CT
Mayor Daniel Champagne, Vernon, CT



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH

Raul Pino, M.D., M.P.H.
Commissioner

Dannel P. Malloy
Governor

Nancy Wyman
Lt. Governor

Office of Health Care Access

April 7, 2017

Members of Social Justice Study Group
South United Methodist Church
1226 Main Street
Manchester, CT 06040

RE: The Certificate of Need Order issued for Prospect ECHN under Docket Number 15-32016-486

Dear Members of the Social Justice Study Group:

The Commissioner of the Department of Public Health, Dr. Raul Pino, received your letter of March 30, 2017 and forwarded it to my office. As the Director of the Office of Health Care Access (OHCA), I am responding on behalf of Dr. Pino. Your letter expresses concerns regarding several issues related to Prospect ECHN since the transfer of ownership. I'd like to take this opportunity to provide you with some information regarding OHCA's post-transaction review of the ECHN hospitals.

Regarding the selection of Manchester and Vernon representatives to the local or advisory bodies, please note that in OHCA's decision under Docket Number 15-32016-486, OHCA issued the following Condition related to community representation on the local boards.

20. For three (3) years following the Closing Date, PMH shall allow for two (2) community representatives to serve as voting members of the New MMH and New RGH Local Board with rights and obligations consistent with other voting members under the Local Board Bylaws. The community representatives shall be selected in consultation with the Mayors of Manchester and Vernon in order to ensure the appointment of two unbiased persons who will fairly represent the interests of the communities served by MMH and RGH, respectively. OHCA is imposing this Condition to ensure continued access to health care services for the patient population.

In February, OHCA questioned Prospect ECHN leadership regarding the status of the Vernon community representative and received responses which are attached to this letter. All of the material that I am providing is already part of OHCA's continuing public record under this docket number (see following link to OHCA website page for hospital transfers of ownership CONs). http://www.ct.gov/dph/cwp/view.asp?a=3902&q=555798&dphNav=|

OHCA's understanding is that Mayor Daniel Champagne of Vernon has been asked to serve on the Advisory Board on an Interim basis. Although OHCA is concerned that the permanent Local Board member for Vernon has not been designated, there is no requirement that the Applicant must accept the Mayor's recommendation for the community representative. Therefore, the Applicant is not in violation of the Order issued under Docket Number 15-32016-486. OHCA will continue to monitor this situation closely.

With respect to layoffs, OHCA does not have jurisdiction over employment matters. Consequently, there were no conditions placed upon the Applicant in the Order issued by OHCA under Docket Number 15-32016-486 regarding layoff notifications.

Sincerely,

Kimberly R. Martone
Director of Operations

Attachments

Cc: Dr. Ellen Marmer
Representative Michael Winkler
Senator Tony Guglielmo
Mayor Jay Moran, Manchester
Mayor Daniel Champagne, Vernon

User, OHCA

From: Roberts, Karen
Sent: Thursday, April 27, 2017 4:22 PM
To: User, OHCA
Subject: FW: Public Meeting at Prospect RGH

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Thursday, April 27, 2017 3:00 PM
To: Martone, Kim <Kimberly.Martone@ct.gov>
Cc: Roberts, Karen <Karen.Roberts@ct.gov>; Collins, Michael <mcollins@echn.org>
Subject: Re: Public Meeting at Prospect RGH

You are welcome. Ok, that's fine.
Colleen

Sent from my iPhone

On Apr 27, 2017, at 2:44 PM, Martone, Kim <Kimberly.Martone@ct.gov> wrote:

> Thanks Colleen for the update. Glad to hear that it was well attended and quite informative.
>
> Karen will be following up on additional material that might be helpful for us to have for our file.
>
> Kim
>
> ***Kimberly R. Martone***
> Director of Operations, Office of Health Care Access
> Connecticut Department of Public Health
> 410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
> Phone: 860-418-7029 Fax: 860-418-7053
> *Email: Kimberly.Martone@ct.gov Website: www.ct.gov/ohca*
>
> <image001.jpg> <image002.jpg>
>
> ---
>
> **From:** Colleen Smith [mailto:colleen713.smith@gmail.com]
> **Sent:** Thursday, April 27, 2017 2:27 PM
> **To:** Martone, Kim
> **Cc:** Roberts, Karen; Collins, Michael
> **Subject:** Public Meeting at Prospect RGH
>
> Dear Kim,
>
> i just wanted to let you know that I had the opportunity to attend a meeting for the communities of Rockville/Vernon last evening at Rockville General Hospital. It was very well attended by the public.
> Michael Collins ran the 90 minute meeting which started off with a report on Quality and Safety initiatives at RGH by Linda Quirici, VP of Quality & Safety. She was followed by Dennis

McConville who provided an overview of planned facility upgrades and capital equipment acquisition. Tom Reardon from Prospect Medical East was also present and made a few remarks concerning PMH and their strategy.
Attendees were invited to ask questions throughout the presentations. There was an additional 45 minute period following the presentations that attendees were afforded the opportunity to get all of their questions and comments answered. They were very attentive and asked good questions regarding future plans for the hospital. In my opinion, M. Collins responded in an honest forthright manner.

Best regards,
Colleen

Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

User, OHCA

From: Roberts, Karen
Sent: Monday, May 01, 2017 10:08 AM
To: Colleen Smith
Cc: User, OHCA; Cotto, Carmen
Subject: RE: Certificate of Need Monitoring Docket #15-32016-486

Hi Colleen.

Regarding the Rockville/Vernon Community meeting last week that you refer to in your email, what materials are you or Prospect ECHN able to provide for the OHCA record regarding this meeting? Are there (will there be) minutes for the meeting, a sign up sheet listing meeting participants, a print out of any PowerPoint presentations made (by the hospitals, Prospect Medical or you), etc.? Also, has there been a meeting for the Manchester community as well or did this cover both communities? Thanks. Karen

Sincerely,

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E: *karen.roberts@ct.gov*

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Thursday, April 27, 2017 3:00 PM
To: Martone, Kim <Kimberly.Martone@ct.gov>
Cc: Roberts, Karen <Karen.Roberts@ct.gov>; Collins, Michael <mcollins@echn.org>
Subject: Re: Public Meeting at Prospect RGH

You are welcome. Ok, that's fine.
Colleen

Sent from my iPhone

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> Karen will be following up on additional material that might be helpful for us to have for our file.

Kim

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
Phone: 860-418-7029 Fax: 860-418-7053
Email: Kimberly.Martone@ct.gov Website: www.ct.gov/ohca

<image001.jpg> <image002.jpg>

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To: Martone, Kim
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colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

User, OHCA

From: Colleen Smith <colleen713.smith@gmail.com>
Sent: Monday, May 01, 2017 12:44 PM
To: Roberts, Karen
Cc: User, OHCA; Cotto, Carmen
Subject: Re: Certificate of Need Monitoring Docket #15-32016-486

Dear Karen,
Attendance was taken and so I will ask that Prospect ECHN forward that to you. I am not aware that any minutes were taken. The presentations were verbal only and no Power Points were presented.
The community meeting for Manchester is being planned for 5/31/17. I am out of town and unable to attend that one.

I plan on following up with Dennis McConville today.
Best regards,
Colleen

Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
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colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

On May 1, 2017, at 10:07 AM, Roberts, Karen <Karen.Roberts@ct.gov> wrote:

Hi Colleen.

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Karen Roberts
Principal Health Care Analyst
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Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E: *karen.roberts@ct.gov*



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Sent: Thursday, April 27, 2017 3:00 PM
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Cc: Roberts, Karen <Karen.Roberts@ct.gov>; Collins, Michael <mcollins@echn.org>
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> Kim
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> ***Kimberly R. Martone***
> Director of Operations, Office of Health Care Access
> Connecticut Department of Public Health
> 410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
> Phone: 860-418-7029 Fax: 860-418-7053
> *Email: Kimberly.Martone@ct.gov Website: www.ct.gov/ohca*
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> **Sent:** Thursday, April 27, 2017 2:27 PM
> **To:** Martone, Kim
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Colleen

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Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

User, OHCA

From: Mcconville, Dennis P <dmcconville@echn.org>
Sent: Monday, May 01, 2017 2:39 PM
To: User, OHCA; Roberts, Karen; Martone, Kim; Colleen Smith
Cc: Ellen J. Shin (Legal Department); Tichy, Joyce A; Collins, Michael; Frank.Saidara; Garrison DeLee (garrison.delee@prospectmedical.com)
Subject: DN 15-32016-486 CON Final Decision, Condition #19
Attachments: Letter to Karen Roberts, OHCA re DN 15-32016-486-CON_05 01 17.pdf

The attached letter is submitted as required for condition number19 contained in the Final Decision for Docket Number: 15-32016-486-CON, the Transfer of Assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings.

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
dmcconville@echn.org

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

May 1, 2017

Karen Roberts
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134

Re: **Docket Number: 15-32016-486**

Project Title: **Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.**

Dear Ms. Roberts:

This letter is submitted in accordance with the Order for the above referenced Certificate of Need Final Decision, specifically Condition Number Nineteen (19) regarding the transfer of assets of Eastern Connecticut Health Network, Inc. (ECHN) to Prospect Medical Holdings, Inc. (PMH).

Condition Number Nineteen (19) requires that PMH will "hold a joint meeting of the Board of Directors of each of New MMH and New RGH and the Local Board of New MMH and New RGH ("Joint Board Meetings") at least twice annually with one occurring in Manchester and the other occurring in Vernon. Such Joint Board Meetings shall be followed by a meeting to which the public is invited in advance and at which the public is informed of the New Hospitals' activities and afforded an opportunity to ask questions and make comments."

A Joint Meeting of the Boards of Directors for Prospect Rockville Hospital, Inc. and Prospect Manchester Hospital Inc. was held on Wednesday, April 26, 2017 at Rockville General Hospital. That meeting was followed by a meeting for the Vernon community where information about the hospital's activities was shared and the public was encouraged to ask questions and provide comments. The meeting was advertised in both the Courant on April 20 and 25, 2017 and in the Journal Inquirer on April 16 and 23, 2017.

A joint meeting of the Boards is scheduled for May 31, 2017 at Manchester Memorial Hospital to be followed by a meeting where the Manchester community will be invited to

attend. Advertisements for that public meeting will be posted in the Courant and Journal Inquirer in the coming weeks.

If you have any questions or need anything further, please feel free to contact me at (860) 533-3429.

Very truly yours,

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network

Enclosures:

Vernon Community Meeting Advertisement
Vernon Community Meeting Sign-In Sheets, 04 26 2017
Rockville General Hospital Community Meeting Agenda, 04 26 2017

cc: Kimberly Martone, Director of Operations, Department of Public Health Division of Office of Health Care Access
Colleen Smith, Nursing Consultant Partners, LLC
Ellen J. Shin, General Counsel, Prospect Medical Holdings, Inc.
Joyce A. Tichy, Senior Vice President and General Counsel, ECHN
Michael Collins, Interim CEO, ECHN
Frank Saidara, Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Garrison De Lee, Assistant General Counsel, Prospect Medical Holdings, Inc.

A conversation on healthcare in your community.

ECHN is pleased to invite you to attend an upcoming community meeting. In this public forum, you'll learn how exciting new developments at ECHN are changing the care you receive – for the better.

It's a time dedicated to hearing directly from ECHN leaders and to having your questions answered. The future of healthcare in your community is taking shape, so please join us for this session and find out more about your local healthcare provider!

Town Hall Meeting

Wednesday, April 26, 2017
5 p.m. – 6:15 p.m.

Rockville General Hospital Cafeteria
31 Union St, Vernon

ECHN℠
Eastern Connecticut Health Network

Prospect Rockville Hospital, Inc.
Community Meeting
April 26, 2017

Rockville General Hospital Speakers:

Michael Collins, Interim CEO, Board Member

Thomas Reardon, President, Prospect Medical Holdings East, Board Member

Linda Quirici, Vice President, Quality & Safety

Dennis McConville, Senior Vice President, Chief Strategy Officer

Agenda:

1. Introductions, Opening Remarks	Michael Collins
2. Quality Report	Linda Quirici
3. Capital Improvements	Dennis McConville
4. Questions and Answers	Members of the Public Michael Collins Linda Quirici Dennis McConville Thomas Reardon
5. Concluding Remarks	Michael Collins

(165)

Town Hall Meeting
Wednesday, April 26, 2017
5 p.m. – 6:15 p.m.
Rockville General Hospital Cafeteria
31 Union St, Vernon

2 people did not sign in

NAME	TOWN OF RESIDENCE
Joseph E. Duplessis	Vernon
Dr. and Mrs Norman Desker	"
Margaret Callaway	"
Eileen Phelps	"
Rueland Phelps	"
Bill Campbell	"
ERIC KLOTER	TOLLAND
Drew Crandall	Ellington
Skye & Norine Edwards	Rockville
Linda Gilleri	Vernon
Fred Kracka	Vernon
WES SHORTS	VERNON
Kristi Coughlin	Vernon
Richard Gatlow	Vernon
Betty + Rudy Roggenkamp	Vernon
Carol Stiegl	Ellington
Jerry Connor	Ellington

Town Hall Meeting
Wednesday, April 26, 2017
5 p.m. – 6:15 p.m.
Rockville General Hospital Cafeteria
31 Union St, Vernon

NAME	TOWN OF RESIDENCE
Danielle Aedi	Vernon
Steve Aedi	Vernon
Bill Dauphin	Vernon
Shawn Gately	TOV
Polly Schaufler	T Vernon + Resident
Ron Freedman	Tolland
J Bentley	S. Windsor
[illegible]	Vernon
[illegible]	Vernon
[illegible]	Stafford
Linda Lee	Vernon
[illegible]	Vernon
[illegible]	Vernon
John Ward	Vernon
[illegible]	Manchester
Paul Skinner	VERNON

Town Hall Meeting
Wednesday, April 26, 2017
5 p.m. – 6:15 p.m.
Rockville General Hospital Cafeteria
31 Union St, Vernon

Colleen Smith RN	Dependent Mom Yes
Tom DiDio	
Tom and Susan Mason	
Bob + Kathey Sunnerlesh	
Sally Manchester	
Kym Cooper	
R. A. Deliste	
Phil Buncel	

Town Hall Meeting
Wednesday, April 26, 2017
5 p.m. – 6:15 p.m.
Rockville General Hospital Cafeteria
31 Union St, Vernon

NAME	TOWN OF RESIDENCE
Sue Godlewski	
Sue Malone	
Elmar	
Rick Daigle	
Bob Carroll	
Glen (Engineering RGH)	
Mary Basile Linda Buttero	
Linda Quinchi	
Mary Powers	
Mike Collins	
Joyce Ichy	
Tom Sheraton	
Dennis McConville	
Natalie Cook	
Paul Golino	
Peggy Candito	
Chantal Pierop	

Michael Collins
Thomas Reardon

User, OHCA

From: Mcconville, Dennis P <dmcconville@echn.org>
Sent: Tuesday, May 30, 2017 5:01 PM
To: User, OHCA
Cc: Martone, Kim; Roberts, Karen; Colleen Smith; Ellen J. Shin (ellen.shin@prospectmedical.com); Joyce A. Tichy Esq. (joyce.tichy@gmail.com) (joyce.tichy@gmail.com); Collins, Michael; Garrison DeLee (garrison.delee@prospectmedical.com); Frank.Saidara; Von.Crockett; Basile, Mary C; Veillette, Michael; Golino, Paul
Subject: RE: 15-32016-486-CON
Attachments: DN 15-32016-486 CON, Letter Addressing Conditions 8, 9 & 10_ 05-30-17 Final.pdf

The attached letter is submitted as required for condition numbers 8, 9 and 10 contained in the Final Decision for Docket Number: 15-32016-486-CON, the Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings.

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
dmcconville@echn.org



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Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
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May 30, 2017

VIA EMAIL DELIVERY

Deputy Commissioner Yvonne Addo
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134

Re: **Docket Number: 15-32016-486**

Project Title: **Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.**

Dear Ms. Addo:

This letter is submitted in accordance with the Order for the above referenced Certificate of Need Final Decision, specifically Condition Number Eight (8), Condition Number Nine (9) and Condition Number Ten (10) regarding the transfer of assets of Eastern Connecticut Health Network, Inc. (ECHN) to Prospect Medical Holdings, Inc. (PMH). Please note that the transaction closed on October 1, 2016 ("Closing Date").

Condition Number Eight (8) requires that on a semi-annual basis until the capital commitment is satisfied, PMH shall submit to OHCA a report on the capital investments ("Capital Investment Report") it has made in the New MMH, New RGH and their affiliates from the $75 million Commitment Amount. Please find the Capital Investment Report for the period beginning on October 1, 2016 through March 31, 2017 labeled as Exhibit A. It includes the following information:

a. A list of the capital expenditures that have been made in the prior one hundred and eighty days (180) days with descriptions of each associated project; and

b. An explanation of why each expenditure was made and a timeframe for the roll out of the associated capital project (including estimated beginning, ending, and startup/operation dates); and

c. The dates and amounts of withdrawals from each of the New Hospitals' operating account and/or any other sources of funding used to fulfill the Capital Commitment.

In addition, please find Exhibit B which includes capital purchases that are approved and in process with purchase orders issued this fiscal year-to-date.

Condition Number Nine (9) requires that PMH provide a report for New ECHN, New MMH and New RGH on a semi-annual basis with the following information:

a. The cost saving totals achieved in the following Operating Expense Categories for New ECHN, New MMH and New RGH: Salaries and Wages, Fringe Benefits, Contractual Labor Fees, Medical Supplies and Pharmaceutical Costs, Depreciation and Amortization, Interest Expense, Malpractice Expense, Utilities, Business Expenses, and other Operating Expenses. The categories shall be consistent with the major operating expense categories (Categories A, B, C, D, E, G, H, I, J, and K) which are in use at the time of reporting in the OHCA Hospital Reporting System ("HRS") Report 175 or successor report. The semi-annual submission shall also contain narratives describing:

    1. The major cost savings achieved for each expense category for the semi-annual period; and

    2. The effect of cost savings on the clinical quality of care.

b. A Consolidated Balance Sheet, Statements of Operations, and Statements of Cash Flows for New ECHN, New MMH and New RGH. The format shall be consistent with that which is in use at the time of reporting in OHCA's HRS Reports 100/150, 300/350 or successor reports.

For Condition Number Nine (9.a.), please find Exhibit C which shows the expenses by category using the form of HRS Report 175 which will serve as the baseline for comparison to report any cost savings achieved under PMH's ownership when the next filing for this condition is due on November 30, 2017.

For Condition Number Nine (9.b.), please find Exhibit D using the form of HRS Reports 100/150 and 300/350 which includes the Consolidated Balance Sheet, Statements of Operations, and Statements of Cash Flows for New ECHN, New MMH and New RGH

Condition Number Ten (10) requires that on a semi-annual basis, PMH provide a report for New ECHN, New MMH and New RGH with the following financial measurements/indicators showing current month and year-to-date data and comparable prior year period data for New ECHN, New MMH and New RGH respectively :

Financial Measurement/Indicators
A. Operating Performance

1. Operating Margin
2. Non-Operating Margin
3. Total Margin

B. <u>Liquidity</u>

1. Current Ratio
2. Days Cash on Hand
3. Days in Net Accounts Receivables
4. Average Payment Period

C. <u>Leverage and Capital Structure</u>

1. Long-term Debt to Equity
2. Long-term Debt to Capitalization
3. Unrestricted Cash to Debt
4. Times Interest Earned Ratio
5. Debt Service Coverage Ratio
6. Equity Financing Ratio

D. <u>Additional Statistics</u>

1. Income from Operations
2. Revenue Over/(Under) Expense
3. Cash from Operations
4. Cash and Cash Equivalents
5. Net Working Capital
6. Free Cash Flow (and the elements used in the calculation)
7. Unrestricted Assets/Retained Earnings
8. Bad Debt as % of Gross Revenue
9. Credit Ratings (S&P, FITCH, or Moody's)

Please find Exhibit E for the period beginning on October 1, 2016 through March 31, 2017 showing current month and year to date measurements as required for Condition Ten (10). These measurements will serve as a baseline for comparison measurements for the next report which will be filed by November 30, 2017.

If you have any questions or need anything further, please feel free to contact me at (860) 533-3429.

Very truly yours,

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network

Enclosures:

Exhibit A- Condition Number Eight (8) - Capital Investment Report
Exhibit B – Condition Number Eight (8) - Capital purchases that are approved and in process with purchase orders issued this fiscal year-to-date
Exhibit C – Condition Number Nine (9.a) - Expenses by category
Exhibit D – Condition Number Nine (9.b.) - Consolidated Balance Sheets, Statements of Operations, and Statements of Cash Flows for New ECHN, New MMH and New RGH
Exhibit E – Condition Number Ten (10) - Current month and year to date measurements

cc: Kimberly R. Martone, Director of Operations, Office of Health Care Access, Connecticut Department of Public Health
Karen Roberts, Principal Health Care Analyst, Office of Health Care Access, Connecticut Department of Public Health
Colleen Smith, Nursing Consultant Partners, LLC
Ellen J. Shin, General Counsel, Prospect Medical Holdings, Inc.
Joyce A. Tichy, Senior Vice President and General Counsel, ECHN
Michael Collins, Interim CEO, ECHN
Frank Saidara, Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Garrison De Lee, Assistant General Counsel, Prospect Medical Holdings, Inc.

Exhibit A

Capital Investment Report
Paid Capital
FY 2017

Vendor	Entity	Project / Item	PO #	Funding Type	PAYMENT AMOUNT October	November	December	January	February	March	Total
MOREDIRECT INC	MMH	SECURITY SYSTEM UPGRADE	C0016389	F			$3,227				$3,227
ADVANCE SECURITY INTERGATION LLC	MMH	ACCESS CONTROL UPGRADE	C0016390	F				$81,206			$81,206
W.B. MASON COMPANY, INC.	RGH	WALDEN EATING DISORDER -PROJECT	C016300P	F					$1,813		$1,813
RAINTECH SOUND & COMMUNICATION, INC.	RGH	WALDEN EATING DISORDER -PROJECT	C016300R	F		$13,278					$13,278
STRYKER SALES CORPORATION	RGH	WALDEN EATING DISORDER -PROJECT	C01630AU	F					$68,544		$68,544
GE MEDICAL SYSTEMS INFORMATION	RGH	WALDEN EATING DISORDER -PROJECT	C16300AV	F			$2,594				$2,594
GRAYBAR ELECTRIC CO INC.	RGH	WALDEN EATING DISORDER -PROJECT	C16300BB	F		$237					$237
SHI INTERNAIONAL CORP	RGH	WALDEN EATING DISORDER -PROJECT	C16300BC	F		$1,881					$1,881
SHI INTERNAIONAL CORP	RGH	WALDEN EATING DISORDER -PROJECT	C16300BC	F		$155					$155
SOMA TECHNOLOGY, INC.	RGH	WALDEN EATING DISORDER -PROJECT	C16300BD	F		$695					$695
TRI-ANIM HEALTH SERVICES	RGH	WALDEN EATING DISORDER -PROJECT	C16300BG	F	$413						$413
TRI-ANIM HEALTH SERVICES	RGH	WALDEN EATING DISORDER -PROJECT	C16300BG	F		$826					$826
RAINTECH SOUND & COMMUNICATION, INC.	RGH	WALDEN EATING DISORDER -PROJECT	C16300BH	F				$34,882			$34,882
MODERN MECHANICAL SERVICES, INC	MMH	WATER TOWER TANKS	C0016345	N		$90,487					$90,487
ALL-PHASE ENTERPRISES INC	MMH	GENERATOR FLUE STACK	C0016364	N		$9,430					$9,430
SMITHS MEDICAL ASD INC	MMH	TEMP CHECK	C0016379	N	$807						$807
HILL-ROM	MMH	STRETCHER MATTRESSES (7)	C0016388	N		$3,644					$3,644
HILL-ROM	MMH	STRETCHER MATTRESSES (6)	C0016393	N		$2,818					$2,818
SCALES INDUSTRIAL TECHOLOGIES, LLC	MMH	QUINCY OILESS COMPRESSOR	C0016394	N		$12,730					$12,730
SCALES INDUSTRIAL TECHOLOGIES, LLC	MMH	QUINCY OILESS COMPRESSOR	C0016394	N					$1,663		$1,663
SAFEWARE, INC.	RGH	GAS ALERT DETECTOR	C0016398	N					$195		$195
SAFEWARE, INC.	RGH	GAS ALERT DETECTOR	C0016398	N					$2,264		$2,264
SAFEWARE, INC.	RGH	GAS ALERT DETECTOR	C0016398	N							$0
MOREDIRECT INC	WAT	IT - CISCO CATALYST	C0016401	N							$0
JKS SYSTEMS, LLC	WAT	WOODLAKE CABLE RUNS	C0016402	N							$0
PRAXAIR DISTRIBUTION, INC	MMH	FBC - NITRONOX E STAND PACKAGE	C0016403	N						$11,230	$11,230
STERIS CORP	MMH	SPD - 3 LEVEL MANIFOLD RACK	C0016405	N						$13,662	$13,662
OWENS & MINOR	MMH	DIGITAL SCALE WITH HANDRAILS	C0016407	N							$0
CARPETWORKS	MMH	NUCLEAR MED FLOORING	C0016413	N						$5,429	$5,429
CARPETWORKS	RGH	FLOORING - BIII, HOSPICE ICU WAITING ROO	C0016414	N						$19,452	$19,452
CARPETWORKS	RGH	FLOORING - LITHOTRIPSY	C0016415	N						$5,158	$5,158
INTOXIMETERS INC	MMH	INTOXIMETER SENSOR	C0016418	N							$0
SHI INTERNAIONAL CORP	MMH	IPAD AIR ACCESSORIES	C0016421	N							$0
TELEFLEX MEDICAL INCORPORATED	MMH	SURGICAL TOOLS	C0016427	N							$0
AESCULAP	MMH	SURGICAL TOOLS	C0016428	N							$0
INTERA LIFESCIENCES	MMH	LED HEADLIGHT (3)	C0016429	N							$0
SHI INTERNAIONAL CORP	MMH	APPLE IPOD TOUCH (50)	C0016430	N							$0
EHR INTEGRATION	ECMP	PATIENT ADT INTERFACE	C0016463	N							$0
GE HEALTHCARE IITS USA CORP	MMH	FBC EXPANSION -PROJECT	C016281B	N	$3,845						$3,845
MERRY X-RAY CHEMICAL CORP	MMH	VASCULAR- PROJECT	C016312V	N	$652						$652
CHIMENET, INC.	RGH	IDF UPGRADE/NETWORK REDESIGN	C016376A	N				$2,400			$2,400
CHIMENET, INC.	RGH	IDF UPGRADE/NETWORK REDESIGN	C016376A	N					$4,111		$4,111
MOREDIRECT INC	RGH	COMPUTER CABLES	C016376G	N		$1,403					$1,403
DC CONSULTING SERVICE LLC	ECMP	SOFTWARE	C016382B	N	$990						$990
JKS SYSTEMS, LLC	ECMP	COMPUTER SCANNER	C016385A/E	N	$412						$412
FLAGSHIP NETWORKS, INC	ECMP	LICENSE FEE	C016385D	N			$950				$950
MCKESSON MEDICAL SURGICAL	ECMP	BARIATRIC SCALE	C016385F	N	$1,550						$1,550
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJEC	C016395A	N	$2,000						$2,000
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJEC	C016395A	N	$3,950						$3,950
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJEC	C016395A	N	$3,570						$3,570
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJEC	C016395A	N				$2,380			$2,380
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	C016396A	N	$1,250						$1,250
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	C016396A	N	$6,275						$6,275
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	C016396A	N	$3,525						$3,525
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	C016396A	N				$2,350			$2,350
MOSER PILON NELSON	MMH	GEROPSYCHIATRY BH UNIT RENOVATIONS	C016409A	N						$45,100	$45,100
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT CONST	C016410A	N						$165,635	$165,635
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT CONST	C016410A	N							$0
CARPETWORKS LLC	MMH	PHARMACY ENGINEERING -PROJECT	C15875HH	N		$670					$670
PRO-TECH	WAT	FIRE BLOCKING		N					$6,391		$6,391
CTGI	MMH	LAB - GI COMPUTER INTERFACE		N						$17,870	$17,870
					$29,238	$138,254	$6,771	$123,219	$84,979	$283,336	$665,798
		Financing (Debt, Lease)		F	$413	$17,073	$5,821	$116,089	$70,357	$0	$209,753
		New FY 2017 Spending		N	$28,825	$121,181	$950	$7,131	$14,622	$283,336	$456,045
		Practice Acquisitions		A							
		TOTAL			$29,238	$138,254	$6,771	$123,219	$84,979	$283,336	$665,798

Michael D. Veillette, Chief Financial Officer, Prospect ECHN, Inc.

5/22/2017

Exhibit B

Prospect ECHN, Inc.
FY 2017 Approved Capital Expenditures
As of May 15, 2017

Vendor	Facility	Item Description	Amount	Purpose	Notes
Otis Elevator	MMH	Elevator Sheave Replacement	35,255.00	Repair	
Connection, JKS Systems	ECHN	Voice Mail System Replacement	76,866.48	Replacement	
Omnicell, Inc.	MMH/RGH	Omnicell Dispensing System	1,306,013.10	Replacement	
Connection, JKS Systems	WAT	Wireless Network Expansion	15,721.32	New, Expansion	
GermFree	RGH	Germfree VF-4USP Compounding Aseptic Isolator	16,015.55	Replacement	
Steris Corporation	MMH	Sterilizer Centry Color Display Upgrade	10,949.80	Replacement	
Steris Corporation	MMH	Steris Manifold Racks and Carts (4)	16,647.94	Replacement	
Owens and Minor	MMH	Digital Bariatric Scale	1,692.29	Replacement	
Hill-Rom	MMH	Sleeper Chairs (2)	4,804.04	Replacement	
Praxair	MMH	Nitrous Oxide Delivery System (2)	11,147.61	New, Expansion	
Moser Pilon Nelson, Standard Builders, Inc.	RGH	Renovations for Adult Behavioral Health Unit	4,172,153.04	Replacement	Renovations to expand adult behavioral health capacity with 24 beds, completetion expected November 2017
Moser Pilon Nelson, Standard Builders, Inc.	MMH	Renovations for Geropsychiatry Unit	818,129.28	Replacement	Renovations to provide separate program spaces for adolescent and geriatric patient populations, completion targeted for November 2017
Standard Builders, Inc.	MMH	BHU Safety Renovations	344,700.00	Replacement	Replace acoustic ceilings with drywall, targeted completion by August 2017
Flagship Networks	ECHN	Citrix Licenses	9,635.40	New, Expansion	
SHI	MMH/RGH	iPods - Communications Services	4,721.74	New, Expansion	
Karl Storz	MMH	Ureteroscope	19,949.77	Replacement	
Carpetworks, LLC	RGH	Replacement Flooring - Lithotripsy Room	5,157.98	Replacement	
Carpetworks, LLC	RGH	Replacement Fooring - RGH Waiting Rooms	21,042.41	Replacement	
Carpetworks, LLC	MMH	Replacement Flooring - MMH Waiting Rooms	5,429.17	Replacement	
Hill Rom Company	RGH	Mattresses (35)	20,136.63	Replacement	
Prestige Medical Imaging	RGH	Portable X-Ray Unit	148,786.65	Replacement	
Intoximeters, Inc.	MMH	Breath Alcohol Tester	590.23	Replacement	
Teleflex Medical	MMH	Laparoscopic Tray	4,624.20	Replacement	
Integra Life Sciences	MMH	Surgical Headlights	19,662.41	Replacement	
Trumpf Medical	MMH	Trumpf OR Table Extension	903.98	New, Expansion	
Aesculap, Inc.	MMH	Orthopedic Large Bone Tray	1,628.15	Replacement	
WB Mason Company, Inc.	MMH	Waiting Rooms & Maternity Education Room Furniture	27,586.13	Replacement	
WB Mason Company, Inc.	RGH	Waiting Rooms & Nurse Lounge Furniture	15,862.10	Replacement	
WB Mason Company, Inc.	RGH	ED Waiting Room Flooring Replacement	13,033.19	Replacement	
CDW/SHI/Flagship	ECMP	Laptops, PCs	7,711.19	New, Expansion	
SHI	MMH/RGH	iPods for Secure Texting	11,022.88	New, Expansion	
Precision Computer Services, Inc.	ECHN	UCS Chassis & Blade Servers	50,885.35	New, Expansion	
Connection/CHIMENET	ECHN	Network Security Firewall	31,980.56	New, Expansion	
All Phase Construction Enterprises, inc.	WAT	CHOW Renovations	517,966.35	Replacement	
WB Mason Company, Inc.	WAT	CHOW Furniture	240,877.43	Replacement	
Eagle Rivet Roofing	RGH	Roof Replacements (3)	152,075.18	Replacement	
CDW/Flagship/SHI/JKS	MMH/RGH	EMR Hardware	41,404.32	Replacement	
Carpetworks, LLC	MMH	2 East Patient Room Flooring	42,534.68	Replacement	
Carpetworks, LLC	MMH	1 East Corridor & Patient Room Flooring	72,647.69	Replacement	
ERBE USA Incorporated	MMH/RGH	ERBE Argon Plasma Coagulation Units (6)	233,965.32	Replacement	
Motara Instruments	MMH/RGH	Treadmills (4)	23,502.91	Replacement	
WB Mason Company, Inc.	MMH/RGH	Bariatric Furniture	25,845.18	Replacement	
Olympus American, Inc.	RGH	Tracheal & Rhino-Laryngoscopes	12,579.55	Replacement	
Follet	RGH	Ice Machine	2,553.15	Replacement	
SHI/JKS/CDW	WAT	PCs	4,678.94	Replacement	
PCP	ECMP	Practice Acquisition	273,200.00	New, Expansion	
WB Mason	RGH	Task Chairs (10)	3,126.69	Replacement	
WB Mason	MMH	Physician Lounge Furniture	5,899.23	Replacement	
ScottCare	MMH	VersaCare Telemetry Monitoring System	48,482.84	Replacement	
Meditech, CareFusion	MMH/RGH	Omnicell Interfaces	87,100.65	Replacement	
Iatric Systems, EHR Integration Services	MMH/RGH	ED Billing Interfaces	19,304.00	New, Expansion	
Connection, Flagship Networks, JKS Systems	CRC	Laptops for new hires	17,754.90	New, Expansion	
Mid-South Telecom LLC, SHI	CRC	Telephones for new hires	1,226.36	New, Expansion	
Connection, Flagship Networks	ECHN	Laptops for Inventory	23,327.82	Replacement	
Carpetworks, LLC	RGH	ICU Flooring Replacement	14,585.90	Replacement	
McKesson	ECMP	Exam Room Diagnostics Wall Units (2)	1,778.85	Replacement	

Prospect ECHN, Inc.
FY 2017 Approved Capital Expenditures
As of May 15, 2017

Mid-South Telecom LLC	ECMP	Telephone Headsets	1,312.95	Replacement	
Ampronix	MMH	HD Medical Video Recorder	4,241.24	Replacement	
Philips Healthcare	ECMP	Stress System, EKG Machine	26,302.80	Replacement	
Carpetworks, LLC Horak Painting, Abatement Plus	RGH	Ground Floor Renovations	92,683.04	Replacement	
Interior Concepts	RGH	Corridor Door Replacements	30,179.75	Replacement	
Classic Restaurant Supply	MMH	Ice cube machines (2)	4,730.43	Replacement	
Hologic	MMH	Hysteroscope & instrument tray	6,907.43	Replacement	
Hovertech International Air Supply & Storage Cart	MMH	HoverMatt Patient Transport System	1,447.42	New, Expansion	
			$ 9,284,668.57		

Exhibit C
Prospect Manchester Hospital, Prospect Rockville Hospital and Prospect ECHN
Report 175 - Operating Expenses by Category
October 2016 - March 2017

Line	Operating Expense by Category	MMH	RGH	ECHN
A	Salaries & Wages	$39,452,567	$14,231,616	$53,684,183
B	Fringe Benefits	$13,795,543	$5,104,868	$18,900,410
C	Contractual Labor Fees	$6,154,048	$2,273,114	$8,427,162
D	Medical Supplies & Phamaceutical Cost	$14,443,402	$3,904,635	$18,348,037
E	Depreciation & Amortization	$3,536,667	$1,478,849	$5,015,516
F	Bad Debts	$0	$0	$0
G	Interest Expense	$3,634,528	$1,075,070	$4,709,598
H	Malpractice Insurance Cost	$1,291,514	$605,301	$1,896,815
I	Utilities	$1,380,083	$665,214	$2,045,297
J	Business Expense	$11,185,763	$5,402,188	$16,587,951
K	Other Operating Expenses	-	-	$0
	Total Operating Expenses - All Expense Categories	$94,874,114	$34,740,855	$129,614,969

PROSPECT ECHN, INC.

AS OF MARCH 31, 2017

FISCAL YEAR 2017

REPORT 300 - PARENT CORPORATION CONSOLIDATED BALANCE SHEET INFORMATION

(1)	(2)	(3)
		MAR 2017
LINE	DESCRIPTION	ACTUAL
I.	**ASSETS**	
A.	**Current Assets:**	
1	Cash and Cash Equivalents	$12,317,043
2	Short Term Investments	
3	Accounts Receivable (Less: Allowance for Doubtful Accounts)	$41,617,669
4	Current Assets Whose Use is Limited for Current Liabilities	
5	Due From Affiliates	
6	Due From Third Party Payers	
7	Inventories of Supplies	$5,881,292
8	Prepaid Expenses	$4,193,509
9	Other Current Assets	$1,965,964
	Total Current Assets	**$65,975,477**
B.	**Noncurrent Assets Whose Use is Limited:**	
1	Held by Trustee	$0
2	Board Designated for Capital Acquisition	
3	Funds Held in Escrow	
4	Other Noncurrent Assets Whose Use is Limited	
	Total Noncurrent Assets Whose Use is Limited:	**$0**
5	Interest in Net Assets of Foundation	
6	Long Term Investments	$13,953,604
7	Other Noncurrent Assets	$7,859,570
C.	**Net Fixed Assets:**	
1	Property, Plant and Equipment	$325,326,024
2	Less: Accumulated Depreciation	$244,746,974
	Less: Purchase Adjustment	$15,437,301
	Property, Plant and Equipment, Net	**$65,141,749**
3	Construction in Progress	$935,644
	Total Net Fixed Assets	**$66,077,393**

PROSPECT ECHN, INC.

AS OF MARCH 31, 2017

FISCAL YEAR 2017

REPORT 300 - PARENT CORPORATION CONSOLIDATED BALANCE SHEET INFORMATION

(1)	(2)	(3)
		MAR 2017
LINE	DESCRIPTION	ACTUAL
	Total Assets	$153,866,044

PROSPECT ECHN, INC.

AS OF MARCH 31, 2017

FISCAL YEAR 2017

REPORT 300 - PARENT CORPORATION CONSOLIDATED BALANCE SHEET INFORMATION

(1)	(2)	(3)
		MAR 2017
LINE	DESCRIPTION	ACTUAL
II.	**LIABILITIES AND NET ASSETS**	
A.	**Current Liabilities:**	
1	Accounts Payable and Accrued Expenses	$23,145,954
2	Salaries, Wages and Payroll Taxes	$7,623,804
3	Due To Third Party Payers	$4,829,928
4	Due To Affiliates	$11,775,883
5	Current Portion of Long Term Debt	$0
6	Current Portion of Notes Payable	$2,938,638
7	Other Current Liabilities	$542,979
	Total Current Liabilities	**$50,857,186**
B.	**Long Term Debt:**	
1	Bonds Payable (Net of Current Portion)	
2	Notes Payable (Net of Current Portion)	$10,315,643
	Total Long Term Debt	**$10,315,643**
3	Accrued Pension Liability	$67,990,311
4	Other Long Term Liabilities	$19,154,093
	Total Long Term Liabilities	**$97,460,047**
5	Interest in Net Assets of Affiliates or Joint Ventures	
C.	**Net Assets:**	
1	Net Assets or Equity	$5,548,811
2	Temporarily Restricted Net Assets	
3	Permanently Restricted Net Assets	
	Total Net Assets	**$5,548,811**
	Total Liabilities and Net Assets	**$153,866,044**

PROSPECT ECHN, INC.

OCTOBER 2016 THROUGH MARCH 2017

FISCAL YEAR 2017

REPORT 350 - PARENT CORPORATION CONSOLIDATED STATEMENT OF OPERATIONS INFORMATION

(1)	(2)	(3)
		OCT-MAR
LINE	DESCRIPTION	ACTUAL
A.	**Operating Revenue:**	
1	Total Gross Patient Revenue	$497,056,059
2	Less: Allowances	$341,478,789
3	Less: Charity Care	$1,281,566
4	Less: Other Deductions	$0
	Total Net Patient Revenue	**$154,295,704**
5	Provision for Bad Debts	$3,835,978
	Net Patient Service Revenue less provision for bad debts	**$150,459,726**
6	Other Operating Revenue	$10,793,602
7	Net Assets Released from Restrictions	$0
	Total Operating Revenue	**$161,253,328**
B.	**Operating Expenses:**	
1	Salaries and Wages	$73,885,912
2	Fringe Benefits	$24,396,707
3	Physicians Fees	$8,053,331
4	Supplies and Drugs	$18,371,771
5	Depreciation and Amortization	$5,698,189
6	Bad Debts	$0
7	Interest Expense	$325,374
8	Malpractice Insurance Cost	$1,774,010
9	Other Operating Expenses	$29,049,379
	Total Operating Expenses	**$161,554,673**
	Income/(Loss) From Operations	**($301,345)**
C.	**Non-Operating Revenue:**	
1	Income from Investments	$0
2	Gifts, Contributions and Donations	$0
3	Other Non-Operating Gains/(Losses)	($144,770)
	Total Non-Operating Revenue	**($144,770)**
	Excess/(Deficiency) of Revenue Over Expenses (Before Other Adjustments)	**($446,115)**
	Other Adjustments:	
	Unrealized Gains/(Losses)	$0
	All Other Adjustments	$0

Exhibit D

PROSPECT ECHN, INC.		
OCTOBER 2016 THROUGH MARCH 2017		
FISCAL YEAR 2017		
REPORT 350 - PARENT CORPORATION CONSOLIDATED STATEMENT OF OPERATIONS INFORMATION		
(1)	(2)	(3)
		OCT-MAR
LINE	DESCRIPTION	ACTUAL
	Total Other Adjustments	$0
	Excess/(Deficiency) of Revenue Over Expenses	($446,115)

PROSPECT MANCHESTER HOSPITAL

AS OF MARCH 31, 2017

FISCAL YEAR 2017

REPORT 100 - HOSPITAL BALANCE SHEET INFORMATION

(1)	(2)	(3)
		MAR 2017
LINE	DESCRIPTION	ACTUAL
I.	**ASSETS**	
A.	**Current Assets:**	
1	Cash and Cash Equivalents	$2,679,224
2	Short Term Investments	$0
3	Accounts Receivable (Less: Allowance for Doubtful Accounts)	$25,756,361
4	Current Assets Whose Use is Limited for Current Liabilities	$0
5	Due From Affiliates	$0
6	Due From Third Party Payers	$0
7	Inventories of Supplies	$4,429,309
8	Prepaid Expenses	$1,554,585
9	Other Current Assets	$0
	Total Current Assets	**$34,419,479**
B.	**Noncurrent Assets Whose Use is Limited:**	
1	Held by Trustee	$0
2	Board Designated for Capital Acquisition	$0
3	Funds Held in Escrow	$0
4	Other Noncurrent Assets Whose Use is Limited	$1,552,327
	Total Noncurrent Assets Whose Use is Limited:	**$1,552,327**
5	Interest in Net Assets of Foundation	$0
6	Long Term Investments	$3,909,859
7	Other Noncurrent Assets	$11,605,201
C.	**Net Fixed Assets:**	
1	Property, Plant and Equipment	$205,175,936
2	Less: Accumulated Depreciation	$157,623,013
	Property, Plant and Equipment, Net	**$47,552,923**
3	Construction in Progress	$389,226
	Total Net Fixed Assets	**$47,942,149**
	Total Assets	**$99,429,015**

PROSPECT MANCHESTER HOSPITAL

AS OF MARCH 31, 2017

FISCAL YEAR 2017

REPORT 100 - HOSPITAL BALANCE SHEET INFORMATION

(1)	(2)	(3)
		MAR 2017
LINE	DESCRIPTION	ACTUAL
II.	**LIABILITIES AND NET ASSETS**	
A.	**Current Liabilities:**	
1	Accounts Payable and Accrued Expenses	$13,478,861
2	Salaries, Wages and Payroll Taxes	$3,139,969
3	Due To Third Party Payers	$2,913,608
4	Due To Affiliates	$0
5	Current Portion of Bonds	$0
6	Current Portion of Notes Payable	$2,294,118
7	Other Current Liabilities	$20,341,722
	Total Current Liabilities	**$42,168,278**
B.	**Long Term Debt:**	
1	Bonds Payable (Net of Current Portion)	$0
2	Notes Payable (Net of Current Portion)	$5,139,876
	Total Long Term Debt	**$5,139,876**
3	Accrued Pension Liability	$52,806,626
4	Other Long Term Liabilities	$12,269,552
	Total Long Term Liabilities	**$70,216,054**
5	Interest in Net Assets of Affiliates or Joint Ventures	$0
C.	**Net Assets:**	
1	Unrestricted Net Assets or Equity	($12,955,317)
2	Temporarily Restricted Net Assets	$0
3	Permanently Restricted Net Assets	$0
	Total Net Assets	**($12,955,317)**
	Total Liabilities and Net Assets	**$99,429,015**

PROSPECT MANCHESTER HOSPITAL		
OCTOBER 2016 THROUGH MARCH 2017		
FISCAL YEAR 2017		
REPORT 150 - HOSPITAL STATEMENT OF OPERATIONS INFORMATION		
(1)	(2)	(3)
		OCT-MAR
LINE	DESCRIPTION	ACTUAL
A.	**Operating Revenue:**	
1	Total Gross Patient Revenue	$336,306,535
2	Less: Allowances	$240,249,012
3	Less: Charity Care	$897,095
4	Less: Other Deductions	$0
	Total Net Patient Revenue	**$95,160,428**
5	Provision for Bad Debts	$2,267,527
	Net Patient Service Revenue less provision for bad debts	**$92,892,901**
6	Other Operating Revenue	$4,641,099
7	Net Assets Released from Restrictions	($1,983)
	Total Operating Revenue	**$97,532,017**
B.	**Operating Expenses:**	
1	Salaries and Wages	$39,112,524
2	Fringe Benefits	$13,822,026
3	Physicians Fees	$5,029,260
4	Supplies and Drugs	$13,471,362
5	Depreciation and Amortization	$3,536,666
6	Bad Debts	$0
7	Interest Expense	$3,634,528
8	Malpractice Insurance Cost	$1,290,472
9	Other Operating Expenses	$14,977,276
	Total Operating Expenses	**$94,874,114**
	Income/(Loss) From Operations	**$2,657,903**
C.	**Non-Operating Revenue:**	
1	Income from Investments	$0
2	Gifts, Contributions and Donations	$0
3	Other Non-Operating Gains/(Losses)	$2,252,032
	Total Non-Operating Revenue	**$2,252,032**
	Excess/(Deficiency) of Revenue Over Expenses (Before Other Adjustments)	**$4,909,935**
	Other Adjustments:	
	Unrealized Gains/(Losses)	$0
	All Other Adjustments	$0
	Total Other Adjustments	**$0**
	Excess/(Deficiency) of Revenue Over Expenses	**$4,909,935**

PROSPECT MANCHESTER HOSPITAL		
OCTOBER 2016 THROUGH MARCH 2017		
FISCAL YEAR 2017		
REPORT 150 - HOSPITAL STATEMENT OF OPERATIONS INFORMATION		
(1)	(2)	(3)
		OCT-MAR
LINE	DESCRIPTION	ACTUAL

PROSPECT ROCKVILLE HOSPITAL

AS OF MARCH 31, 2017

FISCAL YEAR 2017

REPORT 100 - HOSPITAL BALANCE SHEET INFORMATION

(1)	(2)	(3)
		MAR 2017
LINE	DESCRIPTION	ACTUAL
I.	**ASSETS**	
A.	**Current Assets:**	
1	Cash and Cash Equivalents	$131,224
2	Short Term Investments	$0
3	Accounts Receivable (Less: Allowance for Doubtful Accounts)	$7,983,339
4	Current Assets Whose Use is Limited for Current Liabilities	$0
5	Due From Affiliates	$0
6	Due From Third Party Payers	$0
7	Inventories of Supplies	$1,255,387
8	Prepaid Expenses	$165,902
9	Other Current Assets	$0
	Total Current Assets	**$9,535,852**
B.	**Noncurrent Assets Whose Use is Limited:**	
1	Held by Trustee	$0
2	Board Designated for Capital Acquisition	$0
3	Funds Held in Escrow	$0
4	Other Noncurrent Assets Whose Use is Limited	$0
	Total Noncurrent Assets Whose Use is Limited:	**$0**
5	Interest in Net Assets of Foundation	$0
6	Long Term Investments	$3,461,894
7	Other Noncurrent Assets	$1,827,899
C.	**Net Fixed Assets:**	
1	Property, Plant and Equipment	$91,757,752
2	Less: Accumulated Depreciation	$68,988,989
	Property, Plant and Equipment, Net	**$22,768,763**
3	Construction in Progress	$546,419
	Total Net Fixed Assets	**$23,315,182**
	Total Assets	**$38,140,827**

PROSPECT ROCKVILLE HOSPITAL

AS OF MARCH 31, 2017

FISCAL YEAR 2017

REPORT 100 - HOSPITAL BALANCE SHEET INFORMATION

(1)	(2)	(3)
		MAR 2017
LINE	DESCRIPTION	ACTUAL
II.	**LIABILITIES AND NET ASSETS**	
A.	**Current Liabilities:**	
1	Accounts Payable and Accrued Expenses	$4,182,210
2	Salaries, Wages and Payroll Taxes	$824,229
3	Due To Third Party Payers	$1,221,401
4	Due To Affiliates	$0
5	Current Portion of Bonds	$0
6	Current Portion of Notes Payable	$166,122
7	Other Current Liabilities	$1,505,344
	Total Current Liabilities	**$7,899,306**
B.	**Long Term Debt:**	
1	Bonds Payable (Net of Current Portion)	$0
2	Notes Payable (Net of Current Portion)	$535,512
	Total Long Term Debt	**$535,512**
3	Accrued Pension Liability	$15,183,685
4	Other Long Term Liabilities	$4,610,332
	Total Long Term Liabilities	**$20,329,529**
5	Interest in Net Assets of Affiliates or Joint Ventures	$0
C.	**Net Assets:**	
1	Unrestricted Net Assets or Equity	$9,911,992
2	Temporarily Restricted Net Assets	$0
3	Permanently Restricted Net Assets	$0
	Total Net Assets	**$9,911,992**
	Total Liabilities and Net Assets	**$38,140,827**

PROSPECT ROCKVILLE HOSPITAL		
OCTOBER 2016 THROUGH MARCH 2017		
FISCAL YEAR 2017		
REPORT 150 - HOSPITAL STATEMENT OF OPERATIONS INFORMATION		
(1)	(2)	(3)
		OCT-MAR
LINE	DESCRIPTION	ACTUAL
A.	**Operating Revenue:**	
1	Total Gross Patient Revenue	$117,512,312
2	Less: Allowances	$85,243,699
3	Less: Charity Care	$384,471
4	Less: Other Deductions	$0
	Total Net Patient Revenue	**$31,884,142**
5	Provision for Bad Debts	$1,204,542
	Net Patient Service Revenue less provision for bad debts	**$30,679,600**
6	Other Operating Revenue	$725,658
7	Net Assets Released from Restrictions	$0
	Total Operating Revenue	**$31,405,258**
B.	**Operating Expenses:**	
1	Salaries and Wages	$14,071,000
2	Fringe Benefits	$5,420,851
3	Physicians Fees	$2,271,227
4	Supplies and Drugs	$3,913,060
5	Depreciation and Amortization	$1,478,850
6	Bad Debts	$0
7	Interest Expense	$82,534
8	Malpractice Insurance Cost	$504,808
9	Other Operating Expenses	$6,309,386
	Total Operating Expenses	**$34,051,716**
	Income/(Loss) From Operations	**($2,646,458)**
C.	**Non-Operating Revenue:**	
1	Income from Investments	$0
2	Gifts, Contributions and Donations	$0
3	Other Non-Operating Gains/(Losses)	($28,033)
	Total Non-Operating Revenue	**($28,033)**
	Excess/(Deficiency) of Revenue Over Expenses (Before Other Adjustments)	**($2,674,491)**
	Other Adjustments:	
	Unrealized Gains/(Losses)	$0
	All Other Adjustments	$0
	Total Other Adjustments	**$0**
	Excess/(Deficiency) of Revenue Over Expenses	**($2,674,491)**

PROSPECT ECHN, INC.

FISCAL YEAR 2017

		MTD						YTD					
		OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$81,613,814	$79,220,761	$79,528,541	$86,998,487	$81,707,256	$87,987,208	$81,613,814	$160,834,575	$240,363,116	$327,361,603	$409,068,859	$497,056,067
	Total Allowances	($56,223,666)	($54,407,866)	($53,362,963)	($60,650,579)	($56,713,976)	($61,401,307)	($56,223,666)	($110,631,532)	($163,994,495)	($224,645,074)	($281,359,050)	($342,760,357)
	Bad Debt	($880,497)	($610,712)	($817,000)	($859,527)	($81,611)	($586,631)	($880,497)	($1,491,209)	($2,308,209)	($3,167,736)	($3,249,347)	($3,835,978)
	Net Patient Revenue	$24,509,651	$24,202,183	$25,348,578	$25,488,381	$24,911,669	$25,999,270	$24,509,651	$48,711,834	$74,060,412	$99,548,793	$124,460,462	$150,459,732
	Other Operating Revenue	1,766,193	1,621,693	2,001,093	1,884,657	1,732,449	1,787,519	$1,766,193	$3,387,886	$5,388,979	$7,273,636	$9,006,085	$10,793,604
	Total Operating Revenue	$26,275,844	$25,823,876	$27,349,671	$27,373,038	$26,644,118	$27,786,789	$26,275,844	$52,099,720	$79,449,391	$106,822,429	$133,466,547	$161,253,336
	Total Operating Expenses	26,902,621	26,383,958	27,816,233	27,129,387	25,837,459	30,542,930	$26,902,621	$53,286,579	$81,102,812	$108,232,199	$134,069,658	$164,612,588
	Income/(Loss) From Operations	($626,777)	($560,082)	($466,562)	$243,651	$806,659	($2,756,141)	($626,777)	($1,186,859)	($1,653,421)	($1,409,770)	($603,111)	($3,359,252)
	Total Non-Operating Revenue	(24,904)	(21,096)	3,420	(7,909)	(20,107)	2,983,733	($24,904)	($46,000)	($42,580)	($50,489)	($70,596)	$2,913,137
	Excess/(Deficiency) of Revenue Over Expenses	($651,681)	($581,178)	($463,142)	$235,742	$786,552	$227,592	($651,681)	($1,232,859)	($1,696,001)	($1,460,259)	($673,707)	($446,115)
A.	**Operating Performance**												
1	**Operating Margin**	**-2.39%**	**-2.17%**	**-1.71%**	**0.89%**	**3.03%**	**-8.96%**	**-2.39%**	**-2.28%**	**-2.08%**	**-1.32%**	**-0.45%**	**-2.05%**
2	**Non-Operating Margin**	**-0.09%**	**-0.08%**	**0.01%**	**-0.03%**	**-0.08%**	**9.70%**	**-0.09%**	**-0.09%**	**-0.05%**	**-0.05%**	**-0.05%**	**1.77%**
3	**Total Margin**	**-2.48%**	**-2.25%**	**-1.69%**	**0.86%**	**2.95%**	**0.74%**	**-2.48%**	**-2.37%**	**-2.14%**	**-1.37%**	**-0.51%**	**-0.27%**
D.8	**Bad Debt as % of Gross Revenue**	**1.08%**	**0.77%**	**1.03%**	**0.99%**	**0.10%**	**0.67%**	**1.08%**	**0.93%**	**0.96%**	**0.97%**	**0.79%**	**0.77%**
	Income/(Loss) From Operations	($626,777)	($560,082)	($466,562)	$243,651	$806,659	($2,756,141)	($626,777)	($1,186,859)	($1,653,421)	($1,409,770)	($603,111)	($3,359,252)
	Total Operating Revenue	$26,275,844	$25,823,876	$27,349,671	$27,373,038	$26,644,118	$27,786,789	$26,275,844	$52,099,720	$79,449,391	$106,822,429	$133,466,547	$161,253,336
	Total Non-Operating Revenue	($24,904)	($21,096)	$3,420	($7,909)	($20,107)	$2,983,733	($24,904)	($46,000)	($42,580)	($50,489)	($70,596)	$2,913,137
	Total Revenue	$26,250,940	$25,802,780	$27,353,091	$27,365,129	$26,624,011	$30,770,522	$26,250,940	$52,053,720	$79,406,811	$106,771,940	$133,395,951	$164,166,473
	Excess/(Deficiency) of Revenue Over Expenses	($651,681)	($581,178)	($463,142)	$235,742	$786,552	$227,592	($651,681)	($1,232,859)	($1,696,001)	($1,460,259)	($673,707)	($446,115)
	Unrealized gain/(loss) in investments (self-insurance fu	($17,418)	$20,901	($8,239)	$24,328	$13,242	$5,678	($17,418)	$3,483	($4,755)	$19,573	$32,815	$38,494
	Unrestricted Net Assets	($669,099)	($1,229,376)	($1,700,757)	($1,440,686)	($640,892)	$5,548,810	($669,099)	($1,229,376)	($1,700,757)	($1,440,686)	($640,892)	$5,548,810
	Total Net Assets	($669,099)	($1,229,376)	($1,700,757)	($1,440,686)	($640,892)	$5,548,810	($669,099)	($1,229,376)	($1,700,757)	($1,440,686)	($640,892)	$5,548,810

PROSPECT ECHN, INC.

FISCAL YEAR 2017

		MTD						YTD					
		OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$81,613,814	$79,220,761	$79,528,541	$86,998,487	$81,707,256	$87,987,208	$81,613,814	$160,834,575	$240,363,116	$327,361,603	$409,068,859	$497,056,067
	Total Allowances	($56,223,666)	($54,407,866)	($53,362,963)	($60,650,579)	($56,713,976)	($61,401,307)	($56,223,666)	($110,631,532)	($163,994,495)	($224,645,074)	($281,359,050)	($342,760,357)
B.	**Liquidity**												
1	**Current Ratio**	**1.53**	**1.39**	**1.45**	**1.51**	**1.35**	**1.39**	**1.53**	**1.39**	**1.45**	**1.51**	**1.35**	**1.39**
	Total Current Assets	$53,789,301	$57,971,282	$66,689,028	$59,807,731	$53,350,265	$54,199,594	$53,789,301	$57,971,282	$66,689,028	$59,807,731	$53,350,265	$54,199,594
	Total Current Liabilities	$35,143,529	$41,728,038	$45,985,765	$39,526,662	$39,472,734	$39,081,303	$35,143,529	$41,728,038	$45,985,765	$39,526,662	$39,472,734	$39,081,303
2	**Days Cash on Hand**	**5**	**4**	**9**	**9**	**3**	**13**	**5**	**4**	**9**	**9**	**3**	**14**
	Cash and Cash Equivalents	$4,446,884	$3,585,374	$7,929,513	$7,397,213	$2,848,360	$12,317,043	$4,446,884	$3,585,374	$7,929,513	$7,397,213	$2,848,360	$12,317,043
	Short Term Investments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Cash and Short Term Investments	$4,446,884	$3,585,374	$7,929,513	$7,397,213	$2,848,360	$12,317,043	$4,446,884	$3,585,374	$7,929,513	$7,397,213	$2,848,360	$12,317,043
	Total Operating Expenses	$26,902,621	$26,383,958	$27,816,233	$27,129,387	$25,837,459	$30,542,930	$26,902,621	$53,286,579	$81,102,812	$108,232,199	$134,069,658	$164,612,588
	Depreciation Expense	$998,179	$969,552	$959,794	$953,226	$963,594	$853,961	$998,179	$1,967,731	$2,927,525	$3,880,751	$4,844,345	$5,698,306
	Operating Expenses less Depreciation Expense	$25,904,442	$25,414,406	$26,856,439	$26,176,161	$24,873,865	$29,688,969	$25,904,442	$51,318,848	$78,175,287	$104,351,448	$129,225,313	$158,914,282
3	**Days in Net Acounts Receivables**	**51**	**50**	**57**	**59**	**46**	**44**	**51**	**51**	**58**	**60**	**50**	**44**
	Net Patient Accounts Receivable	$ 41,733,492	$ 44,679,012	$ 51,205,414	$ 50,989,930	$ 44,208,941	$ 41,617,669	$41,733,492	$44,679,012	$51,205,414	$50,989,930	$44,208,941	$41,617,669
	Due From Third Party Payers	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Due To Third Party Payers	$1,653,608	$4,043,744	$4,443,801	$2,251,594	$2,848,960	$4,829,928	$1,653,608	$4,043,744	$4,443,801	$2,251,594	$2,848,960	$4,829,928
	Total Net Patient Accounts Receivable and Third Party Payer Activity	$ 40,079,884	$ 40,635,268	$ 46,761,613	$ 48,738,337	$ 41,359,981	$ 36,787,740	$ 40,079,884	$ 40,635,268	$ 46,761,613	$ 48,738,337	$ 41,359,981	$ 36,787,740
	Total Net Patient Revenue	$24,509,651	$24,202,183	$25,348,578	$25,488,381	$24,911,669	$25,999,270	$24,509,651	$48,711,834	$74,060,412	$99,548,793	$124,460,462	$150,459,732
4	**Average Payment Period**	**42**	**49**	**53**	**47**	**44**	**41**	**42**	**50**	**54**	**47**	**46**	**45**
	Total Current Liabilities	$35,143,529	$41,728,038	$45,985,765	$39,526,662	$39,472,734	$39,081,303	$35,143,529	$41,728,038	$45,985,765	$39,526,662	$39,472,734	$39,081,303
	Total Operating Expenses	$26,902,621	$26,383,958	$27,816,233	$27,129,387	$25,837,459	$30,542,930	$26,902,621	$53,286,579	$81,102,812	$108,232,199	$134,069,658	$164,612,588
	Depreciation Expense	$998,179	$969,552	$959,794	$953,226	$963,594	$853,961	$998,179	$1,967,731	$2,927,525	$3,880,751	$4,844,345	$5,698,306
	Total Operating Expenses less Depreciation Expense	$25,904,442	$25,414,406	$26,856,439	$26,176,161	$24,873,865	$29,688,969	$25,904,442	$51,318,848	$78,175,287	$104,351,448	$129,225,313	$158,914,282

PROSPECT ECHN, INC.

FISCAL YEAR 2017

		MTD						YTD					
		OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$81,613,814	$79,220,761	$79,528,541	$86,998,487	$81,707,256	$87,987,208	$81,613,814	$160,834,575	$240,363,116	$327,361,603	$409,068,859	$497,056,067
	Total Allowances	($56,223,666)	($54,407,866)	($53,362,963)	($60,650,579)	($56,713,976)	($61,401,307)	($56,223,666)	($110,631,532)	($163,994,495)	($224,645,074)	($281,359,050)	($342,760,357)
C.	**Leverage and Capital Structure**												
1	**Long-term Debt to Equity**	**(16.8)**	**(8.9)**	**(6.4)**	**(7.5)**	**(16.4)**	**1.9**	**(16.8)**	**(8.9)**	**(6.4)**	**(7.5)**	**(16.4)**	**1.9**
2	**Long Term Debt to Capitalization Ratio**	**106.3**	**112.6**	**118.4**	**115.5**	**106.5**	**65.0**	**106.3**	**112.6**	**118.4**	**115.5**	**106.5**	**65.0**
	Total Long Term Debt	$11,216,043	$10,993,131	$10,925,544	$10,760,682	$10,481,568	$10,315,644	$11,216,043	$10,993,131	$10,925,544	$10,760,682	$10,481,568	$10,315,644
	Total Net Assets	($669,099)	($1,229,376)	($1,700,757)	($1,440,686)	($640,892)	$5,548,810	($669,099)	($1,229,376)	($1,700,757)	($1,440,686)	($640,892)	$5,548,810
	Total Long Term Debt and Total Net Assets	$10,546,944	$9,763,755	$9,224,788	$9,319,995	$9,840,676	$15,864,454	$10,546,944	$9,763,755	$9,224,788	$9,319,995	$9,840,676	$15,864,454
3	**Unrestricted Cash to Total Debt Ratio**	**0.7**	**0.7**	**0.9**	**2.4**	**3.5**	**2.2**	**0.7**	**1.4**	**2.2**	**4.8**	**8.3**	**10.6**
	Excess/(Deficiency) of Revenues Over Expenses	($651,681)	($581,178)	($463,142)	$235,742	$786,552	$227,592	($651,681)	($1,232,859)	($1,696,001)	($1,460,259)	($673,707)	($446,115)
	Depreciation Expense	$998,179	$969,552	$959,794	$953,226	$963,594	$853,961	$998,179	$1,967,731	$2,927,525	$3,880,751	$4,844,345	$5,698,306
	Excess of Revenues Over Expenses and Depreciation Expense	$346,498	$388,374	$496,652	$1,188,968	$1,750,146	$1,081,553	$346,498	$734,872	$1,231,524	$2,420,492	$4,170,638	$5,252,191
	Total Current Liabilities	$35,143,529	$41,728,038	$45,985,765	$39,526,662	$39,472,734	$39,081,303	$35,143,529	$41,728,038	$45,985,765	$39,526,662	$39,472,734	$39,081,303
	Total Long Term Debt	$11,216,043	$10,993,131	$10,925,544	$10,760,682	$10,481,568	$10,315,644	$11,216,043	$10,993,131	$10,925,544	$10,760,682	$10,481,568	$10,315,644
	Total Current Liabilities and Total Long Term Debt	$46,359,573	$52,721,169	$56,911,309	$50,287,344	$49,954,301	$49,396,947	$46,359,573	$52,721,169	$56,911,309	$50,287,344	$49,954,301	$49,396,947
4	**Times Interest Earned**	**8.1**	**12.2**	**11.7**	**14.5**	**40.3**	**0.6**	**8.1**	**9.8**	**10.5**	**12.1**	**16.8**	**1.5**
5	**Debt Service Coverage Ratio**	**1.45**	**1.17**	**1.58**	**3.86**	**4.86**	**1.17**	**1.45**	**1.29**	**1.39**	**2.02**	**2.64**	**1.55**
	Excess Revenues over Expenses	($651,681)	($581,178)	($463,142)	$235,742	$786,552	$227,592	($651,681)	($1,232,859)	($1,696,001)	($1,460,259)	($673,707)	($446,115)
	Interest Expense	$52,154	$36,417	$45,916	$88,460	$45,053	$4,461,546	$52,154	$88,571	$134,487	$222,947	$268,000	$4,729,546
	Depreciation and Amortization Expense	$998,179	$969,552	$959,794	$953,226	$963,594	$853,961	$998,179	$1,967,731	$2,927,525	$3,880,751	$4,844,345	$5,698,306
	Principal Payments	$223,620	$325,617	$296,790	$242,787	$324,613	$289,057	$223,620	$549,237	$846,028	$1,088,814	$1,413,428	$1,702,485
6	**Equity Financing Ratio**	**(0.5)**	**(0.9)**	**(1.2)**	**(1.1)**	**(0.5)**	**3.9**	**(0.5)**	**(0.9)**	**(1.2)**	**(1.1)**	**(0.5)**	**3.9**
	Total Net Assets	($669,099)	($1,229,376)	($1,700,757)	($1,440,686)	($640,892)	$5,548,810	($669,099)	($1,229,376)	($1,700,757)	($1,440,686)	($640,892)	$5,548,810
	Total Assets	$128,240,634	$134,455,264	$138,360,194	$130,692,629	$136,041,250	$142,090,161	$128,240,634	$134,455,264	$138,360,194	$130,692,629	$136,041,250	$142,090,161
D.	**Additional Statistics**												
1	**Income from Operations**	**-$626,777**	**-$560,082**	**-$466,562**	**$243,651**	**$806,659**	**-$2,756,141**	**-$626,777**	**-$1,186,859**	**-$1,653,421**	**-$1,409,770**	**-$603,111**	**-$3,359,252**
2	**Revenue Over/(Under) Expense**	**-$651,681**	**-$581,178**	**-$463,142**	**$235,742**	**$786,552**	**$227,592**	**-$651,681**	**-$1,232,859**	**-$1,696,001**	**-$1,460,259**	**-$673,707**	**-$446,115**
3	**EBITDA**	**$423,556**	**$445,887**	**$539,148**	**$1,285,337**	**$1,815,306**	**$2,559,366**	**$423,556**	**$869,443**	**$1,408,591**	**$2,693,928**	**$4,509,234**	**$7,068,600**
4	**Cash from Operations**	**$21,957,353**	**$23,750,032**	**$20,410,238**	**$23,428,234**	**$23,630,289**	**$26,844,798**	**$21,957,353**	**$45,707,385**	**$66,117,623**	**$89,545,857**	**$113,176,146**	**$140,020,944**
5	**Cash and Cash Equivalents**	**$4,446,884**	**$3,585,374**	**$7,929,513**	**$7,397,213**	**$2,848,360**	**$12,317,043**	**$4,446,884**	**$3,585,374**	**$7,929,513**	**$7,397,213**	**$2,848,360**	**$12,317,043**
6	**Net Working Capital**	**$18,645,772**	**$16,243,243**	**$20,703,263**	**$20,281,069**	**$13,877,532**	**$15,118,291**	**$18,645,772**	**$16,243,243**	**$20,703,263**	**$20,281,069**	**$13,877,532**	**$15,118,291**
7	**Unrestricted Assets**	**-$669,099**	**-$1,229,376**	**-$1,700,757**	**-$1,440,686**	**-$640,892**	**$5,548,810**	**-$669,099**	**-$1,229,376**	**-$1,700,757**	**-$1,440,686**	**-$640,892**	**$5,548,810**
9	**Credit Ratings (S&P, FITCH, and Moody's)**												

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FISCAL YEAR 2017

		MTD						YTD					
		OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$55,644,298	$53,192,078	$52,850,074	$59,381,565	$55,170,613	$60,067,909	$55,644,298	$108,836,376	$161,686,450	$221,068,015	$276,238,628	$336,306,537
	Total Allowances	($40,427,577)	($37,965,460)	($36,698,937)	($42,892,832)	($39,671,267)	($43,490,035)	($40,427,577)	($78,393,037)	($115,091,974)	($157,984,806)	($197,656,073)	($241,146,108)
	Bad Debt	($597,341)	($430,749)	($555,335)	($604,481)	$180,823	($260,444)	($597,341)	($1,028,090)	($1,583,425)	($2,187,906)	($2,007,083)	($2,267,527)
	Net Patient Revenue	$14,619,380	$14,795,869	$15,595,802	$15,884,252	$15,680,169	$16,317,430	$14,619,380	$29,415,249	$45,011,051	$60,895,303	$76,575,472	$92,892,902
	Other Operating Revenue	775,272	740,245	834,034	729,436	760,930	3,167,968	$775,272	$1,515,517	$2,349,551	$3,078,987	$3,839,917	$7,007,885
	Total Operating Revenue	$15,394,652	$15,536,114	$16,429,836	$16,613,688	$16,441,099	$19,485,398	$15,394,652	$30,930,766	$47,360,602	$63,974,290	$80,415,389	$99,900,787
	Total Operating Expenses	15,387,630	15,075,148	15,785,230	15,569,444	14,708,540	18,348,121	$15,387,630	$30,462,778	$46,248,008	$61,817,452	$76,525,992	$94,874,113
	Income/(Loss) From Operations	$7,022	$460,966	$644,606	$1,044,244	$1,732,559	$1,137,277	$7,022	$467,988	$1,112,594	$2,156,838	$3,889,397	$5,026,674
	Total Non-Operating Revenue	(22,091)	(7,188)	(32,203)	(14,392)	(9,690)	(31,173)	($22,091)	($29,279)	($61,482)	($75,874)	($85,564)	($116,737)
	Excess/(Deficiency) of Revenue Over Expenses	($15,069)	$453,778	$612,403	$1,029,852	$1,722,869	$1,106,104	($15,069)	$438,709	$1,051,112	$2,080,964	$3,803,833	$4,909,937
A.	**Operating Performance**												
1	**Operating Margin**	**0.05%**	**2.97%**	**3.93%**	**6.29%**	**10.54%**	**5.85%**	**0.05%**	**1.51%**	**2.35%**	**3.38%**	**4.84%**	**5.04%**
2	**Non-Operating Margin**	**-0.14%**	**-0.05%**	**-0.20%**	**-0.09%**	**-0.06%**	**-0.16%**	**-0.14%**	**-0.09%**	**-0.13%**	**-0.12%**	**-0.11%**	**-0.12%**
3	**Total Margin**	**-0.10%**	**2.92%**	**3.73%**	**6.20%**	**10.49%**	**5.69%**	**-0.10%**	**1.42%**	**2.22%**	**3.26%**	**4.74%**	**4.92%**
D.8	**Bad Debt as % of Gross Revenue**	**1.07%**	**0.81%**	**1.05%**	**1.02%**	**-0.33%**	**0.43%**	**1.07%**	**0.94%**	**0.98%**	**0.99%**	**0.73%**	**0.67%**
	Income/(Loss) From Operations	$7,022	$460,966	$644,606	$1,044,244	$1,732,559	$1,137,277	$7,022	$467,988	$1,112,594	$2,156,838	$3,889,397	$5,026,674
	Total Operating Revenue	$15,394,652	$15,536,114	$16,429,836	$16,613,688	$16,441,099	$19,485,398	$15,394,652	$30,930,766	$47,360,602	$63,974,290	$80,415,389	$99,900,787
	Total Non-Operating Revenue	($22,091)	($7,188)	($32,203)	($14,392)	($9,690)	($31,173)	($22,091)	($29,279)	($61,482)	($75,874)	($85,564)	($116,737)
	Total Revenue	$15,372,561	$15,528,926	$16,397,633	$16,599,296	$16,431,409	$19,454,225	$15,372,561	$30,901,487	$47,299,120	$63,898,416	$80,329,825	$99,784,050
	Excess/(Deficiency) of Revenue Over Expenses	($15,069)	$453,778	$612,403	$1,029,852	$1,722,869	$1,106,104	($15,069)	$438,709	$1,051,112	$2,080,964	$3,803,833	$4,909,937
	Unrealized gain/(loss) in investments (self-insurance fu	($17,418)	$20,901	($8,239)	$24,328	$13,242	$5,678	($17,418)	$3,483	($4,755)	$19,573	$32,815	$38,494
	Unrestricted Net Assets	($32,487)	$442,192	$1,046,357	$2,100,537	$3,836,648	$4,948,431	($32,487)	$442,192	$1,046,357	$2,100,537	$3,836,648	$4,948,431
	Total Net Assets	($32,487)	$442,192	$1,046,357	$2,100,537	$3,836,648	$4,948,431	($32,487)	$442,192	$1,046,357	$2,100,537	$3,836,648	$4,948,431

PROSPECT MANCHESTER HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
B.	**Liquidity**												
1	**Current Ratio**	**2.13**	**2.03**	**1.89**	**2.03**	**1.86**	**2.71**	**2.13**	**2.03**	**1.89**	**2.03**	**1.86**	**2.71**
	Total Current Assets	$46,842,822	$47,642,623	$53,559,905	$50,880,329	$46,261,482	$65,988,394	$46,842,822	$47,642,623	$53,559,905	$50,880,329	$46,261,482	$65,988,394
	Total Current Liabilities	$22,000,101	$23,415,706	$28,400,160	$25,018,323	$24,934,736	$24,336,934	$22,000,101	$23,415,706	$28,400,160	$25,018,323	$24,934,736	$24,336,934
2	**Days Cash on Hand**	**(1)**	**0**	**9**	**4**	**4**	**5**	**(1)**	**0**	**9**	**4**	**4**	**6**
	Cash and Cash Equivalents	($663,350)	$124,486	$4,536,426	$1,846,450	$2,034,272	$2,879,427	($663,350)	$124,486	$4,536,426	$1,846,450	$2,034,272	$2,879,427
	Short Term Investments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Cash and Short Term Investments	($663,350)	$124,486	$4,536,426	$1,846,450	$2,034,272	$2,879,427	($663,350)	$124,486	$4,536,426	$1,846,450	$2,034,272	$2,879,427
	Total Operating Expenses	$15,387,630	$15,075,148	$15,785,230	$15,569,444	$14,708,540	$18,348,121	$15,387,630	$30,462,778	$46,248,008	$61,817,452	$76,525,992	$94,874,113
	Depreciation Expense	$631,809	$601,534	$595,578	$591,875	$598,505	$517,366	$631,809	$1,233,343	$1,828,921	$2,420,796	$3,019,301	$3,536,667
	Operating Expenses less Depreciation Expense	$14,755,821	$14,473,614	$15,189,652	$14,977,569	$14,110,035	$17,830,755	$14,755,821	$29,229,435	$44,419,087	$59,396,656	$73,506,691	$91,337,446
3	**Days in Net Acounts Receivables**	**53**	**48**	**53**	**58**	**44**	**43**	**53**	**49**	**54**	**60**	**49**	**45**
	Net Patient Accounts Receivable	$ 25,097,057	$ 25,647,346	$ 29,082,871	$ 30,775,476	$ 26,091,128	$ 25,756,361	$25,097,057	$25,647,346	$29,082,871	$30,775,476	$26,091,128	$25,756,361
	Due From Third Party Payers	$ -	$ -	$ -	$ -	$ -	$ -	$0	$0	$0	$0	$0	$0
	Due To Third Party Payers	$240,525	$1,985,471	$2,453,224	$980,071	$1,357,162	$2,913,608	$240,525	$1,985,471	$2,453,224	$980,071	$1,357,162	$2,913,608
	Total Net Patient Accounts Receivable and Third Party Payer Activity	$ 24,856,532	$ 23,661,876	$ 26,629,648	$ 29,795,406	$ 24,733,966	$ 22,842,753	$ 24,856,532	$ 23,661,876	$ 26,629,648	$ 29,795,406	$ 24,733,966	$ 22,842,753
	Total Net Patient Revenue	$14,619,380	$14,795,869	$15,595,802	$15,884,252	$15,680,169	$16,317,430	$14,619,380	$29,415,249	$45,011,051	$60,895,303	$76,575,472	$92,892,902
4	**Average Payment Period**	**46**	**49**	**58**	**52**	**49**	**42**	**46**	**49**	**59**	**52**	**51**	**49**
	Total Current Liabilities	$22,000,101	$23,415,706	$28,400,160	$25,018,323	$24,934,736	$24,336,934	$22,000,101	$23,415,706	$28,400,160	$25,018,323	$24,934,736	$24,336,934
	Total Operating Expenses	$15,387,630	$15,075,148	$15,785,230	$15,569,444	$14,708,540	$18,348,121	$15,387,630	$30,462,778	$46,248,008	$61,817,452	$76,525,992	$94,874,113
	Depreciation Expense	$631,809	$601,534	$595,578	$591,875	$598,505	$517,366	$631,809	$1,233,343	$1,828,921	$2,420,796	$3,019,301	$3,536,667
	Total Operating Expenses less Depreciation Expense	$14,755,821	$14,473,614	$15,189,652	$14,977,569	$14,110,035	$17,830,755	$14,755,821	$29,229,435	$44,419,087	$59,396,656	$73,506,691	$91,337,446

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		MTD						YTD					
	DESCRIPTION	OCTOBER FY 2017	NOVEMBER FY 2017	DECEMBER FY 2017	JANUARY FY 2017	FEBRUARY FY 2017	MARCH FY 2017	OCTOBER FY 2017	NOVEMBER FY 2017	DECEMBER FY 2017	JANUARY FY 2017	FEBRUARY FY 2017	MARCH FY 2017
C.	**Leverage and Capital Structure**												
1	**Long-term Debt to Equity**	**(185.2)**	**13.2**	**5.4**	**2.6**	**1.4**	**1.0**	**(185.2)**	**13.2**	**5.4**	**2.6**	**1.4**	**1.0**
2	**Long Term Debt to Capitalization Ratio**	**100.5**	**92.9**	**84.4**	**72.4**	**57.9**	**50.9**	**100.5**	**92.9**	**84.4**	**72.4**	**57.9**	**50.9**
	Total Long Term Debt	$6,018,218	$5,824,694	$5,652,580	$5,509,766	$5,272,679	$5,139,876	$6,018,218	$5,824,694	$5,652,580	$5,509,766	$5,272,679	$5,139,876
	Total Net Assets	($32,487)	$442,192	$1,046,357	$2,100,537	$3,836,648	$4,948,431	($32,487)	$442,192	$1,046,357	$2,100,537	$3,836,648	$4,948,431
	Total Long Term Debt and Total Net Assets	$5,985,731	$6,266,887	$6,698,937	$7,610,303	$9,109,328	$10,088,306	$5,985,731	$6,266,887	$6,698,937	$7,610,303	$9,109,328	$10,088,306
3	**Unrestricted Cash to Total Debt Ratio**	**2.2**	**3.6**	**3.5**	**5.3**	**7.7**	**5.5**	**2.2**	**5.7**	**8.5**	**14.7**	**22.6**	**28.7**
	Excess/(Deficiency) of Revenues Over Expenses	($15,069)	$453,778	$612,403	$1,029,852	$1,722,869	$1,106,104	($15,069)	$438,709	$1,051,112	$2,080,964	$3,803,833	$4,909,937
	Depreciation Expense	$631,809	$601,534	$595,578	$591,875	$598,505	$517,366	$631,809	$1,233,343	$1,828,921	$2,420,796	$3,019,301	$3,536,667
	Excess of Revenues Over Expenses and Depreciation Expense	$616,740	$1,055,312	$1,207,981	$1,621,727	$2,321,374	$1,623,470	$616,740	$1,672,052	$2,880,033	$4,501,760	$6,823,134	$8,446,604
	Total Current Liabilities	$22,000,101	$23,415,706	$28,400,160	$25,018,323	$24,934,736	$24,336,934	$22,000,101	$23,415,706	$28,400,160	$25,018,323	$24,934,736	$24,336,934
	Total Long Term Debt	$6,018,218	$5,824,694	$5,652,580	$5,509,766	$5,272,679	$5,139,876	$6,018,218	$5,824,694	$5,652,580	$5,509,766	$5,272,679	$5,139,876
	Total Current Liabilities and Total Long Term Debt	$28,018,320	$29,240,400	$34,052,740	$30,528,089	$30,207,415	$29,476,810	$28,018,320	$29,240,400	$34,052,740	$30,528,089	$30,207,415	$29,476,810
4	**Times Interest Earned**	**16.1**	**38.9**	**32.3**	**41.6**	**75.8**	**1.5**	**16.1**	**25.2**	**27.7**	**31.5**	**39.1**	**3.4**
5	**Debt Service Coverage Ratio**	**3.42**	**3.87**	**5.03**	**7.58**	**8.72**	**1.38**	**3.42**	**3.68**	**4.15**	**4.95**	**5.79**	**2.48**
	Excess Revenues over Expenses	($15,069)	$453,778	$612,403	$1,029,852	$1,722,869	$1,106,104	($15,069)	$438,709	$1,051,112	$2,080,964	$3,803,833	$4,909,937
	Interest Expense	$42,298	$28,063	$39,637	$40,330	$31,179	$3,453,021	$42,298	$70,361	$109,998	$150,328	$181,507	$3,634,528
	Depreciation and Amortization Expense	$631,809	$601,534	$595,578	$591,875	$598,505	$517,366	$631,809	$1,233,343	$1,828,921	$2,420,796	$3,019,301	$3,536,667
	Principal Payments	$150,273	$252,225	$208,259	$178,959	$238,763	$215,612	$150,273	$402,498	$610,757	$789,716	$1,028,479	$1,244,091
6	**Equity Financing Ratio**	**(0.0)**	**0.5**	**1.1**	**2.2**	**3.8**	**4.9**	**(0.0)**	**0.5**	**1.1**	**2.2**	**3.8**	**4.9**
	Total Net Assets	($32,487)	$442,192	$1,046,357	$2,100,537	$3,836,648	$4,948,431	($32,487)	$442,192	$1,046,357	$2,100,537	$3,836,648	$4,948,431
	Total Assets	$91,857,160	$93,852,209	$99,351,394	$96,098,478	$100,358,275	$101,059,053	$91,857,160	$93,852,209	$99,351,394	$96,098,478	$100,358,275	$101,059,053
D.	**Additional Statistics**												
1	**Income from Operations**	**$7,022**	**$460,966**	**$644,606**	**$1,044,244**	**$1,732,559**	**$1,137,277**	**$7,022**	**$467,988**	**$1,112,594**	**$2,156,838**	**$3,889,397**	**$5,026,674**
2	**Revenue Over/(Under) Expense**	**-$15,069**	**$453,778**	**$612,403**	**$1,029,852**	**$1,722,869**	**$1,106,104**	**-$15,069**	**$438,709**	**$1,051,112**	**$2,080,964**	**$3,803,833**	**$4,909,937**
3	**EBITDA**	**$681,129**	**$1,090,563**	**$1,279,821**	**$1,676,449**	**$2,362,243**	**$5,107,664**	**$681,129**	**$1,771,692**	**$3,051,513**	**$4,727,962**	**$7,090,205**	**$12,197,869**
4	**Cash from Operations**	**$13,311,451**	**$14,700,164**	**$12,315,867**	**$14,613,537**	**$14,479,139**	**$15,414,320**	**$13,311,451**	**$28,011,615**	**$40,327,482**	**$54,941,019**	**$69,420,158**	**$84,834,478**
5	**Cash and Cash Equivalents**	**-$663,350**	**$124,486**	**$4,536,426**	**$1,846,450**	**$2,034,272**	**$2,879,427**	**-$663,350**	**$124,486**	**$4,536,426**	**$1,846,450**	**$2,034,272**	**$2,879,427**
6	**Net Working Capital**	**$24,842,721**	**$24,226,917**	**$25,159,745**	**$25,862,006**	**$21,326,746**	**$41,651,460**	**$24,842,721**	**$24,226,917**	**$25,159,745**	**$25,862,006**	**$21,326,746**	**$41,651,460**
7	**Unrestricted Assets**	**-$32,487**	**$442,192**	**$1,046,357**	**$2,100,537**	**$3,836,648**	**$4,948,431**	**-$32,487**	**$442,192**	**$1,046,357**	**$2,100,537**	**$3,836,648**	**$4,948,431**
9	**Credit Ratings (S&P, FITCH, and Moody's)**												

PROSPECT ROCKVILLE HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$18,726,168	$18,640,535	$19,515,950	$20,580,951	$19,496,668	$20,552,045	$18,726,168	$37,366,703	$56,882,653	$77,463,604	$96,960,272	$117,512,317
	Total Allowances	($13,221,502)	($13,686,816)	($14,029,353)	($15,131,662)	($14,351,835)	($15,207,002)	($13,221,502)	($26,908,318)	($40,937,671)	($56,069,333)	($70,421,168)	($85,628,170)
	Bad Debt	($221,737)	($118,796)	($202,498)	($194,224)	($201,767)	($265,520)	($221,737)	($340,533)	($543,031)	($737,255)	($939,022)	($1,204,542)
	Net Patient Revenue	$5,282,929	$4,834,923	$5,284,099	$5,255,065	$4,943,066	$5,079,523	$5,282,929	$10,117,852	$15,401,951	$20,657,016	$25,600,082	$30,679,605
	Other Operating Revenue	88,667	99,563	127,556	126,081	153,929	129,861	$88,667	$188,230	$315,786	$441,867	$595,796	$725,657
	Total Operating Revenue	$5,371,596	$4,934,486	$5,411,655	$5,381,146	$5,096,995	$5,209,384	$5,371,596	$10,306,082	$15,717,737	$21,098,883	$26,195,878	$31,405,262
	Total Operating Expenses	5,591,350	5,500,253	6,049,317	5,746,090	5,554,009	6,299,840	$5,591,350	$11,091,603	$17,140,920	$22,887,010	$28,441,019	$34,740,859
	Income/(Loss) From Operations	($219,754)	($565,767)	($637,662)	($364,944)	($457,014)	($1,090,456)	($219,754)	($785,521)	($1,423,183)	($1,788,127)	($2,245,141)	($3,335,597)
	Total Non-Operating Revenue	(576)	(11,945)	35,623	6,483	(10,417)	641,937	($576)	($12,521)	$23,102	$29,585	$19,168	$661,105
	Excess/(Deficiency) of Revenue Over Expenses	($220,330)	($577,712)	($602,039)	($358,461)	($467,431)	($448,519)	($220,330)	($798,042)	($1,400,081)	($1,758,542)	($2,225,973)	($2,674,492)
A.	**Operating Performance**												
1	**Operating Margin**	**-4.09%**	**-11.49%**	**-11.71%**	**-6.77%**	**-8.98%**	**-18.64%**	**-4.09%**	**-7.63%**	**-9.04%**	**-8.46%**	**-8.56%**	**-10.40%**
2	**Non-Operating Margin**	**-0.01%**	**-0.24%**	**0.65%**	**0.12%**	**-0.20%**	**10.97%**	**-0.01%**	**-0.12%**	**0.15%**	**0.14%**	**0.07%**	**2.06%**
3	**Total Margin**	**-4.10%**	**-11.74%**	**-11.05%**	**-6.65%**	**-9.19%**	**-7.67%**	**-4.10%**	**-7.75%**	**-8.89%**	**-8.32%**	**-8.49%**	**-8.34%**
D.8	**Bad Debt as % of Gross Revenue**	**1.18%**	**0.64%**	**1.04%**	**0.94%**	**1.03%**	**1.29%**	**1.18%**	**0.91%**	**0.95%**	**0.95%**	**0.97%**	**1.03%**
	Income/(Loss) From Operations	($219,754)	($565,767)	($637,662)	($364,944)	($457,014)	($1,090,456)	($219,754)	($785,521)	($1,423,183)	($1,788,127)	($2,245,141)	($3,335,597)
	Total Operating Revenue	$5,371,596	$4,934,486	$5,411,655	$5,381,146	$5,096,995	$5,209,384	$5,371,596	$10,306,082	$15,717,737	$21,098,883	$26,195,878	$31,405,262
	Total Non-Operating Revenue	($576)	($11,945)	$35,623	$6,483	($10,417)	$641,937	($576)	($12,521)	$23,102	$29,585	$19,168	$661,105
	Total Revenue	$5,371,020	$4,922,541	$5,447,278	$5,387,629	$5,086,578	$5,851,321	$5,371,020	$10,293,561	$15,740,839	$21,128,468	$26,215,046	$32,066,367
	Excess/(Deficiency) of Revenue Over Expenses	($220,330)	($577,712)	($602,039)	($358,461)	($467,431)	($448,519)	($220,330)	($798,042)	($1,400,081)	($1,758,542)	($2,225,973)	($2,674,492)
								$0	$0	$0	$0	$0	$0
	Unrestricted Net Assets	($220,330)	($798,042)	($1,400,081)	($1,758,542)	($2,225,973)	($2,674,492)	($220,330)	($798,042)	($1,400,081)	($1,758,542)	($2,225,973)	($2,674,492)
	Total Net Assets	($220,330)	($798,042)	($1,400,081)	($1,758,542)	($2,225,973)	($2,674,492)	($220,330)	($798,042)	($1,400,081)	($1,758,542)	($2,225,973)	($2,674,492)

PROSPECT ROCKVILLE HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$18,726,168	$18,640,535	$19,515,950	$20,580,951	$19,496,668	$20,552,045	$18,726,168	$37,366,703	$56,882,653	$77,463,604	$96,960,272	$117,512,317
	Total Allowances	($13,221,502)	($13,686,816)	($14,029,353)	($15,131,662)	($14,351,835)	($15,207,002)	($13,221,502)	($26,908,318)	($40,937,671)	($56,069,333)	($70,421,168)	($85,628,170)
B.	**Liquidity**												
1	**Current Ratio**	**2.48**	**2.21**	**1.87**	**2.01**	**1.77**	**1.90**	**2.48**	**2.21**	**1.87**	**2.01**	**1.77**	**1.90**
	Total Current Assets	$13,537,159	$14,147,936	$15,510,299	$13,230,878	$11,577,805	$12,822,482	$13,537,159	$14,147,936	$15,510,299	$13,230,878	$11,577,805	$12,822,482
	Total Current Liabilities	$5,453,541	$6,395,701	$8,289,316	$6,595,624	$6,557,953	$6,745,746	$5,453,541	$6,395,701	$8,289,316	$6,595,624	$6,557,953	$6,745,746
2	**Days Cash on Hand**	**(1)**	**1**	**24**	**10**	**11**	**15**	**(1)**	**1**	**25**	**10**	**11**	**16**
	Cash and Cash Equivalents	($256,143)	$124,486	$4,536,426	$1,846,450	$2,034,272	$2,879,427	($256,143)	$124,486	$4,536,426	$1,846,450	$2,034,272	$2,879,427
	Short Term Investments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Cash and Short Term Investments	($256,143)	$124,486	$4,536,426	$1,846,450	$2,034,272	$2,879,427	($256,143)	$124,486	$4,536,426	$1,846,450	$2,034,272	$2,879,427
	Total Operating Expenses	$5,591,350	$5,500,253	$6,049,317	$5,746,090	$5,554,009	$6,299,840	$5,591,350	$11,091,603	$17,140,920	$22,887,010	$28,441,019	$34,740,859
	Depreciation Expense	$253,780	$250,362	$249,802	$247,086	$250,893	$226,927	$253,780	$504,142	$753,944	$1,001,030	$1,251,923	$1,478,850
	Operating Expenses less Depreciation Expense	$5,337,570	$5,249,891	$5,799,515	$5,499,004	$5,303,116	$6,072,913	$5,337,570	$10,587,461	$16,386,976	$21,885,980	$27,189,096	$33,262,009
3	**Days in Net Acounts Receivables**	**51**	**52**	**55**	**59**	**46**	**41**	**51**	**51**	**56**	**60**	**47**	**40**
	Net Patient Accounts Receivable	$ 8,851,523	$ 9,152,197	$ 10,621,628	$ 10,651,636	$ 8,854,832	$ 7,983,339	$8,851,523	$9,152,197	$10,621,628	$10,651,636	$8,854,832	$7,983,339
	Due From Third Party Payers	$ -	$ -	$ -	$ -	$ -	$ -	$0	$0	$0	$0	$0	$0
	Due To Third Party Payers	$119,909	$723,548	$1,290,832	$595,579	$806,265	$1,221,401	$119,909	$723,548	$1,290,832	$595,579	$806,265	$1,221,401
	Total Net Patient Accounts Receivable and Third Party Payer Activity	$ 8,731,614	$ 8,428,648	$ 9,330,796	$ 10,056,057	$ 8,048,567	$ 6,761,938	$ 8,731,614	$ 8,428,648	$ 9,330,796	$ 10,056,057	$ 8,048,567	$ 6,761,938
	Total Net Patient Revenue	$5,282,929	$4,834,923	$5,284,099	$5,255,065	$4,943,066	$5,079,523	$5,282,929	$10,117,852	$15,401,951	$20,657,016	$25,600,082	$30,679,605
4	**Average Payment Period**	**32**	**37**	**44**	**37**	**35**	**34**	**32**	**37**	**47**	**37**	**36**	**37**
	Total Current Liabilities	$5,453,541	$6,395,701	$8,289,316	$6,595,624	$6,557,953	$6,745,746	$5,453,541	$6,395,701	$8,289,316	$6,595,624	$6,557,953	$6,745,746
	Total Operating Expenses	$5,591,350	$5,500,253	$6,049,317	$5,746,090	$5,554,009	$6,299,840	$5,591,350	$11,091,603	$17,140,920	$22,887,010	$28,441,019	$34,740,859
	Depreciation Expense	$253,780	$250,362	$249,802	$247,086	$250,893	$226,927	$253,780	$504,142	$753,944	$1,001,030	$1,251,923	$1,478,850
	Total Operating Expenses less Depreciation Expense	$5,337,570	$5,249,891	$5,799,515	$5,499,004	$5,303,116	$6,072,913	$5,337,570	$10,587,461	$16,386,976	$21,885,980	$27,189,096	$33,262,009

PROSPECT ROCKVILLE HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
	DESCRIPTION	OCTOBER FY 2017	NOVEMBER FY 2017	DECEMBER FY 2017	JANUARY FY 2017	FEBRUARY FY 2017	MARCH FY 2017	OCTOBER FY 2017	NOVEMBER FY 2017	DECEMBER FY 2017	JANUARY FY 2017	FEBRUARY FY 2017	MARCH FY 2017
	Total Gross Revenue	$18,726,168	$18,640,535	$19,515,950	$20,580,951	$19,496,668	$20,552,045	$18,726,168	$37,366,703	$56,882,653	$77,463,604	$96,960,272	$117,512,317
	Total Allowances	($13,221,502)	($13,686,816)	($14,029,353)	($15,131,662)	($14,351,835)	($15,207,002)	($13,221,502)	($26,908,318)	($40,937,671)	($56,069,333)	($70,421,168)	($85,628,170)
C.	**Leverage and Capital Structure**												
1	**Long-term Debt to Equity**	**(2.7)**	**(0.7)**	**(0.4)**	**(0.3)**	**(0.2)**	**(0.2)**	**(2.7)**	**(0.7)**	**(0.4)**	**(0.3)**	**(0.2)**	**(0.2)**
2	**Long Term Debt to Capitalization Ratio**	**157.7**	**(287.1)**	**(69.6)**	**(47.2)**	**(33.0)**	**(25.0)**	**157.7**	**(287.1)**	**(69.6)**	**(47.2)**	**(33.0)**	**(25.0)**
	Total Long Term Debt	$602,245	$591,887	$574,499	$564,141	$552,918	$535,512	$602,245	$591,887	$574,499	$564,141	$552,918	$535,512
	Total Net Assets	($220,330)	($798,042)	($1,400,081)	($1,758,542)	($2,225,973)	($2,674,492)	($220,330)	($798,042)	($1,400,081)	($1,758,542)	($2,225,973)	($2,674,492)
	Total Long Term Debt and Total Net Assets	$381,915	($206,155)	($825,582)	($1,194,401)	($1,673,055)	($2,138,980)	$381,915	($206,155)	($825,582)	($1,194,401)	($1,673,055)	($2,138,980)
3	**Unrestricted Cash to Total Debt Ratio**	**0.6**	**(4.7)**	**(4.0)**	**(1.6)**	**(3.0)**	**(3.0)**	**0.6**	**(4.2)**	**(7.3)**	**(10.6)**	**(13.7)**	**(16.4)**
	Excess/(Deficiency) of Revenues Over Expenses	($220,330)	($577,712)	($602,039)	($358,461)	($467,431)	($448,519)	($220,330)	($798,042)	($1,400,081)	($1,758,542)	($2,225,973)	($2,674,492)
	Depreciation Expense	$253,780	$250,362	$249,802	$247,086	$250,893	$226,927	$253,780	$504,142	$753,944	$1,001,030	$1,251,923	$1,478,850
	Excess of Revenues Over Expenses and Depreciation Expense	$33,450	($327,350)	($352,237)	($111,375)	($216,538)	($221,592)	$33,450	($293,900)	($646,137)	($757,512)	($974,050)	($1,195,642)
	Total Current Liabilities	$5,453,541	$6,395,701	$8,289,316	$6,595,624	$6,557,953	$6,745,746	$5,453,541	$6,395,701	$8,289,316	$6,595,624	$6,557,953	$6,745,746
	Total Long Term Debt	$602,245	$591,887	$574,499	$564,141	$552,918	$535,512	$602,245	$591,887	$574,499	$564,141	$552,918	$535,512
	Total Current Liabilities and Total Long Term Debt	$6,055,786	$6,987,588	$8,863,815	$7,159,765	$7,110,870	$7,281,259	$6,055,786	$6,987,588	$8,863,815	$7,159,765	$7,110,870	$7,281,259
4	**Times Interest Earned**	**7.9**	**(63.3)**	**(78.1)**	**(1.7)**	**(17.2)**	**0.1**	**7.9**	**(27.6)**	**(44.5)**	**(12.6)**	**(13.3)**	**(0.7)**
5	**Debt Service Coverage Ratio**	**1.45**	**(12.19)**	**(10.37)**	**(1.14)**	**(7.08)**	**0.76**	**1.45**	**(5.37)**	**(7.31)**	**(4.78)**	**(5.16)**	**(0.10)**
	Excess Revenues over Expenses	($220,330)	($577,712)	($602,039)	($358,461)	($467,431)	($448,519)	($220,330)	($798,042)	($1,400,081)	($1,758,542)	($2,225,973)	($2,674,492)
	Interest Expense	$4,916	$4,906	$4,901	$43,286	$11,354	$1,005,707	$4,916	$9,822	$14,723	$58,009	$69,363	$1,075,070
	Depreciation and Amortization Expense	$253,780	$250,362	$249,802	$247,086	$250,893	$226,927	$253,780	$504,142	$753,944	$1,001,030	$1,251,923	$1,478,850
	Principal Payments	21,554.00	21,554.00	28,584.18	16,662.25	17,646.18	21,496.28	$21,554	$43,108	$71,692	$88,354	$106,001	$127,497
6	**Equity Financing Ratio**	**(0.9)**	**(3.3)**	**(5.4)**	**(7.5)**	**(9.0)**	**(10.9)**	**(0.9)**	**(3.3)**	**(5.4)**	**(7.5)**	**(9.0)**	**(10.9)**
	Total Net Assets	($220,330)	($798,042)	($1,400,081)	($1,758,542)	($2,225,973)	($2,674,492)	($220,330)	($798,042)	($1,400,081)	($1,758,542)	($2,225,973)	($2,674,492)
	Total Assets	$24,066,139	$24,498,487	$25,845,233	$23,557,954	$24,820,630	$24,629,494	$24,066,139	$24,498,487	$25,845,233	$23,557,954	$24,820,630	$24,629,494
D.	**Additional Statistics**												
1	**Income from Operations**	**-$219,754**	**-$565,767**	**-$637,662**	**-$364,944**	**-$457,014**	**-$1,090,456**	**-$219,754**	**-$785,521**	**-$1,423,183**	**-$1,788,127**	**-$2,245,141**	**-$3,335,597**
2	**Revenue Over/(Under) Expense**	**-$220,330**	**-$577,712**	**-$602,039**	**-$358,461**	**-$467,431**	**-$448,519**	**-$220,330**	**-$798,042**	**-$1,400,081**	**-$1,758,542**	**-$2,225,973**	**-$2,674,492**
3	**EBITDA**	**$38,942**	**-$310,499**	**-$382,959**	**-$74,572**	**-$194,767**	**$142,178**	**$38,942**	**-$271,557**	**-$654,516**	**-$729,088**	**-$923,855**	**-$781,677**
4	**Cash from Operations**	**$4,489,094**	**$5,100,462**	**$4,178,303**	**$5,499,311**	**$4,982,462**	**$5,644,869**	**$4,489,094**	**$9,589,556**	**$13,767,859**	**$19,267,170**	**$24,249,633**	**$29,894,502**
5	**Cash and Cash Equivalents**	**-$256,143**	**$124,486**	**$4,536,426**	**$1,846,450**	**$2,034,272**	**$2,879,427**	**-$256,143**	**$124,486**	**$4,536,426**	**$1,846,450**	**$2,034,272**	**$2,879,427**
6	**Net Working Capital**	**$8,083,618**	**$7,752,234**	**$7,220,983**	**$6,635,254**	**$5,019,852**	**$6,076,736**	**$8,083,618**	**$7,752,234**	**$7,220,983**	**$6,635,254**	**$5,019,852**	**$6,076,736**
7	**Unrestricted Assets**	**-$220,330**	**-$798,042**	**-$1,400,081**	**-$1,758,542**	**-$2,225,973**	**-$2,674,492**	**-$220,330**	**-$798,042**	**-$1,400,081**	**-$1,758,542**	**-$2,225,973**	**-$2,674,492**
9	**Credit Ratings (S&P, FITCH, and Moody's)**												

User, OHCA

From: Mcconville, Dennis P <dmcconville@echn.org>
Sent: Monday, June 12, 2017 1:20 PM
To: User, OHCA
Cc: Martone, Kim; Roberts, Karen; Colleen Smith; Ellen J. Shin (ellen.shin@prospectmedical.com); Tichy, Joyce A (Legal Department); Collins, Michael; Garrison DeLee (garrison.delee@prospectmedical.com); Frank.Saidara; Von.Crockett; Basile, Mary C
Subject: RE: 15-32016-486-CON
Attachments: Letter to Yvonne Addo, OHCA re DN 15-32016-486-CON 06 12 17 .pdf

The attached letter is submitted as required for condition number nineteen (19) contained in the Final Decision for Docket Number: 15-32016-486-CON, the Transfer of Assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
dmcconville@echn.org

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

June 12, 2017

VIA EMAIL DELIVERY

Deputy Commissioner Yvonne Addo
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134

Re: **Docket Number: 15-32016-486**

Project Title: **Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.**

Dear Ms. Addo:

This letter is submitted in accordance with the Order for the above referenced Certificate of Need Final Decision, specifically Condition Number Nineteen (19) regarding the transfer of assets of Eastern Connecticut Health Network, Inc. (ECHN) to Prospect Medical Holdings, Inc. (PMH).

Condition Number Nineteen (19) requires that PMH will "hold a joint meeting of the Board of Directors of each of New MMH and New RGH and the Local Board of New MMH and New RGH (Joint Board Meetings) at least twice annually with one occurring in Manchester and the other occurring in Vernon. Such Joint Board Meetings shall be followed by a meeting to which the public is invited in advance and at which the public is informed of the New Hospitals activities and afforded an opportunity to ask uestions and make comments."

A Joint Meeting of the Boards of Directors for Prospect Rockville Hospital, Inc. and Prospect Manchester Hospital Inc. was held on Wednesday, May 31, 2017 at Manchester Memorial Hospital. That meeting was followed by a meeting for the Manchester community where information about the hospital's activities was shared and the public was encouraged to ask uestions and provide comments. The meeting was advertised in both The Hartford Courant on May 25 and May 28, 2017 and in the Journal In uirer on May 25 and May 30, 2017.

If you have any questions or need anything further, please feel free to contact me at (860) 533-3429.

Very truly yours,



Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network

Enclosures:

Manchester Community Meeting Advertisement
Manchester Memorial Hospital Community Meeting Agenda, 05 31 2017
Manchester Community Meeting Sign-In Sheets, 05 31 2017

cc: Kimberly Martone, Director of Operations, Department of Public Health Division of Office of Health Care Access
Colleen Smith, Nursing Consultant Partners, LLC
Ellen J. Shin, General Counsel, Prospect Medical Holdings, Inc.
Joyce A. Tichy, Senior Vice President and General Counsel, ECHN
Michael Collins, Interim CEO, ECHN
Frank Saidara, Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Garrison De Lee, Assistant General Counsel, Prospect Medical Holdings, Inc.

A conversation on healthcare in your community.

ECHN is pleased to invite you to attend an upcoming community meeting. In this public forum, you'll learn how exciting new developments at ECHN are changing the care you receive – for the better.

It's a time dedicated to hearing directly from ECHN leaders and to having your questions answered. The future of healthcare in your community is taking shape, so please join us for this session and find out more about your local healthcare provider!

Community Meeting
Wednesday, May 31, 2017
5 p.m. – 6:15 p.m.

Manchester Memorial Hospital
71 Haynes Street, Manchester

ECHN℠
Eastern Connecticut Health Network

Prospect Manchester Hospital, Inc.
Community Meeting
May 31, 2017

Manchester Memorial Hospital Speakers:

Michael Collins, Interim CEO, Board Member

Linda Quirici, Vice President, Quality & Safety

Dennis McConville, Senior Vice President, Chief Strategy Officer

Agenda:

1. Introduction, Opening Remarks	Michael Collins
2. Quality Report	Linda Quirici
3. Capital Improvements	Dennis McConville
4. Questions and Answers	Members of the Public Michael Collins Linda Quirici Dennis McConville
5. Concluding Remarks	Michael Collins

Town Hall Meeting
Wednesday, May 31, 2017
5 p.m. – 6:15 p.m.
Manchester Memorial Hospital
71 Haynes Street

NAME	TOWN OF RESIDENCE
NORMA MADERAZO, M.D. of Dr. Eufrecio Maderazo	Manchester
MATT REISER	VERNON
Bob Bodner	Southwindsor.
Linda Bailey	South Windsor
Mary Basile	Granby
Paula Nelson	Vernon
Kim Palma	Vernon
Linda Quirici	Coventry
Jason Bell	Vernon
M & E. Harris	Colchester
Lynn Soper	CT
Dan Nelson	Vernon
Liz Martinez	Manchester
Sue Malone	Bolton
Jennifer Tross	Enfield
Nina Knese	Glastonbury
Mary Powers	Vernon

Town Hall Meeting
Wednesday, May 31, 2017
5 p.m. – 6:15 p.m.
Manchester Memorial Hospital
71 Haynes Street

NAME	TOWN OF RESIDENCE
Phil Susag	Manchester
Missy Susag	Manchester
Sibby Ghabrial	Manchester
Michael MAKulis	Manchester
Michael Collins	Vernon (CEO)
~~Thomas Reardon~~	~~Prospect~~
Rick Daigle	MMHC
Sallie Bovenzi	South Windsor
Kathy DiPietro	NH
Chantal Berg	Ellington
Joy Dan	Manchester
Barbara Mullins	Coventry
Sue Berte	Manchester
Betty Benavides	Manchester

Town Hall Meeting
Wednesday, May 31, 2017
5 p.m. – 6:15 p.m.
Manchester Memorial Hospital
71 Haynes Street

NAME	TOWN OF RESIDENCE
Jaked Compasso	Manchester
Joyce Tichy	Manchester
Marcie LaBelle	Manchester
Clara Buzzell	Manchester
Vinick, CAR	MANCHESTER
Natalie Cook	Glastonbury
Tom Reardon	Massachusetts
Lois Pabst	Tolland.

User, OHCA

From: Roberts, Karen
Sent: Tuesday, July 18, 2017 3:30 PM
To: User, OHCA
Cc: Cotto, Carmen; Clarke, Ormand
Subject: FW: Second Assessment MMH & RGH
Attachments: ECHN Cover letter for second visit assessment 7.15.17.docx; ATT00001.htm; Second Assessment MMH 7.18.17CS mm.docx; ATT00002.htm; second Assessment RGH CS 7.17.17.docx; ATT00003.htm

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From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Tuesday, July 18, 2017 2:16 PM
To: Martone, Kim <Kimberly.Martone@ct.gov>; Newton, Susan <Susan.Newton@ct.gov>; Debbie Berry (Debbie.Berry@prospectmedical.com) <Debbie.Berry@prospectmedical.com>; Karen Nefores <Karen.Nefores@altacorp.com>; Linda L Quirici <LQuirici@echn.org>; Powers, Mary <mpowers@echn.org>; Michael Collins <mcollins@echn.org>; Dennis P Mcconville <dmcconville@echn.org>; Roberts, Karen <Karen.Roberts@ct.gov>
Subject: Second Assessment MMH & RGH

Greetings,
Enclosed please find a cover letter and both the MMH and RGH assessments for my second visit to the Prospect ECHN facilities. As previously, I enjoyed a very good visit and was treated with courtesy. All documents requested were freely shared with me.
Please contact me if you have any questions.
Best regards,
Colleen Smith

Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

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SECOND VISIT ASSESSMENT – PROSPECT ECHN, Inc.

June27-29, 2017
Colleen O. Smith, MSN, RN, NEA-BC

OVERVIEW

The enclosed reports summarize my second visits to MMH and RGH campuses during the last week of June. The principle focus of this visit is to follow up on all of my recommendations from the initial visit as well as note any new accomplishments, progress to date on quality initiatives, and identify any new areas of concern. I concentrated my visit agenda for the 3 days on all of the inpatient clinical areas only as I had not found any areas of concern in the outpatient services during my initial visit in late January 2017. Since my first visit, average daily census has been more manageable. The organization continues to utilize their high reliability practices that are incorporated into all patient care. ECHN continues to conduct the daily Safety Huddles and Quality/Patient Safety meetings are started with a "Good Catch" safety story.

Regular Quality/Patient Safety conference calls are held with Prospect Medial Holdings. This is their opportunity to report out their quality data and also share practices/approaches that are working well. Wide participation is expected and received from member organizations. Overall, both hospitals are experiencing challenges with ED Throughput, ED and Inpatient Satisfaction, and both hospital wide readmission rates and for select diagnoses. Performance Improvement committees are in place to work on these processes. Overall, both hospitals are doing quite well in the area of Patient Safety outcomes. A Sepsis protocol was initiated on 2/14/17.

Facilities on both campuses are receiving much needed cosmetic renovations and plant updates. Staff and leaders are able to describe recent capitol acquisitions that have improved their daily workday. Additional surgical equipment has been purchased as well as OMNICELL for the Patient Care areas.

Methods and Processes Used for Analysis

Processes utilized to conduct this on site review include:

1. Face to face meetings with the CNO, the VP for Quality/Patient Safety, the newly appointed CMO, and the Director of Risk Management.

2. Tours of all Inpatient Clinical Services outlined in the Consent Decree. Outpatient services were not revisited, as there were no areas of concern noted on the initial assessment. The IM spoke with the leaders of all areas visited and several staff members in the clinical areas. Time was spent interviewing leaders in each service area and also speaking with direct care giving staff such as RNs, PCAs, pharmacists, and other ancillary employees.
3. Review of Infection Prevention, Medical Executive and Quality/Performance improvement minutes from the months of February through May 2017. The quality dashboards and accompanying action plans for first quarter 2017 were reviewed.
4. Review of all new nursing hires in Nursing Services.
5. Attendance at the Advisory Board meeting for review of Quality Indicators and special reports.
6. Review of the revised ECHN organizational chart.
7. Review of all logs, audits, and minutes associated with IM recommendations from the Initial On-site Assessment.

Approach to Assessment

The following report is organized by:

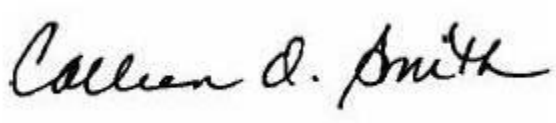
A) Service Visited

B) Observations

C) Recommendations

Under each Service please find categories of comments that are pertinent to each service visited.

Thank you for this opportunity to engage with Prospect ECHN to assist in assuring quality of care to all patient populations of the Greater Manchester and Rockville communities.



Colleen O. Smith, MSN, RN, NEA-BC
Independent Monitor
Nursing Consulting Partners
July 10, 2017

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SECOND ASSESSMENT: Rockville General Hospital COLLEEN O. SMITH MSN, RN, NEA-BC June 29, 2017		
CATEGORY	**OBSERVATIONS**	**RECOMMENDATIONS**
NURSING SERVICES –RGH Bissell 2, ICU		
• Staffing	Hospital Census at RGH on the day of the IM visit was in the low 30s. Nurses on the Bissell 2 M/S unit had a 1:5 pt. ratio. The capacity on this unit is 32 although census was low at 17. 4 RNs were on duty at time of IM visit. Nurses voluntarily float to MMH when census is low. The CNAs had assignments of 8-9 pts. and most of the patients required an assist of 2 staff. Many of the patients were fall risks. ICU has a bed capacity of 9 beds. Census on day of visit had not reached capacity. Nurses report an average daily census of 4-5 patients. RN staffing on day of IM visit was very adequate. Charge nurses usually have full assignments. The Float nursing pool has been expanded with several additional nurses and PCAs to augment staffing when census is high. ICU nurses also float to the MMH ICU when needed. Several per diem staff have also ben added. Many Certified Nurses aides are cross-trained as unit secretaries to aid in staffing flexibility. RNs are also cross training in certain areas.	Continue your efforts to cross train nurses to float to other units and across both campuses to increase flexibility with staffing.
• Physical Environment	The M/S Nursing unit is laid out in an H design. It is an older unit but clean with semi private rooms and two designated hospice rooms that are private and down at the end of the hallway. Appropriate signage regarding pt.'s rights and responsibilities, financial counseling assistance, and help for hearing impaired and those who speak a different language were posted in all pt. care areas. The code cart is visible and accessible in the middle of the hallway. White boards for assignments are visible at all nursing stations. Some are better organized and more comprehensive than others. Initials are used for pt. names to protect pt. privacy. The ICU is well lit with an open central nursing station and private rooms.	**Recommend** finding a quiet protected location for a Medication room in the RGH ICU. Relocation of med room has been considered but there is no separate room to accommodate. There is a separate alcove however, proximal to nursing station but in an area that would provide some auditory protection. Recommend

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	There is good pt. visibility. However there is no medication room in the **RGH** ICU. The Pyxis cabinets are part of the central nursing station. The temperatures of the medication refrigerators are remotely monitored by a central system. The code cart was visible and accessible.	relocating medication dispensing unit to that area as soon as possible. CNO and IM discussed and agreed to this solution.
NURSING SERVICES		
• Culture of Safety	Nurses and PCAs on Bissell 2 are conducting a pilot test for hourly rounding on all patients. This initiative began on March 16 2017. Minutes from an April meeting demonstrated a 95.5% compliance rate with the hourly rounding project. Nurses report a collaborative relationship with hospitalists. Nursing units collect Nurse Sensitive Indicators: Falls, Falls with Injury, HAPIs through NDNQI and CLABSIs, and CAUTIs through NHSN. The CAUTI rate is currently 0. A nurse driven Foley Removal protocol is in place. The ICU has not experienced a CAUTI or a CLABSI within 1 year. There is a good Fall Prevention Program in place but falls on M/S need to be decreased. Consistent Fall risk signage was posted in clear view outside all appropriate pt.'s rooms. The M/S unit also needs to improve HCAPHS scores on "communication with nurses". Multidisciplinary pt. care rounds occur daily. IM attended rounds at RGH on 6/29/17. Hospitalists, nurses, SW, Case Management participate. Hospitalists and nurses have a very collaborative relationship. Nurses suggest interventions and state that physicians listen to their assessments.	**Recommend** the implementation of hourly bedside rounding by nursing once the pilot is completed and revised as appropriate.
NURSING SERVICES		
• Culture of Safety	The I**CU** is an "open" unit meaning hospitalists and private attending physicians can admit into the unit. Respiratory therapists assist with changing ventilator settings per weaning protocols. Code and Defib	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	carts checked in all areas. An Intensivist is on call every night to cover ICU at nights. The nurses enjoy a collaborative relationship with the ICU team.	
• HR / Personnel	The CNO and the VP for Quality/Safety Officer come to the RGH campus 1-2x/wk. and have an office in the hospital. All ECHN leaders round consistently at RGH. Several Nurse Managers now have responsibility for nursing services on both ECHN and RGH campuses. Generally, there are clinical coordinators on each nursing unit that help manage daily operations. On the day of the IM's visit the Nurse Manager of the Critical Care units was filling the role of the "Charge" nurse in the RGH ICU. There was a new clinical coordinator on Bissell II that was orienting to her role. She stated that her orientation was going well. Much of the staff is fairly long tenured. Only a small percentage of nursing staff is certified in their practice specialty. Very few nurses belong to their professional organizations. A new grad was interviewed on M/S at **RGH.** She was a previous PCA at RGH and feels she is getting a very good orientation. Spoke highly of her preceptor. She felt comfortable in asking questions and getting help as needed.	IM encourages Nurse Leaders to collaborate with staff to set unit goals for specialty certification. Exam Prep study groups are supported and encouraged and exam fees are reimbursed upon passing. Certified nurses should continue to be formally recognized and celebrated. Nurses should also be encouraged to join their professional specialty organizations.

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
NURSING SERVICES		
• HR / Personnel	The Administrative director for HR is developing self-assessment tools for professional staff to be used at the time of their performance evaluations. She has also developed a tool for the development of SMART goals for the professional staff and mangers to utilize. These are in DRAFT form and will be implemented with the next annual review period starting January 2018.	**Recommend** All professional staff complete a self-evaluation and develop goals for accomplishment over the coming year. Implement the use of SMART goals to write measureable and specific goals. This is in progress.
• Confidentiality	Personnel logged out of computer screens when walking away from computer the majority of the time. Curtains pulled around patients when care was provided.	
INFECTION CONTROL		
• Staffing	1.5 FTEs cover both MMH and RGH campuses. 1.0 FTE is an RN with 20 yrs. yrs. experience. She is a member of APIC and holds certification. She provides monthly orientation for all new employees. The other member of the Dept. is 20 hrs. and has a microbiology background and a graduate degree in Public Health. The Medical Director of the program is an Infectious Disease physician who has been with the hospital 35+ yrs. This physician also runs a busy HIV Clinic. There was evidence of a few “safety champions” in patient care areas.	
INFECTION CONTROL		
• Culture of Safety	A vigorous hand washing campaign is continuing. Overall hospital inpatient hand washing compliance rates are measured and displayed on QI Boards throughout the clinical areas. IM did not observe any lapses in hand hygiene on her visit to the RGH campus. A strong antibiotic stewardship program has been in place since the 1980’s. Staff round on inpt units 3x/wk. IP staff communicate with Microbiology several days/wk. All isolation cases are reviewed on a	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	daily basis. IP staff state that nurses do a very good job of placing pts. on isolation precautions and D/C precautions at the appropriate time. The Infection Prevention dept. has an IP Hotline. The Infection Control liaison group has been reinvigorated. IM read minutes of Infection Prevention Comm meeting of 2/17. They have added HH Observers to the group to assure more frequent observations of hand washing. All employees completed HH education by 2/15/17. Recurring employee lapses in hand hygiene results in progressive discipline up to and including termination. . Much work has been accomplished to bring SSI rates down below benchmark. There is a subcommittee of the Infection Prevention Committee that is focused on Hospital Acquired Infections and these rates are decreasing. RGH is doing quite well with their Patient Safety Outcomes. However, c difficile rates are currently 1.177 at RGH.	Recommend continuing to work with the Infection Prevention liaisons to conduct frequent observations. Report HH rates by unit so each patient care area is getting their own specific data as well as an aggregate rate. IM will review HH rates at each periodic site site visit.
INFECTION CONTROL		
• Compliance with State & Federal Regulations	Good surveillance program in place. Infection Prevention committee meets monthly. Minutes and agendas reviewed by IM. Attendance by appropriate departments is usually good but surgical representation is sometimes lacking. Pharmacy, Microbiology and environmental, nursing representation have consistent representation.	The IP Medical Director has assured consistent representation by a surgeon at Infection Prevention committee Minutes reflected surgeon attendance at the March meeting.
PHARMACY		
• Staffing	The Pharmacy Dept. is staffed with 1 Pharmacist at RGH on day shift and one at RGH from 3-8pm. There is now a night pharmacist on duty Sunday through Thursday. There is one Pharmacy tech assigned to the entire hospital.	**Recommend** adding a pharmacist to the nighttime staffing plan as soon as possible. This recommendation has been completed Sunday through Thursday nights.

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
• Physical Environment	The Pharmacy at RGH is less crowded and visibility and prep areas are adequate.	IM will revisit the pharmacy on return visit.
PHARMACY		
• Culture of Safety	Automated dispensing system and DOSE-EDGE systems in place. All medications coming into department are scanned in and barcoded. The hospitals use SMART pumps with an extensive medication library. Med library use by RNs is monitored by the pharmacy. Medication fill error rates and Medication errors are being tracked closely.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
PHARMACY		
• Compliance with State & Federal Regulations	A Pharmacy and Therapeutics Committee meets monthly and reports into the QAPI. All adverse Drug events are reviewed within the Medication Safety Subcommittee. A strong Antibiotic Stewardship program is in place. Pharmacists have oversight for Renal dosing adjustments and Vancomycin dosing and utilization.	
• HR / Personnel	Pharmacy Director has been with ECHN for 13 yrs. and is appropriately credentialed. Pharmacy technicians have to obtain certification within one yr. of hire. The pharmacist on duty at RGH on day of IM visit has long tenure at ECHN and likes it very much. Highly complimentary of the Pharmacy director who she described as very supportive.	
SURGICAL SERVICES Ambulatory Surg Unit, GI, Pre OP, OR, PACU, Central Sterile Processing		
• Staffing	I.M. observed appropriate RN staffing ratios throughout the tour of Surgical Services. The surgical volume continues to decrease at RGH. IM asked how staff maintains competencies with volume being low. Manager discussed the regular floating of RGH personnel to the MMH campus to maintain competency in all service lines.	
• Physical Environment	Tour of the Operating Room suites demonstrated a much more organized outer core. Surgical Services leadership has changed and much attention has been focused on reducing inventory so that frequently used equipment and supplies are accessible and equipment infrequently needed is stored in materials management. In addition an underutilized OR has been converted to a storage room for various pieces of larger equipment and monitors.	IM encourages the initiation of a checking process to assure all appropriate carts are locked in this area since it is more remote and less frequently entered.
• Culture of Safety	IM visited OR in early AM to observe the start of a case but the surgery was delayed and IM unable to observe start of the case and time out as planned. IP minutes reflected 1 colon and 1 total hip replacement infection in the past year.	IM will revisit OR on next visit.

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
SURGICAL SERVICES Ambulatory Surg Unit, GI, Pre OP, OR, PACU, Central Sterile Processing		
• Policies and Procedures	Carts were locked and checks were completed on code carts.	.
• HR / Personnel	**RGH** Overall, nurses in surgical services areas do not hold certification in their respective specialties although 50% of the OR nurses hold an AORN. The Unit Educator is responsible for education throughout surgical services: PACUs, ORs, GI lab, Amb. Surgery and Central Sterile Processing. In-service education is provided every 2 weeks.	
• Confidentiality	Pt. Confidentiality was upheld throughout the tours through the various surgical services area. Screens have been placed over windows leading into the ORs to protect patient privacy.	
EMERGENCY DEPARTMENT		
• Staffing	The ED utilizes flexible staffing which changes according to time of day. They staff in 8, 10 and 12 hr. shifts. Additional staff is added very 4 hrs. to accommodate changing census.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
EMERGENCY DEPARTMENT		
• Physical Environment	The ED at RGH sees 21,500 visits/year. It has an open design with a central station. Pts. are easily visualized. Waiting rooms are adequate and have appropriate signage: pt. privacy, language lines, financial counseling and assistance for the hearing impaired. Emergency carts are placed to allow easy access by staff. The environment is well organized and free of clutter. There is no separate area for the behavioral health population**.** There is a Clinical Decision Unit that sees lower acuity (ESI 3 & 4) pts. It has the capacity for 7 pts. It is staffed from 10am -10:30pm during the ED's highest volume hours. This unit does not have cardiac monitors and was closed during IM's visit.	
• Culture of Safety	The ED has once again attained GWTG Advanced Stroke Certification. Congratulations! Several QI indicators are in place: Timeliness of Care, ED arrival to departure, Admit decision to ED departure. However, length of time from arrival to departure and arrival to admission is very long and trending upwards. A task force has been set up with the CNO and interim Medical Director to drive new processes to decrease wait and visit times. "Left Without Being Seen" rates are are 3% and above the benchmark. The slow throughput has not had a negative effect on patient satisfaction scores in the ED which rank 80 and 81 in Ct. Psychiatrists see behavioral health patients admitted through ED within 24 hrs. of admission. Children needing admission are sent to CCMC. .	
• HR / Personnel	In addition to the Nurse Manager, the EDs share a Unit Educator. All RNS have ACLS with the first year of hire.	
• Confidentiality	There was appropriate spacing between pts. registering in the ED to protect auditory confidentiality. White boards did not contain patient's names.	

NURSING CONSULTING PARTNERS
Sustainable Results for Healthcare Solutions

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
• Confidentiality	There was appropriate spacing between pts. registering in the ED to protect auditory confidentiality. White boards did not contain patient's names.	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
PSYCHIATRIC SERVICES **RGH** Eating Disorders Unit (EDU)		
• Staffing	A multidisciplinary team of professionals provides care for this pt. population: Psychiatrists, RNs, SW, psych technicians, recreational therapists. Adolescents also have a teacher on staff who is certified in Grades K-!2. Staffing guidelines have recently been revised to reflect a 1:5 nurse/patient ratio. The former staffing plan was a 1:6 nurse/patient ratio. Census in the BHU has increased to 12 from the previous 8 patients and many licensed staff is being hired and oriented. The unit is undergoing a period of instability as a result of a lot of recent staff turnover. IM discussed plans for staffing retention efforts and team building for the BHU with both the CNO and Nursing Director. Staffing plans in the **BHU at RGH** include an entire multidisciplinary team of professionals: RNs and Psych technicians (minimum of a bachelor's degree) SWs and nutritionist. There are no CNAs.	
• Physical Environment	**T**his is a new inpatient unit that opened to patients in August 2016. It is a nationally known specialty unit that admits patient from all over the country. It takes both adults and adolescents and the majority of patients treated have diagnoses of anorexia, bulimia, and binge eating. The unit has the capacity for 30 pts. and current census at the time of visit had increased to 12. It is an "L" configuration and adults are separated from the adolescents. Staff on the adolescent side carries walkie-talkies as a safety precaution. Pt. rooms are all safe with flush door handles; sink faucets and no glass mirrors. A special "Wicket" door was used in all pt. rooms. It allows staff to access the pt. from the hallway in case of an emergency, i.e. the pt. has barricaded himself in his room. While patient rooms had flush door handles the nonpatient rooms (storage closets etc.) along the hallway did not. This did not seem consistent and bears investigation. IM discussed with the nursing director who will look into the rationale behind the differing handles. All exit doors consistently locked and fire egress plans reviewed with Nursing Director. A fire drill was	IM will revisit area on next visit.

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	held recently and all staff performed well.	
PSYCHIATRIC SERVICES BHU Adult and Adolescent		
• HR / Personnel	Professional Staff is appropriately trained and credentialed to perform their jobs. All ancillary personnel coming on to this unit must also be trained regarding safety practices. Professional staff in the **BHU at RGH** was sent to Walden in Mass. for a full 8 hr. day of education and training for this specialty unit. Staff were hired early in 2016 and oriented for several months prior to the opening of the unit in August 2016. Two FT team psychiatrists are on staff. They have the ability to frequently consult with psychiatrists at The Eating disorders program in Walden, Ma.	EDU has experienced a good deal of staff turnover over last few months. Census is expanding. Currently average daily census is 12 an increase from 8 at IM's last visit. New BH director over this program was interviewed about his plans to replace staff and retain current staff and build a stable team.
QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT		
• Staffing	The Quality Department is comprised of 4.5 FTEs who report into the VP of Quality, Safety and Pt. Experience and cover both Rockville and MMH campuses as well as outpatient sites. The existing staffing structure has remained unchanged in the previous 6 months. There are 3 QI Managers who are supported by an Environmental Safety Officer. A Pt. Experience Coordinator and Quality Analytics Manager (0.5FTE) report directly into the VP. Two Data Abstractors (1.4 FTEs) report into the Quality Analytics Manager (0.5FTEs). The QI personnel's offices reside at the MMH campus. VP of quality rounds at RGH 1-2x/wk. The QI Managers have focused areas of responsibility. All conduct RCAs,	IM will attempt to observe this meeting on next site visit.

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	and investigate serious safety events and precursors. The QI dept. coordinates a Quality/Safety/Risk huddle held every Monday that includes the CMO, CNO, VP Quality, Risk Management, and VP of Nursing. This group reviews serious events rom the previous week. The Pt. Experience Coordinator also has responsibility for Pt. rights, Grievances, and Complaints.	
QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT		
• Culture of Safety	In the area of Pt. Safety, the following structures and processes are in place: Daily Safety Huddles, Patient Safety committee, Patient Safety Coach committee, HRO education during orientation of new employees and physicians. A large variety of other committees and task forces exist to support Pt. Safety. IM Reviewed QI minutes from Jan, March 2017 and the May Quality Dashboard. RGH has made considerable progress in decreasing readmission rates for Heart Failure and Stroke. Similar efforts need to be applied to readmissions for the Pneumonia and COPD populations that are 24.6% and 29.4% respectively. Overall all diagnosis readmission rates at RGH are 12.9% which is above stale and national benchmarks. An AHRQ Pt. Safety Culture survey is being considered for the Fall, 2017. IM will review results of employee safety survey if completed at next site visit. Multidisciplinary Committees are in place to reduce Falls, CAUTIs, and CLABSIs. “Days Since Last Fall” is always listed on the Safety Huddle white board The CAUTI rate is almost zero and there were 2 CLABSIs in 2016. Root cause Analyses are completed on all CLABSIs after Infection Prevention has determined it to be a true CLABSI. Action plans are developed for all scores falling below internal goals.	IM will review all QI indicators, dashboards, minutes at next site visit.
QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT		
• Culture of Safety	ECHN was again awarded TJC Advanced Stroke Accreditation for 2017. The Risk Management program is the same as on the MMH campus. The director of RM also collaborates closely with the Chair of the Environment of Care Committee. The Patient Experience Coordinator	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	covers both hospital campuses. HCAHPS scores are quite low at RGH—well under the 50th percentile. Several initiatives are underway with both the inpatient nursing staff and the hospitalists to improve the scores. Hourly bedside rounding has ben started on the M/S unit and this best practice should be expanded to all nursing units.	

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SECOND ASSESSMENT: PROSPECT Manchester Memorial Hospital COLLEEN O. SMITH MSN, RN, NEA-BC JUNE 27-28 2017		
CATEGORY	**OBSERVATIONS**	**RECOMMENDATIONS**
NURSING SERVICES – MMH-3 North, Critical Care, 2 East, 1 East, OB/NICU		
• Staffing	IM visited on average census days. M/S Nurses generally had a 1:5 pt. ratio and 4:1 on the Telemetry unit. 1 East (cardiac and observation) had a census of 14 with 4 RNs on Day shift. The CNAs had assignments of 10 pts. and most of the patients required an assist of 2 staff. Many Certified Nurses aides are cross-trained as unit secretaries to aid in staffing flexibility. The Critical care unit had a relatively low census with 2:1 nurse/patient ratios maintained. The Step-down unit only had 4 pts. With very adequate nurse staffing. Assignment boards were clear and well organized. The Monitor tech was watching approximately 32 monitors and stated she got regular breaks and as needed. I.M. reviewed the Monitor Tech Break log that was being used to audit break times and it demonstrated full compliance with breaks by qualified techs. Staffing in the Family Birthing Center and NICU was appropriate. Family Birthing Center follows the AWHONN Perinatal Nursing guidelines, 4th edition 2014. IM reviewed all the nursing hires across both RGH and MMH campuses since last visit in January. The RN float Pool has been augmented by a total of 6 FTEs representing varied hours. In addition to the Float Pool, several per diem nurses joined ECHN. They have been used to aid staffing the Oncology unit and Medical/Surgical units. Many new per diem nurses have been deployed to the Eating Disorders unit on the RGH campus as well as Behavioral Health and the EDs. The CNO mentioned that some additional voluntary cross training among RN staff has occurred and this has been quite successful and effective. Patient Care Technicians, cardiac secretaries, and OR scrub techs have also been added to the Float pool. There has not been any new regular contract FTEs hired.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
NURSING SERVICES		
• Physical Environment	Nursing units were clean and hallways free of clutter. Appropriate signage regarding pt.'s rights and responsibilities, financial counseling assistance, and help for hearing impaired and those who speak a different language were posted in all pt. care areas. Capacity on M/S units range from 23 beds to 32 with a mix of private and semi private rooms. White boards for assignments are visible at all nursing stations. Some are better organized and more comprehensive than others. On some units, the white boards are not completely filled out. Initials are used for pt. names to protect pt. privacy. In CCU the white board was very organized and comprehensive. It included: Braden scores, central lines, and restraints. **Critical Care** was built in 2008 and has a North and South side with 12 and 10 beds respectively. The unit is well lit with north and south nursing stations, many areas for electronic charting and good pt. visibility. Every pt. room can handle dialysis and 4 rooms are negative pressure. Anterooms were an ample size and laid out well. Medication rooms all locked by keypad. Med rooms were small but adequate and offered a quiet environment for medication preparation. The temperatures of the medication refrigerators are remotely monitored by a central system. The temp logs were consistently filled in and up to date by nursing personnel. **The Family Birthing Center** has 12 LDRPs, 2 ORs and a Level 3 NICU whose ADC is 2-3 neonates. The unit is pleasant.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
NURSING SERVICES		
• Culture of Safety	Nurses are not yet doing hourly rounds at MMH but some units do conduct bedside change of shift report. Quality boards have been updated and all units have them in prominent locations. Nurses report a collaborative relationship with hospitalists. Nursing units collect Nurse Sensitive Indicators: Falls, Falls with Injury, HAPUs through NDNQI and CLABSIs, and CAUTIs through NHSN. There is a good Fall Prevention Program in place. Fall risk signage was recently updated and consistently visible outside of patient rooms. Multidisciplinary pt. care rounds occur daily. Hospitalists, nurses, SW, Case Management participate. Hospitalists and nurses have a very collaborative relationship. Nurses suggest interventions and state that physicians listen to their assessments. Certified Wound Care (WCC) nurses are on each pt. care unit. They assist with skin assessment and early identification and intervention to prevent pressure ulcers. They are role models and educators for nursing staff. A WOCN nurse oversees this function. **Oncology 2 East** IM reviewed chemotherapy administration protocol with nurse. Good system of checks and balances including drug dosage calculations in place to assure patient safety. Nurses state initial chemotherapy and immunotherapy administration requires 1:1 nurse/pt. ratio.	**Recommend** a formal evaluation of the hourly rounding pilot being conducted on Bissell 2 at RGH once the pilot has been completed. Revise rounding process as needed and disseminate best practice to the other units across both campuses.

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
NURSING SERVICES		
• Culture of Safety	The **CCU** is an "open" unit meaning hospitalists and private attending physicians can admit into the unit. However, all vented pts. in the CCU are seen by the Intensivists who manage their pulmonary care. Respiratory therapists assist with changing ventilator settings per weaning protocols. The CAUTI rate in Critical Care has been zero since December 2015 and the CLABSI rate had been zero since May 2016. In May 2017 there was one CLABSI that met criteria for reporting. In the **Family Birthing Center**, all nurses have completed the GNOSIS training program and the physicians are almost complete with the same training. Clinicians were pre tested and then took a posttest after program completion. IM reviewed OB Departmental minutes and found evidence discussion regarding GNOSIS education and current completion rates. There is a multidisciplinary Departmental Quality Meeting where many Quality Indicators are reviewed as well as any adverse events. Mock Code, Dystocia and Postpartum Hemorrhage drills are held. Blue emergency buttons are in every pt. room on OB so that nurses can summon immediate help. Nursing personnel spoke highly of the current anesthesia providers. It is policy that all post partum pts. Are assisted by 2 nurses for their first time out of bed after a delivery. There have been no pt. falls or infant descents on the OB unit.	Consider moving the FBC quality board to a more prominent location so that the data can be more readily displayed and seen by staff**.**
• Compliance with State & Federal Regulations	IM randomly checked Glucometer strips and solutions for appropriate dating. Code and Defib carts randomly checked in select areas. All had been checked with RN signature and up to date. The staffing committee meets annually in September to review all nurse staffing plans. It is chaired by the CNO. Staff Nurses comprise the majority of the membership who voice their suggestions regarding adjustments in staffing plans. Additional sitters and nurses for the Float Pool have been recent decisions.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
NURSING SERVICES		
• HR / Personnel	Much of the staff is fairly long tenured. IM spoke with nurses who had practiced at for 35+ years. Certified nurse are recognized and celebrated with a certification bonus but only a small percentage of Nursing staff is currently certified in their practice specialty. There seems to be growing enthusiasm among some nursing staff however. One Oncology RN investigated getting certified by ONS and found the program "FREETAKE". The hospital has committed to paying for the exam and the nurse can take it up to 2 times. She is now pursuing getting a minimum of 10 of her nurse colleagues to study and sit for certification exams. Great work and demonstration of initiative and hospital support! IM met and spoke with some CNAs who were cross-trained as Unit Secretaries to augment and provide flexibility in staffing. **FBC** Very few staff nurses on OB are certified. There is a certified Lactation Consultant on OB and several additional nurses who have special training in lactation. They cover the unit 7days/wk. IM discussed Baby Friendly designation with the Nursing Director who has been in place for almost 2 years. While she feels it is an important pursuit, she states that she has other more important competing priorities this year. 87% of mothers are breastfeeding on D/C from hospital. There are a few LPNs on the OB unit who are assigned to care for Mother/baby couplets. They are not assigned to labor and delivery; however, they are trained to be scrub technicians in the 2 c/section ORs. **HUMAN RESOURCE**- IM reviewed the new DRAFT Self Assessment and Goal Planning forms to be utilized for all licensed professional staff at the time of their periodic Performance Management Appraisal. The relevant employees will be educated regarding SMART goals and the new approach will begin in January 2018 ad be completed in April, 2018 which represents the normal timeframe for evaluations at ECHN. At this time all Management personnel will be expected to coach professional staff with their annual self-assessments and SMART goal development for the coming year.	IM encourages Nurse Leaders to collaborate with staff to set unit goals for specialty certification. ECHN has established baseline data of all currently certified nurses. IM encourages that the aggregate list be broken down by unit so that each unit can see their unit certification rate and set goals towards increasing their numbers. Nurses should also be encouraged to join their professional specialty organizations. ECHN is starting on the Pathway to Excellence. Shared governance with unit-based councils has begun. Some units are further a long with their councils than others. These professional pursuits will be discussed within the councils. **FBC** Consider utilizing the Baby Friendly Ten Steps to guide current practice while considering formal application in future. IM will review some licensed personnel's evaluations and self-assessments during future visits.

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
NURSING SERVICES		
• Confidentiality	IM did not witness any breaches of confidentiality during second visit.	
• Cultural Sensitivity	Language line utilized by staff for staff of different ethnic cultures. Bariatric equipment and furniture was present in waiting rooms and pt. care areas.	
INFECTION CONTROL		
• Staffing	1.5 FTEs cover both MMH and RGH campuses. 1.0 FTE is an RN with 20 yrs. yrs. experience. She is a member of APIC and holds certification. She provides monthly orientation for all new employees. The other member of the Dept. is 20 hrs. and has a microbiology background and a graduate degree in Public Health. The Medical Director of the program is an Infectious Disease physician who has been with the hospital 35+ yrs. This physician also runs a busy HIV Clinic	
• Culture of Safety	A vigorous hand washing campaign is underway. Hand washing compliance rates have increased. IM did not observe any lapses in hand hygiene. A strong antibiotic stewardship program has been in place since the 1980's. Staff round on inpt units 3x/wk. IP staff communicate with Microbiology several days/wk. All isolation cases are reviewed on a daily basis. IP staff state that nurses do a very good job of placing pts. on isolation precautions and D/C precautions at the appropriate time. The Infection Prevention dept. has an IP Hotline.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
INFECTION CONTROL		
• Culture of Safety	There is consistent up follow by surgeon offices on SSI following surgery. IP staff and Medical Director state there is very with good communication with surgeon offices. The Infection Control liaison group has been able to conduct more frequent observations of hand washing. I.M. reviewed the Infection Prevention committee minutes from Feb-May, 2017. C difficile rates are under the NHSN benchmark. Much work has been accomplished to bring SSI rates down below benchmark. There is a subcommittee of the Infection Prevention Committee that is focused on Hospital Acquired Infections.	Infection Prevention liaison group has been reestablished throughout organization. The Safety Hand Hygiene Liaison group has met 2x. It is part of the IP leader's goals for coming year. Consider the value in changing H.H. observations to include the rate going into the room and the rate coming out of the room as two different rates to obtain an even more accurate picture of compliance. .
• Policies and Procedures	IM observed appropriate isolation techniques in many different pt. care units. Signage outside of rooms and appropriate attire in isolation carts.	
• Compliance with State & Federal Regulations	Good surveillance program in place. Infection Prevention committee meets monthly. Minutes and agendas reviewed by IM. Attendance by appropriate departments is usually good. IM reviewed recent IP committee minutes and there was evidence of surgical representation. Pharmacy, Microbiology and environmental, nursing representation have consistent representation.	**C**onsistent representation by a surgeon at Infection Prevention committee has started in May 2017.

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
PHARMACY		
• Staffing	There have been staffing reductions in the Pharmacy Dept. since last visit in January 2017. There has been a decrease of 2.1 Pharmacist FTEs. There is no longer a Clinical Coordinator or IT Pharmacist. Their workloads have been redistributed. The dept. uses a decentralized staffing model whereby one clinical pharmacist is assigned to cover groupings of pt. care units. The staffing pattern decreases to 1 pharmacist on evening 3-11:30pm shift at MMH. One pharmacist has been reassigned to night shift Sunday through Thursday. There is no on site pharmacist on Friday and Saturday nights. Any new urgent orders can be reviewed by on call pharmacist remotely on those 2 nights. ECHN is keeping a log to audit the timely review of medication orders by the pharmacist on the night shift. There is no longer a Pharmacy tech assigned to the ED to assist with collecting accurate medication histories.	The recommendation to add a pharmacist to the nighttime staffing plan has been completed. One pharmacist covers both hospitals 5 days/wk. Sunday thru Friday. IM reviewed the audit log of all nighttime medications ordered on Friday and Saturday nights. Many meds reviewed with 2 hours. Some medication orders took 6-8 hours for review but these were most likely non-urgent, new drugs. IM recommends revising the current auditing tool to reflect the name of the drugs ordered during nights.to assure that high risk and urgent drugs ordered on nights are reviewed by a Pharmacist in a timely manner.
• Physical Environment	The Pharmacy at MMH has been relocated to the basement level of the hospital to gain more space. Even in the newer location, the pharmacy is crowded. Plain IV solutions are stored in an adjacent space to the main Pharmacy due to space constraints. Currently, there are plans to have plain IV solutions maintained by the Materials Management Dept. The hospital will be transitioning from Care Fusion to Omnicell as part of the Prospect acquisition. The Omnicell equipment is also currently stored in this adjacent area making egress rather narrow.	Omnicell (Prospect Medical contract) being implemented soon. Storage area very crowded. CNO committed to resolving issue. Engineering responsive to moving things around to allow better egress.

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
PHARMACY		
• Culture of Safety	Automated dispensing system and DOSE-EDGE systems in place. All medications coming into department are scanned in and barcoded. The hospitals use SMART pumps with an extensive medication library. Med library use by RNs is monitored by the pharmacy. Pharmacists make 300-400 Clinical Interventions per month.	**Recommend** a more system wide approach be taken to dissemination of blinded information following RCAs that have potential for harm. Provide widespread education to care providers to alert them to significant events to improve awareness and reinforce safety behaviors. This new process is being developed for implementation in June 2017. I.M. will check its progress on next visit.
• Compliance with State & Federal Regulations	A Pharmacy and Therapeutics Committee meets monthly and reports into the QAPI. All adverse Drug events are reviewed within the Medication Safety Subcommittee. A strong Antibiotic Stewardship program is in place. Pharmacists have oversight for Renal dosing adjustments and Vancomycin dosing and utilization.	
• HR / Personnel	Pharmacy staff in a state of transition and some instability due to recent staffing changes which have impacted their workloads. Quite a bit of turnover has occurred in this dept. Pharmacy is now reporting directly to the CNO who is well aware of the work climate and is coaching Director. He has been with ECHN for 13 yrs. and seems to be well liked by his staff. He is appropriately credentialed. Pharmacy technicians have to obtain certification within one yr. of hire.	Lost 2.1 FTEs. Clinical Coordinator and IT liaison. 1.0 FTE moved to nights.

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
SURGICAL SERVICES Ambulatory Surg Unit, Ambulatory Med Unit, GI, Pre OP, OR, PACU Phase 1 & 2		
• Staffing	I.M. observed appropriate RN staffing ratios throughout the tour of Surgical Services. In the GI lab, 3 new physicians have joined staff and visits have increased as well as patient acuity. 2 new 24 hr. RN positions have been added to accommodate this new volume. IM met the chair of Anesthesia. The group employs anesthesiologists and CRNAs. The usual physician to CRNA supervisory ratio is 2:1, which well exceeds the standards required. There is very little turnover of the staff and a few CRNAs have been newly recruited from area hospitals. An anesthesiologist is always in house on night shift at MMH. Anesthesiologists are on call for RGH and need to be within a 45 minute drive of the hospital for emergencies. The Nursing Director explained that emergent high risk surgical cases would be transported to a larger center in Hartford during the night. Nurses all take night and weekend call. They described their cross training requirements and the system they have in place to ensure ongoing competency in all services.	
• Physical Environment	**MMH** has 9 ORs and 1 Cysto room. Overall, spaces were well organized, clean and free of clutter. Emergency carts and equipment was easily accessible. Ambulatory spaces were quite crowded with pt. cubicles separated by a curtain. To better assure physical and auditory privacy, nurses in the Medical ambulatory unit placed pts. In every other cubicle. Day Surgery waiting room was quite pleasant although due for an upgrade to flooring. Appropriate signage and an electronic tracking board were present. Only pt.'s initials were used and tracked by a code that was given to the pt.'s family. New surgical equipment has been ordered for the orthopedic and other services and is in use. This should decrease flash sterilization rates.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
SURGICAL SERVICES Ambulatory Surg Unit, Ambulatory Med Unit, GI, Pre OP, OR, PACU Phase 1 & 2		
• Culture of Safety	IM toured unoccupied ORs and observed surgical personnel. Caps covered all hair, masks in place. IM visited the G.I.Scope cleaning area and found all required testing in compliance. Scopes are separated and hanging in a nice storage cabinet according to standards. In keeping with the Hand Hygiene initiative, observations of scrubbing in the inner core will commence in July.	
• Policies and Procedures	Emergency carts locked and checked according to standard.	
SURGICAL SERVICES Ambulatory Surg Unit, Ambulatory Med Unit, GI, Pre OP, OR, PACU Phase 1 & 2, Interventional Radiology		
• Compliance with State & Federal Regulations	Medication refrigerators, food refrigs are within safe range. Code carts checked and up to date. Appropriate dates of expiration placed on glucometer control solutions.	
• HR / Personnel	The OR Nurse Manager position has been eliminated. The Administrative Director has direct responsibility for all surgical services, endoscopy, and biomedical engineering across both campuses. Clinical coordinators in the OR report into her. 95% of the OR RN staff has attained AORN certification. They plan for turnover by preparing their own OR nurses. They run a perioperative course to teach new nurses. This program has been very effective. In the PACU area, 80% of the RNs are certified. Nurses in the GI lab have not expressed interest in obtaining certification. The Unit Educator is responsible for education throughout surgical services: PACUs, ORs, GI lab, Amb. Surgery and Central Sterile Processing. In-service education is provided every 2 weeks. A new competency in Bariatric Surgery has been added to Health Stream education.	
• Confidentiality	Pt. Confidentiality was upheld throughout the tours through the various surgical services area.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
EMERGENCY DEPARTMENT		
• Staffing	IM visited ED in late afternoon on June 27, 2017. Although the ED was quite full, the atmosphere was orderly and the staffing was appropriate. ED utilizes flexible staffing which changes according to time of day. They staff in 8, 10 and 12 hr. shifts. Additional staff is added very 4 hrs. to accommodate changing census. 8 nurses are in the ED from 11am-11pm for the peak volume hrs. Staffing flexes down to 5 RNs between 3-7am. ED nurses staff the Behavioral Health unit at MMH when it is open. A technician and Crisis Prevention staff assists them. Security personnel are in the ED at all times.	
• Physical Environment	The ED has 19 beds and sees 40,000 pts. /yr. and May 2017 visit volume has stayed rather stable from May 2016 stats. The ED has an open design with a central station. Pts. are easily visualized. Waiting rooms are adequate and have appropriate signage: pt. privacy, language lines, financial counseling and assistance for the hearing impaired. Emergency carts are placed to allow easy access by staff. The environment is well organized and free of clutter. A separate 11-bed unit has been established for the Behavioral Health population. It was closed at the time of the IM visit. On tour of the BHU, IM found the unit safe for BH pts. Non-mechanical beds were bolted to floor and in low position. No sharp edges. All entrances and exits locked.	No patients in the Psych ED area at time of visit.
• HR/Personnel	In addition to the Nurse Manager, the EDs share a Unit Educator. 2-3 RNs are certified SANE nurses at MMH. All RNS have ACLS with the first year of hire. Staff in the BHU all has Physical Management Training (PMT). Crisis Intervention workers staff the BHU until 12 midnight. There were no patients in the BHU on IM's visits to the ED behavioral health area.	
• Culture of Safety	MMH has earned "Get with the Gold" Advanced Stroke Certification again. All relevant performance indicators are at 100%. Congratulations! It is also part of a Sepsis Campaign. Psychiatrists see behavioral health patients admitted through ED within 24 hrs. of	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	admission. Approximately 18% of the MMH ED pt. population is pediatric. Children needing admission are sent to CCMC. Several QI indicators are in place: Timeliness of Care, ED arrival to departure (433min) Admit decision to ED departure (238min). These performance improvement efficiency indicators have not yet met goal and have trended upwards from 2016. The CNO has partnered with the Emergency Medicine Medical director to improve the throughput times and patient flow through the ED.	
PSYCHIATRIC SERVICES – MMH in-patient Adult and Adolescent		
• Staffing	The former nurse manager at MMH has been promoted to Nursing Director with inpatient responsibilities across both the MMH and RGH campuses. He is a seasoned Behavioral Health nurse leader with solid clinical experience. His plan is to promote 2 nurses into Clinical Coordinator positions that will report into him once they are ready and get oriented. A multidisciplinary team of professionals provides care for this pt. population: Psychiatrists, RNs, SW, psych technicians, recreational therapists. Adolescents also have a teacher on staff who is certified in Grades K-12.	
• Physical Environment	The unit is many years old and in need of renovation. Plans are in progress to move this service to the RGH campus and renovate the area to accommodate a 16-bed Geri/Psych population. IM reviewed restraint and seclusion log. The unit uses very few restraints and rarely uses seclusion. IM observed solid, flush door handles on all pt. rooms. In common areas, regular door handles were still in use. Pt. rooms had low unmovable non-mechanical beds. Bathrooms were compliant with regulations: breakaway shower rods, polycarbonate mirrors, flush faucets, and angled doors.	
PSYCHIATRIC SERVICES In-patient Adult and Adolescent		
• Culture of Safety	Patients are rounded on every 15 minutes. There is a central monitor at the nursing station so that pts are continually observed. Multidisciplinary rounds occur daily for care planning purposes	Restraint/seclusion log checked by IM. Very low use. Low sensory modulation room discussed. No room for it in current unit.

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
PSYCHIATRIC SERVICES – MMH in-patient Adult and Adolescent		
• Staffing	The former nurse manager at MMH has been promoted to Nursing Director with inpatient responsibilities across both the MMH and RGH campuses. He is a seasoned Behavioral Health nurse leader with solid clinical experience. His plan is to promote 2 nurses into Clinical Coordinator positions that will report into him once they are ready and get oriented. A multidisciplinary team of professionals provides care for this pt. population: Psychiatrists, RNs, SW, psych technicians, recreational therapists. Adolescents also have a teacher on staff who is certified in Grades K-12.	
• Physical Environment	The unit is many years old and in need of renovation. Plans are in progress to move this service to the RGH campus and renovate the area to accommodate a 16-bed Geri/Psych population. IM reviewed restraint and seclusion log. The unit uses very few restraints and rarely uses seclusion. IM observed solid, flush door handles on all pt. rooms. In common areas, regular door handles were still in use. Pt. rooms had low unmovable non-mechanical beds. Bathrooms were compliant with regulations: breakaway shower rods, polycarbonate mirrors, flush faucets, angles doors.	
PSYCHIATRIC SERVICES In-patient Adult and Adolescent		
• Culture of Safety	Patients are rounded on every 15 minutes. There is a central monitor at the nursing station so that pts are continually observed. Multidisciplinary rounds occur daily for care planning purposes	Restraint/seclusion log checked by IM. Very low use. Low sensory modulation room discussed. No room for it in current unit.
PSYCHIATRIC SERVICES In-patient Adult and Adolescent		
• Policies and Procedures	All pts. are searched on admission and belongings are secured in locked metal lockers located at entrance to the unit. Valuables are secured in a safe. All visitors are searched prior to entering the unit.	
• Compliance with State & Federal Regulations	IM reviewed with the procedures that are in place to protect exit doors during a fire drill with the Nursing Director. Drills are held periodically.	
• HR/ Personnel	Staff is appropriately trained and credentialed to perform their jobs	
• Confidentiality	Appropriate measures in place to safeguard pt.'s confidentiality. IM did	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	not observe any breaches in confidentially.	
QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT		
• Culture of Safety	In the area of Pt. Safety, the following structures and processes are in place: Daily Safety Huddles, Patient Safety committee, Patient Safety Coach committee, HRO education during orientation of new employees and physicians. A large variety of other committees and task forces exist to support Pt. Safety. Patient Safety Outcome measures are doing well. A Sepsis protocol was initiated on 2/14/2017. Aggressive plans are underway to decrease Hospital Acquired Infections. SSI colon and hysterectomy infection rates and c. difficile are all currently above the CMS 50th %ile. Readmission rates hospital wide are 10.8% for 4th quarter May, which is increased from May 2016 but just slightly over benchmark. Aggressive attention needs to paid reduce CHF (27.5%)and AMI (33.3%) readmission rates which are both trending well above the national mean. Action plans are initiated for all QI indicators that do not meet goal. An AHRO patient safety culture survey is being considered for the Fall, 2017. Currently, there is no active Ethics committee in place. A small team would be pulled together if an ethical dilemma presented. The CNO has plans to ask the next chaplain that is hired to assume the role of Chair of an Ethics comm. This is expected to commence in the Fall 2017.	IM will review results of survey at next visit. IM will check progress with starting a formal Ethics committee on next visit.
QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT		
• Staffing	The Quality Department is comprised of 4.5 FTEs who report into the VP of Quality, Safety and Pt. Experience. They are responsible for all performance improvement initiatives across both hospitals and out services. There are 3 QI Managers who are supported by an Environmental Safety Officer. A Pt. Experience Coordinator and Quality Analytics Manager (0.5FTE) report directly into the VP. Two Data Abstractors (1.4 FTEs) report into the Quality Analytics Manager (0.5FTEs). The QI managers have focused areas of responsibility. All conduct RCAs and investigate. Staffing in this department has remained	Meet with Dir. Of RM. IM requested meeting with Dir. of RM. Discussed HRO and openness of staff to report incidents.

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	stable since the PMH acquisition.	
RISK MANAGEMENT		
	IM met on June 27, 2017 with Director of Risk Management for ECHN. Very productive meeting. An external risk analysis is being completed for the Family Birthing Center at MMH in the Fall of 2017 by RL Solutions. Director reported that Prospect Medical has voiced plans to use this firm for their other facilities high-risk areas including OB, Behavioral Health and the ED and the surgical services at RGH due to declining surgical volumes. Director has collaborative relationships with Quality, Nursing, and Medical Staff. Very pleased with appointment of new CMO and looks forward to her plans to revise the current peer review process. Described the Interim CEO as "Fantastic. Unafraid to take on any issue." States nurses report issues more quickly since the initiation of the high reliability practices. Incident reporting volumes have stabilized since 2014. ECHN saw an anticipated rise in incident reporting as a result of starting HRO in 2012. The RM Director meets regularly with the Pt. Experience Coordinator and the Grievance Committee to review relevant complaints and grievances. These are tracked through the feedback module of the Incident Reporting Information Systems (IRIS). They adhere to all CMS Guidelines. RM also collaborates closely with the Chair of the Environment of Care Committee.	

NURSING CONSULTING PARTNERS
Sustainable Results for Healthcare Solutions

CATEGORY	OBSERVATIONS	RECOMMENDATIONS

NURSING CONSULTING PARTNERS
Sustainable Results for Healthcare Solutions

CATEGORY	OBSERVATIONS	RECOMMENDATIONS

NURSING CONSULTING PARTNERS
Sustainable Results for Healthcare Solutions

CATEGORY	OBSERVATIONS	RECOMMENDATIONS

User, OHCA

From: Roberts, Karen
Sent: Tuesday, July 18, 2017 4:32 PM
To: User, OHCA
Subject: FW: Second Assessment MMH & RGH

From: Nefores, Karen [mailto:Karen.Nefores@altacorp.com]
Sent: Tuesday, July 18, 2017 4:27 PM
To: Colleen Smith <colleen713.smith@gmail.com>; Martone, Kim <Kimberly.Martone@ct.gov>; Newton, Susan <Susan.Newton@ct.gov>; Debbie Berry (Debbie.Berry@prospectmedical.com) <Debbie.Berry@prospectmedical.com>; Linda L Quirici <LQuirici@echn.org>; Powers, Mary <mpowers@echn.org>; Michael Collins <MCollins@ECHN.org>; Dennis P Mcconville <dmcconville@echn.org>; Roberts, Karen <Karen.Roberts@ct.gov>
Subject: RE: Second Assessment MMH & RGH

Thank you Colleen. Very fair assessments and we appreciate your recommendations. Excellent work to Linda and Team as well!

Karen

Karen J. Nefores, RN, BSN,MBA, CPHQ, CPPS
East Regional Vice President, Quality and Patient Safety
Prospect Medical Holdings
Cell – 562-405-4603

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Tuesday, July 18, 2017 2:16 PM
To: Martone, Kim <Kimberly.Martone@ct.gov>; Susan Newton <Susan.Newton@ct.gov>; Debbie Berry (Debbie.Berry@prospectmedical.com) <Debbie.Berry@prospectmedical.com>; Nefores, Karen <Karen.Nefores@altacorp.com>; Linda L Quirici <LQuirici@echn.org>; Powers, Mary <mpowers@echn.org>; Michael Collins <MCollins@ECHN.org>; Dennis P Mcconville <dmcconville@echn.org>; Karen Roberts <Karen.Roberts@ct.gov>
Subject: Second Assessment MMH & RGH

Greetings,
Enclosed please find a cover letter and both the MMH and RGH assessments for my second visit to the Prospect ECHN facilities. As previously, I enjoyed a very good visit and was treated with courtesy. All documents re□uested were freely shared with me.
Please contact me if you have any □uestions.
Best regards,
Colleen Smith

Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132

Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

User, OHCA

From: Roberts, Karen
Sent: Tuesday, August 29, 2017 9:02 AM
To: User, OHCA
Cc: Cotto, Carmen
Subject: FW: OHCA condition of Participation #19 for ECHN

For Docket #32016

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E: *karen.roberts@ct.gov*

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Monday, August 28, 2017 5:36 PM
To: Martone, Kim
Cc: Dennis P Mcconville
Subject: OHCA condition of Participation #19 for ECHN

Dear im,

I hope you have enjoyed your summer. They always seem to fly by. I am seeking clarification regarding the COP 19 for ECHN:
CON Condition 19: For three (3) years following the Closing Date, PMH shall hold a joint meeting of the Board of each of new MMH and New RGH and the Local Board of new MMH and New RGH (Joint Board Meetings) at least twice annually with one occurring in Manchester and the other occurring in Vernon.
I want to verify that since two Joint Board meetings have been held, one at RGH on April 26, 2017 and one at MMH on May 31, 2017 that ECHN has meet this re uirement for Joint board meetings followed by public meetings for this year.

I appreciate your assistance in clarifying this re uirement for me.

Best regards,
Colleen Smith
Independent Monitor

Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC

690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

User, OHCA

From: Cotto, Carmen
Sent: Wednesday, August 30, 2017 4:32 PM
To: 'colleen713.smith@gmail.com'
Cc: Martone, Kim; Roberts, Karen; User, OHCA
Subject: FW: OHCA condition of Participation #19 for ECHN

Hi Colleen,

We have some additional questions prior to responding to your question in your August 28th email:

In reference to both meetings held at Rockville and Manchester, April 26 and May 3, 2017, respectively, please address the following:

- Supporting documentation related to the meetings, on file at OHCA dated May 1, 2017 and June 12, 2017, stated that a joint meeting of the Boards of Directors from Prospect Rockville Hospital, Inc. and Prospect Manchester Hospital, Inc. was held on April and May at the hospitals' campuses. The documents also indicated that the meetings were followed by a public meeting for their respective communities where information about the hospitals' activities was shared with the public and that they were encouraged to ask questions and provide comments.

  Condition #19 stipulates that *"…PMH shall hold a joint meeting of the Boards of each of New MMH and New RGH and the Local Board of New MMH and New RGH… and such Joint Board Meetings shall be followed by a meeting for the public…".*

  The submitted documents to support the meeting of this condition do not indicate whether the Local Board for each hospital was in attendance at the meetings and the specific timeline for the public meeting. It appears that the Local Board was missing and that the public meeting was held on the same date, Is this correct? Please provide supporting documentation that shows that each hospital's Local Board was in attendance. Also, provide the specific timelines and supporting documentation for public meetings held after both Boards, the hospital's and Local, have met.

It is also requested that you submit your responses via electronic mail by using the OHCA general email inbox which is OHCA@ct.gov. In addition, please continue to reference the CON docket number in the subject line of the email when transmitting.
You may contact me at (860) 418-7039 or Karen Roberts, Principal Health Analyst at (860) 418-7041, if you have any questions regarding this request.

Thank you,

Carmen Cotto, MBA
Associate Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, CT 06134

P: (860) 418-7039 |F: (860) 418-7053 |E: carmen.cotto@ct.gov



www.ct.gov/dph

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Monday, August 28, 2017 5:36 PM
To: Martone, Kim
Cc: Dennis P Mcconville
Subject: OHCA condition of Participation #19 for ECHN

Dear im,

I hope you have enjoyed your summer. They always seem to fly by. I am seeking clarification regarding the COP 19 for ECHN:
CON Condition 19: For three (3) years following the Closing Date, PMH shall hold a joint meeting of the Board of each of new MMH and New RGH and the Local Board of new MMH and New RGH (Joint Board Meetings) at least twice annually with one occurring in Manchester and the other occurring in Vernon.
I want to verify that since two Joint Board meetings have been held, one at RGH on April 26, 2017 and one at MMH on May 31, 2017 that ECHN has meet this re uirement for Joint board meetings followed by public meetings for this year.

I appreciate your assistance in clarifying this re uirement for me.

Best regards,
Colleen Smith
Independent Monitor

Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

User, OHCA

From: Roberts, Karen
Sent: Tuesday, September 05, 2017 8:23 AM
To: User, OHCA
Cc: Cotto, Carmen
Subject: FW: OHCA condition of Participation #19 for ECHN

From: colleen713.smith@gmail.com [mailto:colleen713.smith@gmail.com]
Sent: Sunday, September 3, 2017 10:53 AM
To: Cotto, Carmen <Carmen.Cotto@ct.gov>
Cc: Martone, Kim <Kimberly.Martone@ct.gov>; Roberts, Karen <Karen.Roberts@ct.gov>
Subject: Re: OHCA condition of Participation #19 for ECHN

Hello Carmen,
I apologi□e for the delay in my response. I am in Europe and have had some trouble finding consistent service. When I return 9□15, I will communicate with ECHN and ask them to send the necessary documentation.
Best regards,
Colleen Smith

Sent from my iPad

On Aug 30, 2017, at 11:32 PM, Cotto, Carmen □Carmen.Cotto@ct.gov□ wrote:

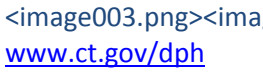
> Hi Colleen,
>
> We have some additional questions prior to responding to your question in your August 28th email:
>
> In reference to both meetings held at Rockville and Manchester, April 26 and May 3, 2017, respectively, please address the following:
>
> - Supporting documentation related to the meetings, on file at OHCA dated May 1, 2017 and June 12, 2017, stated that a joint meeting of the Boards of Directors from Prospect Rockville Hospital, Inc. and Prospect Manchester Hospital, Inc. was held on April and May at the hospitals' campuses. The documents also indicated that the meetings were followed by a public meeting for their respective communities where information about the hospitals' activities was shared with the public and that they were encouraged to ask questions and provide comments.
>
>   Condition #19 stipulates that *"…PMH shall hold a joint meeting of the Boards of each of New MMH and New RGH and the Local Board of New MMH and New RGH… and such Joint Board Meetings shall be followed by a meeting for the public…".*
>
>   The submitted documents to support the meeting of this condition do not indicate whether the Local Board for each hospital was in attendance at the meetings and the

specific timeline for the public meeting. It appears that the Local Board was missing and that the public meeting was held on the same date, Is this correct? Please provide supporting documentation that shows that each hospital's Local Board was in attendance. Also, provide the specific timelines and supporting documentation for public meetings held after both Boards, the hospital's and Local, have met.

It is also requested that you submit your responses via electronic mail by using the OHCA general email inbox which is OHCA@ct.gov. In addition, please continue to reference the CON docket number in the subject line of the email when transmitting.
You may contact me at (860) 418-7039 or Karen Roberts, Principal Health Analyst at (860) 418-7041, if you have any questions regarding this request.

Thank you,

Carmen Cotto, MBA
Associate Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, CT 06134
P: (860) 418-7039 |F: (860) 418-7053 |E: carmen.cotto@ct.gov


www.ct.gov/dph

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Monday, August 28, 2017 5:36 PM
To: Martone, Kim
Cc: Dennis P Mcconville
Subject: OHCA condition of Participation #19 for ECHN

Dear □im,

I hope you have enjoyed your summer. They always seem to fly by. I am seeking clarification regarding the COP □19 for ECHN:
CON Condition 19: □For three (3) years following the Closing Date, PMH shall hold a joint meeting of the Board of each of new MMH and New RGH and the Local Board of new MMH and New RGH (□Joint Board Meetings□) at least twice annually with one occurring in Manchester and the other occurring in Vernon.□
I want to verify that since two Joint Board meetings have been held, one at RGH on April 26, 2017 and one at MMH on May 31, 2017 that ECHN has meet this re□uirement for Joint board meetings followed by public meetings for this year.

I appreciate your assistance in clarifying this re□uirement for me.

Best regards,

Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

User, OHCA

From: Mcconville, Dennis P <dmcconville@echn.org>
Sent: Thursday, September 14, 2017 5:12 PM
To: User, OHCA; Cotto, Carmen; Martone, Kim; Colleen Smith
Cc: Collins, Michael; Ellen J. Shin (Legal Department); Tichy, Joyce A (Legal Department); Garrison DeLee (garrison.delee@prospectmedical.com); Frank.Saidara
Subject: Docket Number: 15-32016-486
Attachments: Letter to Carmen Cotto, OHCA re DN 15-32016-486-CON 09 14 17 .pdf

Dear Ms. Cotto,

Please find the attached letter that provides additional information regarding Condition 19 for Docket Number 15-32016-486, Transfer of Assets of
Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.

Sincerely,

Dennis P. McConville
Senior Vice President, Chief Strategy Officer
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
(860) 268-4591 (cell)
dmcconville@echn.org

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

September 14, 2017

Carmen Cotto, MBA
Associate Health Care Analyst
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS 13HCA
P.O. Box 340308
Hartford, CT 06134

Re: **Docket Number: 15-32016-486**

Project Title: **Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.**

Dear Ms. Cotto:

This letter is submitted in accordance with the Order for the above referenced Certificate of Need Final Decision, specifically to clarify reports made by me to OHCA on May 1, 2017 and on June 12, 2017 for Condition Number Nineteen (19) regarding the transfer of assets of Eastern Connecticut Health Network, Inc. (ECHN) to Prospect Medical Holdings, Inc. (PMH).

Condition Number Nineteen (19) requires that PMH will "hold a joint meeting of the Board of Directors of each of New MMH and New RGH and the Local Board of New MMH and New RGH (Joint Board Meetings) at least twice annually with one occurring in Manchester and the other occurring in Vernon. Such Joint Board Meetings shall be followed by a meeting to which the public is invited in advance and at which the public is informed of the New Hospitals activities and afforded an opportunity to ask uestions and make comments."

Please see the attached affidavit signed by Michael Collins, CEO of Prospect ECHN, which addresses the attendance at the two re uired Joint Board Meetings and provides details for the public meetings that were held in Vernon and in Manchester.

If you have any uestions or need anything further, please feel free to contact me at (860) 533-3429.

Very truly yours,



Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network

Enclosures:

Affidavit of Michael Collins, CEO ECHN, September 13, 2017
Journal In□uirer article, April 27, 2017 "RGH to remain open, but change focus"
Journal In□uirer article, June 1, 2017 "Prospect ECHN officials outline plans for MMH"

cc: □imberly Martone, Director of Operations, Department of Public Health Division of Office of Health Care Access
Colleen Smith, Nursing Consultant Partners, LLC
Ellen J. Shin, General Counsel, Prospect Medical Holdings, Inc.
Joyce A. Tichy, Senior Vice President and General Counsel, ECHN
Michael Collins, Interim CEO, ECHN
Frank Saidara, Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Garrison De Lee, Assistant General Counsel, Prospect Medical Holdings, Inc.

AFFIDAVIT

Applicant: **Prospect Medical Holdings, Inc.**

Docket Number: **15-32016-486**

Project Title: **Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.**

I, **Michael Collins,** **CEO** of
(Individual's Name) (Position Title – CEO or CFO)

Prospect Manchester Hospital, Inc. and Prospect Rockville Hospital, Inc.
(Hospital or Facility Name)

being duly sworn, depose and state the following information submitted on behalf of

Prospect Manchester Hospital, Inc. and Prospect Rockville Hospital, Inc.
(Hospital or Facility Name)

1. Condition Number Nineteen (19) of the Certificate of Need Final Decision for the above referenced Project requires that Prospect Medical Holdings, Inc. will:

> hold a joint meeting of the Board of Directors of each of New MMH and New RGH and the Local Board of New MMH and New RGH ("Joint Board Meetings") at least twice annually with one occurring in Manchester and the other occurring in Vernon. Such Joint Board Meetings shall be followed by a meeting to which the public is invited in advance and at which the public is informed of the New Hospitals' activities and afforded an opportunity to ask questions and make comments.

2. On April 26, 2017 the Local Advisory Board of Prospect Manchester Hospital, Inc. and the Local Advisory Board of Prospect Rockville Hospital, Inc., met together with members of the Boards of Prospect Manchester Hospital, Inc. and Prospect Rockville Hospital, Inc. on the premises of Prospect Rockville Hospital, Inc. located in Vernon, CT.

3. Subsequent to the April 26, 2017 meeting described above and on the same day (i.e., April 26, 2017 at 5 PM), a meeting was held for the Vernon community in the cafeteria of Rockville General Hospital where information about the hospital's activities was shared and the public was encouraged to ask questions and provide comments. The meeting was advertised in both the Hartford Courant on April 20 and 25, 2017 and in the Journal Inquirer on April 16 and 23, 2017. Members of both the Local Boards and the New MMH and New RGH Boards were present. The meeting was called to order at approximately 5 PM and concluded at approximately 7 PM, after which Board and Local Board representatives remained on hand to address questions or concerns that the members of the public wanted to discuss individually. Please see the attached article with an account of the meeting published by the Journal Inquirer on April 27, 2017.

4. On May 31, 2017 the Local Advisory Board of Prospect Manchester Hospital, Inc. and the Local Advisory Board of Prospect Rockville Hospital, Inc., met together with members of the Boards of Prospect Manchester Hospital, Inc. and Prospect Rockville Hospital, Inc. on the premises of Prospect Manchester Hospital located in Manchester, CT.

5. Subsequent to the May 31, 2017 meeting described above and on the same day (i.e., May 31, 2017 at 5 PM), a meeting was held for the Manchester community in the auditorium of Manchester Memorial Hospital where information about the hospital's activities was shared and the public was encouraged to ask questions and provide comments. The meeting was advertised in the Hartford Courant on May 25 and May 28, 2017 and in the Journal Inquirer on May 25 and May 30, 2017. Members of

both the Local Boards and the New MMH and New RGH Boards were present. The meeting was called to order at approximately 5 PM and concluded at approximately 6:30 PM, after which Board and Local Board representatives remained on hand to address questions or concerns that the members of the public wanted to discuss individually. Please see the attached article with an account of the meeting published by the Journal Inquirer on June 1, 2017.

Signature _____ Date 9/14/17

Subscribed and sworn to before me on September 14, 2017

_____

Notary Public/Commissioner of Superior Court

My commission expires: August 31, 2019

Journal Inquirer.com
NORTH-CENTRAL CONNECTICUT'S HOMETOWN NEWSPAPER

RGH to remain open, but change focus

By Kym Soper
Journal Inquirer | Posted: Thursday, April 27, 2017 12:01 pm

VERNON — Prospect ECHN officials announced Wednesday at a public hearing that Rockville General Hospital would remain open, but with a different focus, as two-thirds of the downtown facility would be locked behavioral units.

Interim CEO Michael Collins also said he would revisit the rejection of Vernon's candidate to the advisory board, Dr. Ellen Marmer, after hearing the roomful of support for her at the meeting.

Plans call for diversification, the new for-profit owners told the packed room of residents, with the century-old hospital split into thirds: a medical-surgical unit and emergency department, the new eating disorder unit that opened in August, and a new adult psychiatric unit that's expected to open by the end of the year.

Nearly □10 million has been set aside for renovations to the Vernon facility, with a fair amount of work to be completed by November, Collins said, adding: "We're hoping to make it more vibrant."

Thomas Reardon, president of Prospect Medical East, echoed the sentiment, telling the doubtful crowd that it made no sense to close the hospital.

"Why would we as a company spend what we're going to spend, only to close it down?" he asked. "We want this hospital to thrive."

The trust between the new owners and the community is at an all-time low, Vernon Town Council member William Campbell told Collins.

Not even meeting with Marmer, a well-respected surgeon who would be a strong advocate for the town and transparency, shows that Prospect wants board members who'll rubber stamp whatever they propose, another audience member said as the crowd clapped in approval.

Prospect Medical Holdings Inc., a California-based company that's a subsidiary of hedge-fund Leonard Green and Partners L.P., bought Eastern Connecticut Health

Network and its two hospitals, Rockville General in Vernon and Manchester Memorial, for □105 million in October with a promise to spend an additional □75 million in improvements to its facilities over the next five years. Prospect also purchased Waterbury Hospital around the same time for □45 million, with a promise of □55 million for upgrades there.

Dennis McConville, senior vice president of strategic planning for ECHN, said there is a backlog of some □125 million in identified deferred maintenance and repairs that have accumulated over the years.

About □9.1 million has been re□uested for immediate capital projects at Rockville General, with □8.7 million approved so far, he said.

Much of the initial funding would go toward updating heating, ventilation, and electrical systems, a new roof, and some aesthetic projects like new floors, painted walls, and ceiling tiles, he said.

A good chunk, however, is being set aside to convert the Bissell 1 nursing unit into a locked, 24-bed adult psychiatric behavioral health ward for short-term stays of seven to 10 days.

An additonal □1.3 million is being spent now on renovations at the Woodlake at Tolland nursing home with construction that started Monday.

“So, out of the gate, we’ve got a lot of things lined up,” he said of the projects on tap.

Prospect ECHN officials also touted the low infection rates among its facilities, and the standard for safety in fall prevention and bed sores, which were below industry norms or non-existent on a recent report. Rockville General and Manchester Memorial also received federal certification for advanced stroke care.

Issues raised by the packed crowd in the Rockville General cafeteria Wednesday included staffing levels, renovations to the long unused historical front entrance, and how Prospect ECHN planned to expand its consistently low patient census rate.

Some 14 staffers were laid off recently, Collins said, but not one was a bedside nurse. Overall, Prospect ECHN expects to see an increase of about 60 full-time employees from the current 2,800 by November, he added.

More security and a refurbished entrance to the original colonial building at Rockville General is on the “to-do list,” Collins and McConville said. And the company is planning

to mount an aggressive marketing campaign to attract more patients while at the same time grooming new doctors with its residency program, now in its third year.

There also will be a “paradigm shift” with doctors who take their surgical patients to only Hartford hospitals, Collins noted, adding that they’ll no longer receive referrals from ECHN.

“It’s going to be sort of a war,” he said.

Town Administrator John Ward said he and Mayor Daniel Champagne were “pleased to hear that Prospect is committed to having the hospital open and create more jobs, and we’ll always be here to work with them.”

Journal Inquirer.com
NORTH-CENTRAL CONNECTICUT'S HOMETOWN NEWSPAPER

Prospect ECHN officials outline plans for MMH

By Kym Soper
Journal Inquirer | Posted: Thursday, June 1, 2017 1:32 pm

MANCHESTER — About 50 area residents and medical staff on Wednesday learned the short-term plans for Manchester Memorial Hospital: more maternity and geriatric psychiatric beds, as well as a push to increase the number of outpatient, minimally invasive surgeries.

Long term, new owners Prospect ECHN also hope to establish a cardiac catheter lab that can insert life-saving stents in failing hearts within 30 minutes. But that re□uires state approval and is "many years away," officials say.

The former nonprofit Eastern Connecticut Health Network, which includes Manchester Memorial and Rockville General hospitals as well as Woodlake at Tolland nursing home, was bought for □105 million in October by Prospect Medical Holdings Inc., a for-profit California company, with a promise to spend an additional □75 million on capital projects.

According to the plan, all of Manchester's adult psychiatric patients will move to Rockville General when a new 24-bed locked ward is created on a refurbished nursing unit in Vernon. Work will start there this week, interim CEO Michael Collins said, and be completed by November.

Adolescent, geriatric

psychiatric care

The Manchester psychiatric ward now has six adolescents as patients in a segregated area, but it's not the best situation, Collins said, noting that the youths need more living and activity space for when they're not in therapy.

While the number of adolescent beds would remain the same, geriatric psychiatric beds eventually would increase, he said, from the current census of three or four patients to at least 17, and eventually up to 21.

“The need is there,” Collins said, adding that often, adult children are forced to take home aging parents who’ve had a psychotic break as there’s no satisfactory in-patient medical care now offered for that population.

Renovations to the emergency department, meanwhile, will be minimal, said Dennis McConville, senior vice president of strategic planning, with most of the work concentrated on the waiting areas.

Maternity expansion

The maternity ward, however, will see an increase from 12 to 15 rooms where labor, delivery, and recovery all take place in the same space.

The expansion is re□uired after a Mansfield obstetrics group joined Prospect ECHN, bumping up the number of births at Manchester from the current 1,200 to 1,500 a year.

Some years ago, before Rockville General closed its birthing center, patient census at Manchester’s maternity ward held at 900 births a year, Collins said.

McConville said there is a list of roughly □125 million in identified deferred maintenance and “wish list” items for upgrades throughout network properties, with about □9.1 million approved for immediate projects, mostly in Vernon.

At Manchester, the list includes imaging, pharmacy, surgery, and cardiac rehab e□uipment, he said.

Cosmetic changes also will occur to waiting and patient rooms, and buildings on all three campuses will get much-needed attention to roofs and mechanical systems, like heating and ventilation.

The Manchester parking garage will also be improved, McConville said.

Those attending the state-mandated meeting questioned the network’s ratings and patient surveys, saying more than the current 3 percent should be polled about their stays. Officials said patients could comment on the ECHN Facebook page, and they’d also consider including a □uestionnaire with all discharge paperwork.

As for its ratings, out of a possible five stars the federal Centers for Medicare and Medicaid Services lists Rockville at 3 and Manchester at 2.

Officials say they expect that to go up next fiscal year starting in October, following recent efforts to reduce infection rates, falls, and bedsores, which were below industry norms or non-existent on a recent report.

Both hospitals also recently became certified for advanced stroke care, and are working to reduce re-admissions by focusing on home care and follow-up with discharged patients, said Linda Quirici, Prospect ECHN vice president of □uality and safety.

One resident asked how the current congressional debate on health care would affect patients here, to which Collins responded, “it’s unknown” until budgets are set on both the federal and state level. But he envisions an eventual evolution to block grant payments for patient care under a revised Medicare system.

Prospect’s model of regional, community care also would keep costs down for local patients, he said, noting that large urban hospitals charge much more for the same service.

For example, a colonoscopy at an urban hospital can cost between □5,000 and □6,000 while a community hospital would charge only about □2,000 for the same test, he said.

“It’s really not fair,” for employers or their staff with co-pays, he said, noting that one employee could opt to go into Hartford for the routine exam while another staffer goes to the community hospital for less money, and winds up subsidi□ing the co-worker’s procedure.

And while Manchester won’t be performing brain or heart surgery anytime soon, it does have a robot for minimally invasive surgical procedures like gall bladder removal, knee repairs, or bariatric procedures for weight loss.

Some of that work has been lost to six new surgi-centers that have sprung up in the surrounding area in recent years, Collins said. And unlike ECHN, those facilities aren’t re□uired to care for the poor or Medicaid patients, taking only more lucrative private insurance payers.

“But we still have to keep the machines running and maintain the equipment,” he said.

User, OHCA

From: Roberts, Karen
Sent: Friday, September 29, 2017 10:21 AM
To: User, OHCA
Cc: Cotto, Carmen
Subject: FW: OHCA condition of Participation #19 for ECHN

From: Martone, Kim
Sent: Friday, September 29, 2017 10:20 AM
To: Roberts, Karen <Karen.Roberts@ct.gov>
Subject: FW: OHCA condition of Participation #19 for ECHN

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
Phone: 860-418-7029 Fax: 860-418-7053
Email: Kimberly.Martone@ct.gov *Website:* www.ct.gov/ohca

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Friday, September 29, 2017 10:18 AM
To: Cotto, Carmen
Cc: Martone, Kim
Subject: Re: OHCA condition of Participation #19 for ECHN

Dear Carmen,

I am writing in regards to Docket □15-32016-486. I trust that the letter and affidavit that you received from Dennis McConville at ECHN on 9□14□17 has satisfied your re□uest for more information regarding Condition □19.

I would like to follow up to my □uery of 8□28□17 concerning condition □19. Specifically, i want to verify that the 2 joint Board meetings followed by public community meetings held last spring in April and May on the Rockville and Manchester campuses satisfies the re□uirements of condition □19.
I appreciate your guidance and attention to this matter.

Sincerely,

Colleen O. Smith
Independent Monitor

Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

On Aug 30, 2017, at 4:32 PM, Cotto, Carmen Carmen.Cotto@ct.gov wrote:

Hi Colleen,

We have some additional questions prior to responding to your question in your August 28th email:

In reference to both meetings held at Rockville and Manchester, April 26 and May 3, 2017, respectively, please address the following:

- Supporting documentation related to the meetings, on file at OHCA dated May 1, 2017 and June 12, 2017, stated that a joint meeting of the Boards of Directors from Prospect Rockville Hospital, Inc. and Prospect Manchester Hospital, Inc. was held on April and May at the hospitals' campuses. The documents also indicated that the meetings were followed by a public meeting for their respective communities where information about the hospitals' activities was shared with the public and that they were encouraged to ask questions and provide comments.

  Condition #19 stipulates that *"…PMH shall hold a joint meeting of the Boards of each of New MMH and New RGH and the Local Board of New MMH and New RGH… and such Joint Board Meetings shall be followed by a meeting for the public…".*

  The submitted documents to support the meeting of this condition do not indicate whether the Local Board for each hospital was in attendance at the meetings and the specific timeline for the public meeting. It appears that the Local Board was missing and that the public meeting was held on the same date, Is this correct? Please provide supporting documentation that shows that each hospital's Local Board was in attendance. Also, provide the specific timelines and supporting documentation for public meetings held after both Boards, the hospital's and Local, have met.

It is also requested that you submit your responses via electronic mail by using the OHCA general email inbox which is OHCA@ct.gov. In addition, please continue to reference the CON docket number in the subject line of the email when transmitting.
You may contact me at (860) 418-7039 or Karen Roberts, Principal Health Analyst at (860) 418-7041, if you have any questions regarding this request.

Thank you,

Carmen Cotto, MBA
Associate Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, CT 06134
P: (860) 418-7039 |F: (860) 418-7053 |E: carmen.cotto@ct.gov

www.ct.gov/dph

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Monday, August 28, 2017 5:36 PM
To: Martone, Kim
Cc: Dennis P Mcconville
Subject: OHCA condition of Participation #19 for ECHN

Dear im,

I hope you have enjoyed your summer. They always seem to fly by. I am seeking clarification regarding the COP 19 for ECHN:
CON Condition 19: For three (3) years following the Closing Date, PMH shall hold a joint meeting of the Board of each of new MMH and New RGH and the Local Board of new MMH and New RGH (Joint Board Meetings) at least twice annually with one occurring in Manchester and the other occurring in Vernon.
I want to verify that since two Joint Board meetings have been held, one at RGH on April 26, 2017 and one at MMH on May 31, 2017 that ECHN has meet this re uirement for Joint board meetings followed by public meetings for this year.

I appreciate your assistance in clarifying this re uirement for me.

Best regards,
Colleen Smith
Independent Monitor

Colleen O'Brien Smith MSN RN NEA-BC
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User, OHCA

From: Mcconville, Dennis P <dmcconville@echn.org>
Sent: Monday, October 30, 2017 3:57 PM
To: User, OHCA
Cc: Martone, Kim; Roberts, Karen; Colleen Smith; Ellen J. Shin (ellen.shin@prospectmedical.com); Tichy, Joyce A (Legal Department); Collins, Michael; Garrison DeLee (garrison.delee@prospectmedical.com); Frank.Saidara; Von.Crockett; Basile, Mary C; Veillette, Michael
Subject: RE: 15-32016-486-CON
Attachments: Letter to Yvonne Addo OHCA re DN 15-32016-486-CON 10 30 17 Final. docx.pdf

The attached letter is submitted as required for condition number nineteen (13) and condition number fifteen (15) contained in the Final Decision for Docket Number: 15-32016-486-CON, the Transfer of Assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
dmcconville@echn.org

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

October 30, 2017

VIA EMAIL DELIVERY

Deputy Commissioner Yvonne Addo
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134

Re: **Docket Number: 15-32016-486**

Project Title: **Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.**

Dear Ms. Addo:

This letter is submitted in accordance with the Order for the above referenced Certificate of Need Final Decision, specifically Condition Number Thirteen (13) and Condition Number Fifteen (15) regarding the transfer of assets of Eastern Connecticut Health Network, Inc. (ECHN) to Prospect Medical Holdings, Inc. (PMH).

Condition Thirteen

Condition Number Thirteen (13) requires that "PMH shall maintain community benefit programs and community building activities for New MMH and New RGH for three (3) years after the Closing Date consistent with the MMH and RGH most recent Schedule H of IRS Form 990 or shall provide such other community benefit programs and community building activities that are at least as generous and benevolent to the community as ECHN's current programs, and PMH shall apply a 1% increase per year for the next three (3) years toward community building activities in terms of dollars spent."

For fiscal year 2017, Prospect ECHN maintained the same community benefit activities and community building activities that Legacy ECHN's hospitals had offered the community prior to the acquisition by PMH. Overall, PMH invested $27,361,380 in community benefit activities in fiscal year 2017. This was $317,714 more than the investments made by Legacy ECHN in fiscal year 2016 representing a 1.2% increase.

The dollar amounts of community benefit programs and community building activities for Legacy MMH and Legacy RGH for fiscal year 2016 that were filed with the IRS on Form 990, Schedule H in August 2017 and the amounts for Prospect MMH and Prospect RGH for fiscal year 2017 are included in the following table.

Total Community Benefit - MMH	**Legacy MMH FY 2016**	**Prospect MMH FY 2017**
Financial Assistance at Cost *IRS 990 Schedule H Part I, 7a*	505,744	490,213
Unreimbursed Medicaid Services *IRS 990 Schedule H Part I, 7b*	11,685,254	12,795,199
Other Community Benefits *IRS 990 Schedule H Part I, 7j*	6,300,288	6,522,646
Community Building Activities *IRS 990 Schedule H Part II, 10*	243,695	263,693
Total	**18,734,981**	**20,071,751**

Total Community Benefit - RGH	**Legacy RGH FY 2016**	**Prospect RGH FY 2017**
Financial Assistance at Cost *IRS 990 Schedule H Part I, 7a*	382,466	270,027
Unreimbursed Medicaid Services *IRS 990 Schedule H Part I, 7b*	6,805,720	5,853,317
Other Community Benefits *IRS 990 Schedule H Part I, 7j*	1,104,947	1,148,393
Community Building Activities *IRS 990 Schedule H Part II, 10*	15,552	17,892
Total	**8,308,685**	**7,289,629**

Total Community Benefit	**Legacy ECHN FY 2016**	**Prospect ECHN FY 2017**
Total	**27,043,666**	**27,361,380**

Financial Assistance and Unreimbursed Medicaid Services

Prospect ECHN continues to treat patients regardless of their ability to pay for services and hospital policies regarding charity care have not changed since the transaction closed. The hospitals continue to provide the same level of financial assistance to patients that qualify based on need. The decrease in Financial Assistance at Cost is the result of successful efforts

to enroll patients in the Medicaid program. As a result, the hospitals continue to see an increase in Unreimbursed Medicaid Services.

Community Health Improvement and Health Needs Addressed

Prospect ECHN has continued to invest in providing free health information and education in partnership with the ECHN Medical Staff through a series of lectures offered to the public. Three times each year, the ECHN Community Education Department invites ECHN medical staff and allied health professionals to submit health education programs for presentation to the public. A Community Program Advisory Committee with representation from the medical staff and management considers each request, giving priority to submissions that address identified community health needs. The community health education programs, along with other information on health topics, are published in ECHN's *Better Being* magazine which is distributed to 110,000 households (Exhibit A). The magazine lists special events, health screenings, cancer education & support programs, safety education classes, parent education & playgroup programs and finally the numerous support groups hosted by the hospitals. Its cost for this past year was $96,406.

In 2017, ECHN sponsored twenty-six (26) community programs that served 844 community members. Please see Exhibit B for the ECHN Community Education Program Guidelines and Exhibit C for the list of programs held by ECHN this past year.

Prospect ECHN's community benefit investments and community building activities focused on the health needs identified in its 2016 Community Health Needs Assessment (CHNA) and Implementation Plan. Investments included the time and effort of staff throughout ECHN who contributed to the production of the Community Health Needs Implementation Plan and the meetings held with health officials from the Town of Manchester to review the community health needs and develop strategies that were included in the plan. The following are some examples of the community benefit activities supporting the CHNA Implementation Plan.

Access to Care

Prospect ECHN, through Prospect MMH and Prospect RGH, continues to support the education of healthcare professionals. The goal is to ensure that there is access to care with adequate numbers of healthcare providers to serve the community's healthcare needs. In 2017, the hospitals offered clinical training opportunities for over 900 students of college and university programs. Exhibit D lists the educational institutions that the hospitals have agreements with to provide clinical experiences to students. The amount of community benefit provided by the hospitals for health professions education in 2017 was $3,297,704.

Medical residents of the ECHN Eastern Connecticut Family Medicine Residency Program at Prospect Manchester Hospital volunteered their time and provided free health screenings to the men, women and children living at Squire Village, a 379-unit, newly renovated subsidized housing complex in the town of East Hartford. On Fridays, from 9 a.m. to noon, a resident

physician is available to check blood pressure and body mass index, provide education and flu vaccinations.

Prospect ECHN contracts with Conifer Health Solutions to offer a free physician referral service to the public. The telephone service is posted on the ECHN website and available 24 hours, 7 days a week. In 2016, 135 physician referrals were made to individuals covered by Medicaid.

Cancer Screening

Prospect RGH, at the ECHN Women's Center for Wellness in South Windsor, has continued ECHN's participation with the CT Department of Public Health in the Connecticut Breast and Cervical Cancer Early Detection Program, a comprehensive screening program for medically underserved women. This grant funded program offers free breast and cervical cancer screening, diagnostic and treatment referral services. Thirty women received mammograms and twenty women received pap smear and HPV testing last year at the Women's Center. Prospect RGH provided $111,000 in in-kind support for the program.

Cancer Support and Survivorship

Prospect ECHN employs patient navigators who provide support to cancer survivors, helping them manage symptoms, obtain second opinions, schedule tests and treatment, arrange for homecare services and care coordination. These nurse navigators also support cancer patients with survivorship care plans that include key information for patients' diagnoses, stage of cancer, treatment received and a roadmap for continued follow up care and recommended lifestyle changes to reduce cancer reoccurrence or improve their quality of life. There is no cost to the patients for these services.

On September 10, 2017, Prospect ECHN continued a long-standing ECHN tradition by hosting the 14th Annual Cancer Survivors Day event. The event featured a brunch and a talk by a humorist. It was free to cancer survivors and their families, friends and caregivers. Two hundred and sixty-five (265) people attended the event.

Smoking Cessation

In fiscal year 2017, ECHN patient navigators conducted educational sessions on smoking cessation at the Vernon Middle School, Manchester High School and at a Tolland Chamber of Commerce event. The classes served over 300 people.

Heart Disease & Stroke

In 2017, Prospect MMH and Prospect RGH received advanced certification as primary stroke centers from The Joint Commission as well as recognition for the American Heart Association/American Stroke Association for their commitment and success in the acute treatment of stroke patients. Because a stroke patient loses 1.9 million neurons each minute

stroke treatment is delayed, ECHN developed a campaign to raise awareness, educate the public and improve access to brain-saving treatment available in eastern Connecticut. The campaign included information on how to recognize signs of a stroke and the recording of an educational video on the life-saving treatment that can be administered. The campaign targeted EMS personnel and the general public, appeared in ECHN's Better Being magazine and social media outlets and continues to run throughout ECHN facilities on digital screens and on our website.

Community education programs were offered to promote physical fitness, healthy nutrition and heart health. In January 2017, a physical therapist presented a community education program covering the proper way to begin a total body workout program, which includes stretching, strength and cardio training as well as nutritional advice before and after exercise.

In February 2017, in observance of American Heart Health Month, a special event was held for the public entitled "From the Inside Out" where mini lectures and screenings were offered. An ECHN cardiologist led a discussion on heart health, prevention and healthy lifestyle choices. A registered dietitian presented information on making healthy food choices and ECHN's women's health nurse navigator discussed the importance of caring for the total body, managing stress and nurturing the spirit.

Infant Health & Family Planning

The Prospect ECHN CHNA Implementation Plan includes goals to improve access to prenatal and parenting education, increase preconception and first trimester prenatal education, and to decrease infant mortality and increase infant and child health and wellbeing. Prospect MMH continues to operate the Family Development Center (FDC) programs for families needing support with parenting and with other family issues. These programs are funded by state and federal grants. Prospect MMH continued the same support for the FDC grant funded programs in 2017 with in-kind contributions totally $121,252. Exhibit E describes the Family Development Center Programs.

Mental Health

On January 27, 2017, Prospect MMH hosted a program sponsored by Community Health resources and Garrett Lee Smith Suicide Prevention Community Network of Care for behavioral health professionals on the Columbia-Suicide Severity Rating Scale. There were over 100 attendees.

Substance Abuse

In December 2016, the Manchester Police Department and ECHN began working together to develop a strategy to combat the ever growing issue of heroin/opioid addiction and the devastating effects that it has in our communities. As a result, the H.O.P.E. (Heroin and Opiate Prevention and Education) Initiative was developed. One of the main goals of the

initiative is to provide a safe means for individuals to seek treatment for their addiction without fear of prosecution.

Nutrition, Physical Activity & Weight Management

Some of the benefit activities for this category of health needs included numerous community education lectures were presented in FY 2017 by registered dietitians and physicians on diet/healthy eating. The programs were intended to engage people struggling with obesity, heart disease, arthritis, diabetes and individuals seeking healthy lifestyles. Two grocery store tours were also organized where a registered dietician instructed participants on label reading. Surgical weight loss support groups were held three times a month.

Diabetes

The ECHN Diabetes Self-Management Program is a subsidized health service staffed by diabetes educators, nurses and registered dieticians, who offered individual and group classes, counseling, workshops, screenings and support groups to patients with diabetes. This program served 1,179 patients in fiscal year 2017. The costs not covered by insurance were $203,990.

In addition to the education sessions on nutrition topics and the label reading tours mentioned above, Prospect ECHN hosted community education lectures addressing diabetes with topics that included: “Pre-Diabetes: Let’s take Action” and “Diabetes and the Eye.”

Population Health Management

Prospect MMH and Prospect RGH’s community benefit investments and community building activities have also focused on providing education regarding population health management as PMH builds its model of Coordinated Regional Care. In January 2017, Prospect ECHN hosted the Manchester Community Services Council at MMH where Dr. Joel Reich, ECHN Chief Medical Officer, made a presentation on the state of healthcare in the United States and the reasons for healthcare reform and moving to a model focused on population health. At the meeting, I talked to the Council about ECHN’s population health initiatives. The Manchester Community Services Council is a non-profit organization comprised of agencies devoted to providing and improving health or social services to residents in the greater Manchester area.

In June 2017, Michael Collins, CEO, and I made a presentation to the Vernon Community Network at their Annual Meeting. The Vernon Community Network is a consortium of 40 public education, non-profit, faith-based and government organizations serving the Vernon region. At the meeting, we shared ECHN’s plans for RGH and talked about ECHN’s efforts to address the community’s health needs. We also presented information about healthcare payment reform and the investments that ECHN is making in its care delivery system as the organization moves to population health management.

Community Building Activities

Prospect ECHN has continued to invest in the community/coalition building activities that the public has come to rely on for support from its hospitals. ECHN staff volunteer to serve on boards and committees of local charitable organizations and Chambers of Commerce. In keeping with Manchester Memorial Hospital's long history of support for our veterans, Prospect ECHN hosted an annual dinner for the Manchester Veterans Council and the annual Veterans Day Ceremony at MMH. In addition, this past year, Prospect ECHN, MMH and RGH sponsored local charitable organizations' fundraising events. Those sponsorships are included in Exhibit F.

Condition Fifteen

Condition Number Fifteen (15) states that New MMH and New RGH shall work toward making culturally and linguistically appropriate services available and integrated throughout their hospital operations guided by the National Standards for Culturally and Linguistically Appropriate Services in Health and Health Care published by the U.S. Department of Health and Human Services' Office of Minority Health. In addition, New MMH and New RGH shall take reasonable steps to provide meaningful access to each individual with limited English proficiency eligible to be served in accordance with the regulations of Section1557 of the Patient Protection and Affordable Care Act. Finally, New MMH and New RGH shall provide insurance navigator services for patients and, where appropriate, English as a second language and cultural competency training for employees.

Prospect MMH and Prospect RGH are committed to making culturally and linguistically appropriate services available and integrated throughout the organization, providing meaningful access to individuals with limited English proficiency, providing insurance navigator services and providing cultural competency training for all employees.

ECHN has Corporate Administrative Policies in place to ensure persons with limited English proficiency and persons requiring auxiliary aids and services have access to the healthcare services available at the hospitals and throughout the organization. They include:

Policy #205: Nondiscrimination – Auxiliary Aids and Services (Exhibit G)
Policy #206: Nondiscrimination – Language Assistance to Persons with Limited English Proficiency (Exhibit H)

These policies are available online for all employees. The hospitals offer access to auxiliary communication aids and services, including alternative formats and sign language interpreters, for individuals with disabilities. Information about these services is posted throughout the hospitals.

Also posted throughout the hospitals is a notice of consumer rights, providing information about communication assistance, with tag lines posted in the top 15 languages spoken by individuals with limited English proficiency, indicating the availability of such assistance.

As of September 2016, Prospect MMH and Prospect RGH have partnered with iTi Translation Services to provide timely services to our patients with a wide variety of language needs. These services include:

1. In-Person Interpreters/Translators
2. Video Remote Interpreting (VRI)
3. Telephonic Interpreting for Individuals with Limited English Proficiency
4. Written Document Translation

All of these services are provided at no cost to our patients. All staff is educated annually on these policies and procedures and the services are used without hesitation to serve the needs of our patients. Video Remote Interpreting (VRI) equipment is available for use throughout the organization.

Additionally, Prospect MMH and Prospect RGH provide insurance navigation services for uninsured patients who are identified as eligible for Medicaid or have the financial ability to purchase health insurance. The Financial Assistance Policy and Procedure describes the services provided (Exhibit I). The policy is available on the ECHN website. Specifically, Section A.e. of the policy states that "uninsured patients who may meet the State of CT Department of Social Services guidelines for Medicaid eligibility will be provided assistance in determining their eligibility as well as assisting with obtaining eligibility." ECHN contracts with MedData to make a Medicaid Eligibility counselor available Monday through Friday during normal business hours to assist patients with determining eligibility and the application process. This counselor is located at MMH and travels to RGH as needed. In Fiscal Year 2017, Prospect MMH and Prospect RGH assisted 1,715 people to enroll in the Medicaid program at a cost to the hospitals of $243,938.

Section A.f. of the policy provides that "uninsured patients who are believed to have the financial ability to purchase health insurance may be encouraged to do so in order to ensure healthcare accessibility and overall well-being." A full-time Financial Counselor is employed by the hospitals to assist eligible patients in obtaining health insurance. In fiscal year 2017, Prospect MMH and Prospect RGH assisted 567 patients in applying for and receiving financial assistance under ECHN's Financial Assistance Policy.

Prospect MMH and Prospect RGH's commitment to enhancing cultural awareness and embracing diversity is evident through numerous employee education initiatives including:

- New Employee Orientation: Diversity training is included with general information about culture, belief systems and cultural responsiveness with case studies for discussion.
- Annual Mandatory Education: This requirement of all employees includes a review of the patient experience, the organization's mission and core values, and a review of services and equipment available for patients and families who are visually impaired, deaf or hearing impaired, speech impaired or with limited English proficiency. The

Corporate Administrative Policies referenced above, policies #205 and #206 are included in the annual education.

- Additional Education: Prospect MMH and Prospect RGH use the HealthStream Online Learning Center for staff to complete various education modules throughout the year. Topics such as "Providing Culturally Competent Care" and "Diversity in the Workplace" are included in this mandatory education.

This report is posted on the ECHN website at http://www.echn.org/community-benefit-reporting. If you have any questions or need anything further, please feel free to contact me at (860) 533-3429.

Very truly yours,



Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network

Enclosures: Exhibit A – ECHN Better Being, Summer 2017
Exhibit B – ECHN Community Education Program Guidelines
Exhibit C – ECHN 2017 Community Education Programs
Exhibit D – ECHN Student Education Affiliations
Exhibit E – Prospect MMH Family Development Center Programs
Exhibit F – Fiscal Year 2017 Prospect ECHN, MMH & RGH Sponsorships
Exhibit G – ECHN Corporate Administrative Policy #205: Nondiscrimination - Auxiliary Aids and Services
Exhibit H – ECHN Corporate Administrative Policy #206: Nondiscrimination – Language Assistance to Persons with Limited English Proficiency
Exhibit I – ECHN Financial Assistance Policy and Procedure

cc: Kimberly Martone, Director of Operations, Department of Public Health Division of Office of Health Care Access
Colleen Smith, Nursing Consultant Partners, LLC
Ellen J. Shin, General Counsel, Prospect Medical Holdings, Inc.
Joyce A. Tichy, Senior Vice President and General Counsel, ECHN
Michael Collins, CEO, ECHN
Von Crocket, Senior Vice President, Corporate Development, Prospect Medical Holdings, Inc.

Frank Saidara, Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Garrison De Lee, Assistant General Counsel, Prospect Medical Holdings, Inc.

Exhibit A

Better Being

SUMMER 2017

Ways to a better you from Eastern Connecticut Health Network

east of ordinary



ECHN℠
Eastern Connecticut Health Network

community health education programs inside

East of Ordinary

welcome

You may think it isn't ordinary for community hospitals to have the same technology and resources as big city hospitals. But at ECHN, some of the brightest healthcare advances are right here in eastern Connecticut. Robotic-assisted minimally invasive surgeries, exceptional cancer services and advanced stroke care are just down the road from where you live. At ECHN you will always have access to board-certified physicians and skilled clinicians, our renowned family birthing center and comprehensive emergency care whenever you need us.

ECHN may be a community healthcare system but don't be fooled by the "community" label. We may be small town, but we're not small thinking. We're proud to provide care that is not just east of the river, it's east of ordinary.

We hope you are enjoying an extraordinary summer and find some time to attend some of our community programs and classes. We look forward to seeing you!

Special Event 3

Health Screenings 4

Health Education Programs & Lectures 4

Cancer Education & Support 7

Safety Education Classes 9

Parent Education & Playgroup Programs 9

Support Groups 14

Registration Form 15

community health education programs

special event

save the date to celebrate survivorship





Save the date for ECHN's 14th Annual Cancer Survivors Day event – A Celebration of Life. Cancer survivors and the families, friends and caregivers who supported the fight every step of the way are invited to join us for an afternoon of laughter. Our keynote speaker, author and humorist, Gina Barreca, will present "Generosity, Comfort, and Spirit: Why We Need Humor Every Day."

"Humor allows us to have new perspectives on moments of our lives that are otherwise lost to sadness, fear or misery. Laughing with someone is as close as you can get to them without giving them a hug, and sometimes it can make a hug even better."

- Gina Barreca

This free event will also feature a buffet brunch and giveaways. Pre-registration is required.

Date: **Sunday, September 10**

Time: **11 a.m.–1 p.m. Check-in starts at 10:30 a.m.**

Site: **Hartford/Windsor Marriott**
28 Day Hill Road, Windsor

Free / Registration opens August 1. See page 15 to register.

health screenings

Lung Cancer Screening

If you are a current or former smoker who has quit within the last 15 years, who has smoked at least one pack a day for 30 years or two packs a day for 15 years and are between age 55 and 80 (for those on Medicare between age 55 and 77) with no personal history of lung cancer, call oncology nurse navigator Leslie Juliani, RN, BSN, OCN, at 860.646.1222, ext. 1406.

Free Mammograms, Pap Test & Heart Disease Screenings

Available to women who are between ages 30-64 who have limited income, no health insurance, health insurance that excludes routine Pap tests and/or mammograms or have a high insurance deductible ($1,000 or more).

To see if you quality for these free services offered at various ECHN locations, please call the ECHN Early Detection Program, at 860.872.5368.



health education programs & lectures

Nerve Pain & Neuropathy: Causes, Symptoms and Treatment Options

Symptoms of nerve pain can range from prickling or tingling to a chronic burning sensation and can interfere with your daily life. Neuromusculoskeletal medicine specialist Michael Waddington, DO, will discuss the common types of neuropathy, causes and conventional and alternative treatment options.

Date: Tuesday, June 6
Time: 11 a.m.-noon
Site: Manchester Memorial Hospital

Free / See page 15 to register.

Label Reading in Real Life: A Visit to the Grocery Store

Join ECHN's registered dietitian Amy Rapone, RD, CDN, for an informative tour through the grocery store discussing healthy food choices and label reading aisle by aisle.

Date: Wednesday, June 7
Time: 5-6 p.m.
Site: Highland Park Market 317 Highland Street, Manchester

Free / See page 15 to register.

Stand Up to Hip & Knee Pain

Say goodbye to hip and knee pain and say hello to life! Come learn about MAKOplasty, a new robotic-assisted hip and knee replacement technology at ECHN that can help you recover faster, feel less pain and improve your mobility. Presented by orthopedic surgeon Vipul Dua, MD.

Date: Wednesday, June 14
Time: 6-7:30 p.m.
Site: Manchester Memorial Hospital

Free / See page 15 to register.



Preparing for Your Doctor's Appointment

Healthcare is ever-changing. Family medicine doctor Sabesan Karuppiah, MD, will discuss what to bring to your appointment, useful information including online resources and strategies to make the most of the time with your doctor to ensure you get the best possible care.

Date: Tuesday, July 11
Time: 11 a.m.-noon
Site: Manchester Memorial Hospital

Free / See page 15 to register.

health education programs continued on page 6

when the doctor will see you





Saby Karuppiah, MD, MPH

Getting an appointment to see a doctor can sometimes feel as challenging as getting tickets to a hot Broadway show. The first available appointment may be weeks away and not always at a time that is convenient for you. So when you do get time with a provider, it's important to make the most of your visit.

The reported average length of time a provider spends with a patient is just 15 minutes. In this short period of time, the provider needs to gather information about what brought the patient in, perform any necessary exams or evaluation, make a diagnosis and provide treatment, such as a referral or prescription.

"The number one recommendation I would give to patients is to come prepared," says family physician Saby Karuppiah, MD, MPH. "The staff is going to ask if there are any changes to things like your insurance information, medical history and the medications you're taking. Have that information organized, in written form if necessary. Better yet, bring your medications with you."

When you are with the doctor, it's best to be efficient with your time. "Be prepared to concisely and honestly explain what the issue is, when your symptoms started, how you've tried to manage them and for how long," explains Dr. Karuppiah. This will help your doctor make an accurate diagnosis and informed recommendation for next steps.

"Clear communication is key," says Dr. Karuppiah; "Never hesitate to ask for clarification about what your doctor has told you. When in doubt, ask. We are here to help you."

Dr. Karuppiah is an ECHN provider now seeing patients in the new Manchester Family Physicians practice located at 29 Haynes Street, right next to Manchester Memorial Hospital. The practice, including providers Tricia Hall, DO, and Katarzyna Pomianowski, MD, welcomes new patients of all ages, Monday through Friday 8 a.m. to 4 p.m. Most insurances accepted. To schedule an appointment, please call 860.533.4678.

fast stats from the cdc

Nearly 84% of adults have contact with a healthcare professional each year.

More than 53% of visits are made to primary care physicians (PCPs).

The most commonly diagnosed condition: **hypertension**

Coughs are the most common illness-related reason for office visits.

**source https://www.cdc.gov/nchs/fastats/physician-visits.htm*

Feeling Dizzy? It Could Be Vertigo

Do you get the sensation that everything is spinning or moving around you? It may be vertigo. Physical therapists Gina Koudelka, DPT, LSVT, Priscilla Kowal, PT and Stephanie Torchia, DPT, will explain what vertigo is and its effect on your daily functions. Treatment and long-term management options will also be discussed.

Date: Tuesday, July 18
Time: 6-7:30 p.m.
Site: ECHN Community Education Room, 2600 Tamarack Avenue, South Windsor

Free / See page 15 to register.



A Healthy Start For Your Baby's Body, Brain & Behavior

Early nutrition is essential for your baby's developing brain and body. Neuromusculoskeletal medicine specialist, Michael Waddington, DO, will discuss ways to help your baby sleep through the night, prevention and natural treatment for common problems such as colic, reflux and ear infections.

Date: Tuesday, July 25
Time: 11 a.m.-noon
Site: Manchester Memorial Hospital

Free / See page 15 to register.



Options in Spine Care

Orthopedic surgeon Jesse Eisler, MD, PhD, will discuss the complex anatomy of the back as well as proper exercises and habits to maintain a healthy spine. Operative and non-operative treatment options will also be discussed.

Date: Thursday, August 3
Time: 6-7:30 p.m.
Site: ECHN Community Education Room, 2600 Tamarack Avenue, South Windsor

Free / See page 15 to register.

Acupuncture 101

Have you ever wondered if acupuncture could help you with conditions such as arthritis, pain, side effects of cancer or anxiety? Want to learn how it's administered? Join licensed acupuncturist Heather Finn, LAc to get your questions answered. Interested participants will have the opportunity to experience an acupuncture needle insertion.

Date: Thursday, August 17
Time: 6-7:30 p.m.
Site: ECHN Community Education Room, 2600 Tamarack Avenue, South Windsor

Free / See page 15 to register.

Pre-Diabetes: Let's Take Action!

Learn how to incorporate healthy lifestyle changes to help prevent or delay the onset of diabetes. Diabetes educator Nina Milone, RD, CDE, CDN, will explain goal setting, risk factors and diagnosis.

Date: Wednesday, Aug. 30
Time: 11 a.m.-noon
Site: Manchester Memorial Hospital

Free / See page 15 to register.



ECHN's Joint Effort Program

For individuals scheduled to have total or partial hip or knee replacement surgery and for those thinking about having this type of surgery. ECHN staff will explain, step by step, the surgery day procedures, recovery care options, pain management and the rehabilitation process. Individuals who will be assisting a loved one's recovery after surgery are encouraged to attend.

Dates: Tuesdays, June 13, July 11 or August 8
Time: 1-3 p.m.
Site: Manchester Memorial Hospital

Dates: Wednesdays, June 28, July 26 or August 23
Time: 1-3 p.m.
Site: Manchester Memorial Hospital

Free / See page 15 to register.





ECHN Center for Weight Loss Information Sessions

These free group sessions, which are offered twice a month, are the best way to learn more about surgical weight loss at ECHN. You'll meet bariatric surgeon Mark Tousignant, MD, get answers to your questions and find out if it's right for you.

For more information and to register, call 860.533.4692 or visit echn.org/weightloss.

Heart Talk

Education for people living with heart failure. Learn how to proactively manage heart disease and improve quality of life. Caregivers and family members are encouraged to attend as well.

Date: Third Thursday of each month
Time: 2-4 p.m.
Site: ASM Conference Room, 275 New State Road, Manchester

cancer education & support

Look Good...Feel Better

For women coping with appearance related effects of cancer treatment. Free cosmetic kits provided. Offered in partnership with the American Cancer Society.

Dates: Second Tuesday of each month
Time: 10:30 a.m.-12:30 p.m.
Site: John A. DeQuattro Cancer Center

Free / Call 1.800.227.2345 to register.



Fit for the Journey

For people living with a current or past cancer diagnosis who would like to improve their fitness. Individually designed exercise program, which may include strength/weight training, cardiovascular, balance or flexibility exercises which are held in a small group setting.

Dates: Assessments by appointment only; classes held Tuesday and Thursday afternoons
Site: Manchester Memorial Hospital

Call Mary Pesce at 860.647.6485 for more information regarding fee schedule and to register.

a new look at colonoscopy

East of Ordinary

If you're age 50 or older your doctor has likely talked to you about getting a colonoscopy, the procedure often used to screen for cancer or precancerous growths in the colon or rectum, known as polyps.

It's an important discussion since, according to the American Cancer Society, colorectal cancer is the third most common cancer diagnosed in men and women in the U.S. It is the third leading cause of cancer-related deaths in women and second leading cause in men. But, with regular colon screening, cancers are being found earlier when the disease is easier to treat.[1]



With a standard colonoscopy, a mild sedative is often administered to the patient before the procedure to help promote relaxation and comfort. For patients who do not want or cannot tolerate sedation, there is virtual colonoscopy.

"Virtual colonoscopy is a safe, effective and minimally invasive imaging scan, rather than an endoscopic procedure," explains colon and rectal surgeon Amanda Ayers, MD. A computed tomography (CT) scan produces three-dimensional images of the colon that a radiologist examines for signs of cancer and precancerous polyps. The procedure generally takes about 10 minutes and does not require sedation. If nothing abnormal is found, the screening should be repeated every five years.

"Virtual colonoscopy is ideal for people who have average risk factors for colorectal cancer and are afraid of sedation or who are shying away from the standard colonoscopy procedure altogether," says Dr. Ayers. "It's important to be screened. Virtual colonoscopy makes it easy."

Virtual Colonoscopy is now performed at Manchester Memorial Hospital.

Accredited by the American College of Radiology. Learn more at acr.org/VirtualCT. Talk to your doctor about scheduling your virtual colonoscopy today.

[1] *https://www.cancer.org/cancer/colon-rectal-cancer/about/key-statistics.html*

safety education classes

AARP Driver Safety

A one-day classroom refresher course offered by AARP for individuals age 50 and older. No memorization of laws or tests.

Date: Tuesday, June 6
Time: 12:30-4:30 p.m.
Site: Manchester Memorial Hospital

Date: Tuesday, July 18
Time: 12:30-4:30 p.m.
Site: Rockville General Hospital Boardroom

$20 paid at class / $15 for AARP members. Call 860.533.6550 to register.





Infant, Child & Adult CPR Skills for Parents & Child Care Providers

This is the American Heart Association's Friends and Family CPR program. It imparts the lifesaving skills of both CPR and relief of choking for infants, children and adults. A registered nurse, who is also a certified CPR educator, teaches the course.

Dates: Mondays, July 10 or August 7
Time: 6-9:30 p.m.
Site: Manchester Memorial Hospital

$40 / Call 860.647.4790 to register.

First Aid for Parents & Child Care Providers

This four-hour course, taught by a registered nurse, covers uses of a first aid kit, handling of emergencies, and management of infectious diseases. When taken with "Infant, Child & Adult CPR for Parents and Child Care Providers," it meets Connecticut requirements for home daycare providers.

Date: Mondays, June 12 or August 14
Time: 6-10 p.m.
Site: Manchester Memorial Hospital

$35 / Call 860.647.4790 to register.

parent education & playgroup programs



Pregnant & Uninsured or Underinsured?

The Maternity Care Center at Rockville General Hospital offers complete prenatal and postpartum care to women on any state medical insurance plan, or who are uninsured or underinsured. Our full service group prenatal care model, "Family Circles" provides information on healthy pregnancy and prepares families for labor and birth at The Family Birthing Center at Manchester Memorial Hospital. Access to ultrasound, laboratory services and other prenatal testing provided as well as assistance enrolling in Husky plans.

Monday, Wednesday or Friday, between 9 a.m. and 4 p.m.

Call 860.872.5170.



Family Circles Program

The ECHN Maternity Care Center's Family Circles program provides group prenatal care to eight to 12 women, who are all due to give birth within eight weeks of each other. The group meets every other week to receive prenatal care and assessment from a healthcare professional, education/parenting skill development and nurturing support from women who are experiencing similar physiological and psychological changes. The classes are visual and interactive. A snack and small gift is provided at each class.

For more information, call 60.872.5170.

Childbirth Education Classes

All classes held at Manchester Memorial Hospital unless otherwise indicated.

For more information and to register, visit echn.org/calendar or call 860.647.4790.

Prepared Childbirth – Basic Five-Week Series

Learn the essentials for labor and birth, breastfeeding, and baby care in five weeks.

Mondays, 6-8:30 p.m.,
June 26-July 24;
August 28-October 2
(no class September 4)

Tuesdays, 6-8:30 p.m.
June 6-July 11 (no class July 4)
August 8-September 5

Wednesdays, 6-8:30 p.m.
July 12-August 9

$125 per couple; $140 Advanced Package Deal (includes Advanced Comfort Skills for Labor and hospital tour).



Prepared Childbirth Weekend No-Frills Option

Learn the essentials for labor and birth in one weekend.

Friday 6-9 p.m. & Saturday 10 a.m.-3 p.m.
June 16 & 17; July 28 & 29

$90 per couple; $125.00 per couple for Package Deal (includes Preparation for Labor & Delivery, Breastfeeding and Baby Care); $140.00 per couple for Advanced Package Deal (includes Package Deal above plus Advanced Comfort Skills for Labor and hospital tour).

Advanced Comfort Skills for Labor & Tour

Interactive class for parents who have completed the Basic Five-Week Series, Weekend No-Frills Option, Understanding Birth eClass or have had a baby before and want to learn more advanced comfort skills for labor.

Mondays, 5:30-8 p.m.,
June 12 or August 7

Tuesdays, 5:30-8 p.m., July 25

Wednesday, 5:30-8 p.m.,
July 5 or August 30

Tour is optional. $25 per couple.

Baby Care Class

Learn how to get through the first few weeks with a newborn. Hands-on instruction for diapering, swaddling and much more.

Thursday, 6-9 p.m., July 20

$30 per couple.



Breastfeeding Class

Get off to a good start with breastfeeding and learn what to expect in the first few weeks.

Thursdays, 6-8:30 p.m, June 29 or August 3

$35 per couple.

HypnoBirthing: The Mongan Method

Learn self-hypnosis, deep relaxation, simple breathing and visualization to release fear and achieve a calm, peaceful birth.

Tuesdays 6:30 p.m.-9 p.m., July 11-August 8

$250 per couple.

Prepared Childbirth Package Deals are also available. Visit our website: echn.org/classes for more information.





Just for You Sibling Class

Interactive class for children ages two through 10 who will soon have a newborn in the house. Includes a kid-friendly tour of the Family Birthing Center.

Thursday, 6-7 p.m., June 15 or July 27

$12 per child / $25 for families with 3 or more children.

Expectant Grandparent Class

Learn what is new with birthing practices, baby care, infant feeding and safety plus practical tips on how to best support the new family.

Thursdays, 6-8:30 p.m. June 22 or August 10

$15 per person.

Fit For Delivery

This ongoing prenatal exercise class helps moms feel better during pregnancy with improved muscle tone, energy, posture and so much more. Designed for all fitness levels.

Date: ***Every Tuesday & Thursday***
Time: ***6:30-7:30 p.m.***
Site: ***Community Y Manchester***

Fit After Delivery

A postpartum exercise class designed for mom and baby (age four weeks to crawling). Specially designed to help mom recover from pregnancy and birth at her own pace.

Fridays, 11:00 a.m.-noon June 2-June 23; July 7-July 28; August 11-September 8 (no class September 1)

$28 per 4-week session.



The following programs are offered through ECHN's Family Development Center. Trained staff will assist with placement in the appropriate program that best meets your needs.

"Parent as Teachers (PAT)" The PAT curriculum used in programs is a nationally recognized parent education and family support program serving families throughout pregnancy until their child enters kindergarten. The PAT program includes monthly one-on-one personal visits in your home with a certified PAT Parent Educator. Also included are regular screenings for your child to assess their overall development, information on parent workshops and information on resources in your community.



Early Head Start

Home visiting and play group opportunities. Offers child development, developmental screening, parent education, health, dental, disabilities and behavioral health services for prenatal women and children ages newborn to three.



Family Resource Centers *(Vernon & Manchester)*

Home visiting, parent-child playgroups, positive youth development, parenting education, developmental screening, support for family child care providers, resource and referral, links to adult education, preschool and after-school care.

Nurturing Connections

Supportive telephone calls by trained volunteers for first-time parents.

Nurturing Families Network

Free, federally funded program provides home visiting, parenting education, parent-child group experiences, and special services for dads/male partners. It is available to pregnant moms and their partners.

Parenting Support Services

Free, funded through the Department of Children and Families to provide focused, home visiting services to families around quality relationship building and/or parenting support for challenging behaviors.

The Positive Parenting Program curriculum and the internationally recognized Circle of Security program are used for support.

For more information on Family Development Center programs, call 860.432.5278 ext. 125.

The following playgroup programs are offered by ECHN's Vernon Family Resource Center. Included in your registration for these programs is a personal visit with a certified Parent Educator and a free developmental screening for your child.





Storybooks and Creations

Join us for a special story hour for your two- to four-year-old. "Mrs. Z," the children's librarian, will read stories that both children and adults love, followed by activities that make the stories come alive!

Date: *The first 3 Wednesdays of each month*
Time: *10:30-11:30 a.m.*
Site: *Rockville Public Library, 52 Union Street, Vernon*

Free / Call 860.335.6954 to register.

The following programs are offered at ECHN's Manchester Family Resource Center.

Play and Learn Together

This educational playgroup is for children birth through five years old. Learning activities are provided for parents and children to do together. They include art projects, story time, singing and educational toys. Snack is included.

Busy Bees
(Ages newborn-2 yrs old)

Dates: *June 7, 14, 26 & 28*
July 10, 12, 26 & 31
Aug. 2, 7, 9, 14, 16, 21, 23
Time: *10-11 a.m.*
Site: *Washington Elementary School, 94 Cedar Street, Manchester*

Free / Call 860.647.3330 to register.



Busy Bees
(Ages 3-5 years old)

Dates: *June 8, 15, 27 & 29*
July 18, 25 & 27
August 1, 3, 8, 10, 15, 17, 22, 24
(Call to confirm if class is being held on July 22 and August 22)
Time: *10-11 a.m.*
Site: *Washington Elementary School, 94 Cedar Street, Manchester*

Free / Call 860.647.3330 to register.



Welcoming My Baby

This eight-week group will help prepare expectant mothers to welcome their babies. Topics will include healthy pregnancy, healthy eating, baby development, preparing for the big day and care after birth. Snack is included.

Date: *June 15, 22 & 29; July 6 & 13*
Time: *10:30 a.m.-noon*
Site: *Babies R Us, 169 Hale Road, Manchester*

Free / Call 860.432.5278, ext. 122 to register.



support groups

Al-Anon

For families and friends of alcoholics.

Saturdays, 10-11:45 a.m.

Manchester Memorial Hospital

Alcoholics Anonymous

Sundays, 7:30-8:30 p.m.
Tuesdays, 5:30-6:30 p.m.

Manchester Memorial Hospital

Alzheimer's Support Group

Third Wednesday of each month, 9:30-11:30 a.m.

Visiting Nurse & Health Services of Connecticut

Call 860.872.9163, ext. 8346 to register.

ECHN Center for Weight Loss Bariatric Wellness Group

Support group meetings for pre- and postoperative weight loss surgical patients.

Call 860.533.4692 for more information and to register.

Bereavement & Grief Support Group

Every Monday

Visiting Nurse & Health Services of Connecticut

Call 860.872.9163, ext. 8425 for meeting times. Pre-registration required.

Brain Injury Alliance of CT Support Group

First Thursday of each month, 6-7 p.m.

Manchester Memorial Hospital

Call 860.219.0291, ext. 302 for information.

Breast Cancer Network of Strength

Twice each month on Mondays (excluding holidays), 5:30-7 p.m.

John A. DeQuattro Cancer Center

Call 860.875.2768 for more info.

Caregiver Support Group

First and third Thursday of each month, 10-11:30 a.m.

Visiting Nurse & Health Services of Connecticut

Call 860.872.9163, ext. 8611. Pre-registration required.

Charcot-Marie-Tooth Support Group

Manchester Memorial Hospital

Call 239.682.6785 for meeting schedule.

Diabetes Support Group: Sweet Talk

Third Tuesday of each month, 11 a.m.-noon

Manchester Memorial Hospital

Call Marie at 860.569.6436 for information.

ECHN Prostate Cancer Support Group

Second Wednesday of each month, 7-8:30 p.m.

John A. DeQuattro Cancer Center

Call 860.646.8168 for information.

Family Support Night

For families who are dealing with behavioral health or addiction issues.

Fourth Tuesday of each month, 6-7 p.m.

150 North Main Street, Manchester, CT

Call 860.533.3434, ext. 3818 for information.

La Leche League

Third Wednesday of each month, 6-8 p.m.

Manchester Memorial Hospital

Narcotics Anonymous

Wednesdays, 7-9 p.m.
Fridays, 7-10 p.m.

Manchester Memorial Hospital

Not So Typical Autism Support Group

Second Monday of each month, 6:30-8 p.m.

Manchester Memorial Hospital

Ostomy Support Group

First Tuesday of each month, 7-8:30 p.m.

Visiting Nurse & Health Services of Connecticut

Call 860.872.9163, ext. 8388 to register.

Overeaters Anonymous

Saturdays, 10-noon
Sundays, 10-noon

Rockville General Hospital Boardroom

Call 860.533.6550 for additional information on any of the support groups listed.

registration is easy!

Please register for programs using one of the following options:

ONLINE: Visit **echn.org/calendar** for convenient 24-hour online registration for many programs.

PHONE: Call **860.533.6550** Monday through Friday, 8 a.m.-4 p.m. After hours, please leave a message and we will return your call the next business day.

MAIL: Please complete this registration form and mail it to:

ECHN Community Education Department
71 Haynes Street
Manchester, CT 06040

FAX: Complete this registration form and fax it to **860.647.6415**.

Please print. Photocopy this form for multiple registrants.

Name:

Address:

City:

State: Zip:

Day Phone:

Evening Phone:

Email Address:

Name of Program	Site	Date / Time

Do you have any special needs or disabilities for which you will need assistance?

Notice of Nondiscrimination and Accessibility Policies
Discrimination is Against the Law

Eastern Connecticut Health Network (ECHN) complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. ECHN does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex.

ECHN:

- ***Provides free aids and services to people with disabilities to communicate effectively with us, such as:***
  - » ***Qualified sign language interpreters***
  - » ***Written information in other formats***
- ***Provides free language services to people whose primary language is not English, such as:***
  - » ***Qualified interpreters***
  - » ***Information written in other languages***

If you need these services, contact ECHN's Civil Rights Coordinator.

If you believe that ECHN has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with:

Patient Non-Discrimination Coordinator
71 Haynes Street, Manchester, CT 06040
860.646.1222 or CivilRights@echn.org

You can file a grievance in person or by mail, fax, or email. If you need help filing a grievance, ECHN's Civil Right Coordinator is available to help you.

You can also file a civil rights complaint with the U.S. Dept. of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at https://ocrportal.hhs.gov/ocr/portal/lobby.jsf, or by mail or phone at:

U.S. Department of Health and Human Services
200 Independence Avenue, SW
Room 509F, HHH Building
Washington, D.C. 20201
1.800.368.1019, 800.537.7697 (TDD)

Complaint forms are available at http://www.hhs.gov/ocr/office/file/index.html.

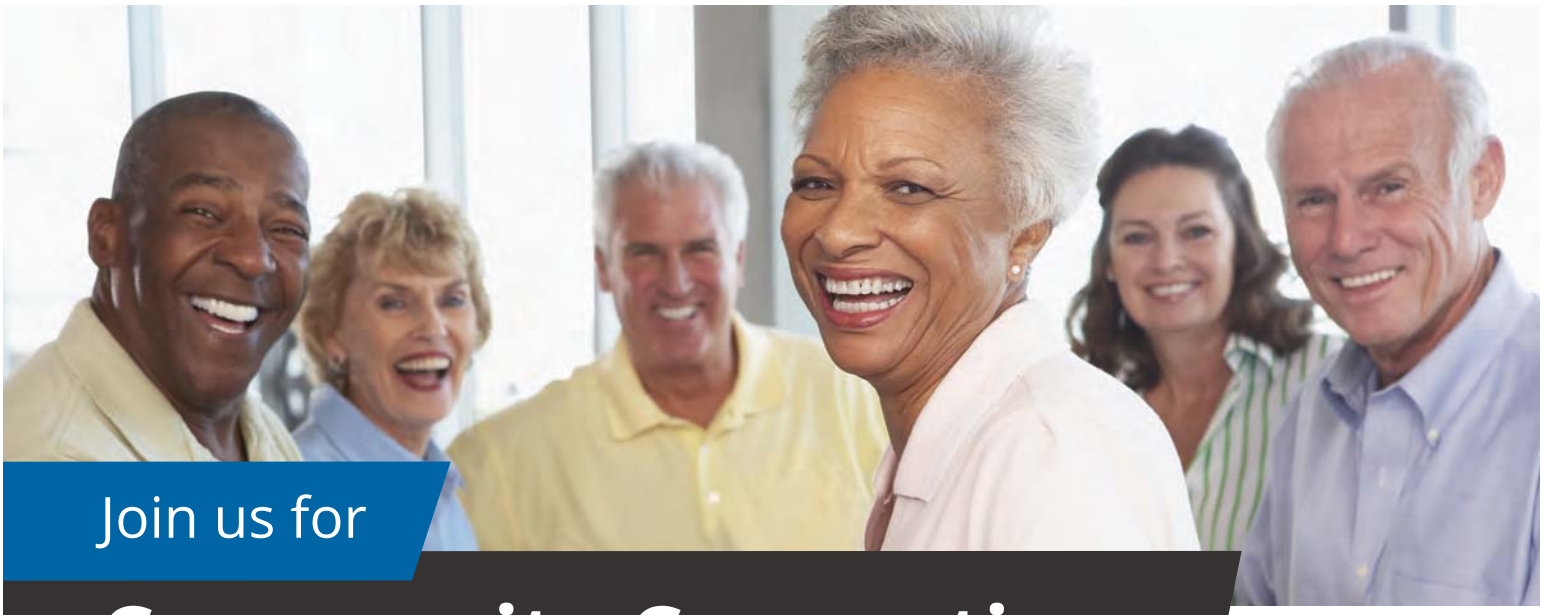
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- Manchester Memorial Hospital
- Rockville General Hospital
- Woodlake at Tolland
- John A. DeQuattro Cancer Center, home of the Eastern Connecticut Cancer Institute
- Eastern Connecticut Medical Professionals
- Visiting Nurse & Health Services of CT
- and more



Join us for

Community Connection

Get together with fellow community members and learn about exciting new programs happening at ECHN.

This will be a wonderful opportunity to connect with your neighbors while enjoying complimentary coffee and other refreshments.

Registration is appreciated.
Please call 860.647.6841 or email athompson@echn.org

When: **Fourth Wednesday of each month**
11:00 a.m. - noon

Where: **John A. DeQuattro Cancer Center**
100 Haynes Street
Manchester

echn.org

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Exhibit B

ECHN Community Health Education
Programming Guidelines

OVERVIEW
ECHN has a commitment to improving community health and wellness beyond the patient care that is provided within its facilities' walls.

Community health education programming is an important part of ECHN's community benefit efforts. Free or reduced-cost health screenings to underserved populations (i.e. those who are uninsured/underinsured, medically disabled, chronically ill, indigent, elderly, etc.) and free educational presentations and workshops that promote awareness and prevention of health concerns are examples of qualified community education programs.

To help ensure programming meets the requirements of community benefit standards, an ECHN Community Program Advisory Committee has been established. The following guidelines have been developed in consultation with the Committee and its members are involved with the selection of the education programs to be presented.

SOLICITATION & SUBMISSION PROCEDURE
All ECHN employees and members of the medical staff are welcome to submit a request to present a community education program or screening.

By submitting a Request to Present form, a presenter understands that he/she is acting as an educational representative of the ECHN organization.

Three times per year, the ECHN Community Education department places a call for submissions to all members of the ECHN Active Medical Staff and ECHN Groups 1-5 via email, fax or mail.

Submissions are requested in February for programs that will take place May - August, in June for programs that will take place September - December, and in October for programs that will take place January - April.

The Request to Present form must be completed in its entirety and submitted to the Community Education department. Incomplete submissions will be returned.

For planning purposes, submissions will not be accepted if received past the deadline stated on the Request to Present form.

SELECTION OF PROGRAMS
All completed Requests to Present will be brought before the ECHN Community Program Advisory Committee. The Committee will select the programs to be presented based on the following conditions:

- Top consideration is given to submissions that address an identified community health need(s).
- A maximum of twelve (12) unique programs will be scheduled per four-month session.

SCHEDULING
Once a program is selected for presentation, staff from the ECHN Community Education department will contact the presenter to coordinate scheduling and other logistics including presentation date, time, location, and equipment needs. Presenters of programs not selected for presentation will also be notified.

Exhibit B

PROMOTION

All scheduled programs will receive the following promotional support:

- Listing in ECHN's community magazine, *Better Being*, which is distributed to over 150,000 households in the ECHN service area
- Posting on the ECHN website (echn.org)
- Listing in ECHN's monthly community calendar print ad in local newspapers (programs that are nearing maximum enrollment may not be advertised)

REGISTRATION

The community must register for all programs via the ECHN website, mail or ECHN's community program registration line (860.533.6550).

The Community Education department reserves the right to cancel a program if fewer than ten people have registered for a program the day before the program is scheduled to be presented. If ten or more people are registered the day before a program, the presenter is expected to move forward with the presentation.

PRESENTATION REQUIREMENTS

Presenters must have a professional headshot photograph to be used in promotional efforts. If one is not on file with ECHN, the presenter must make arrangements to have his/her photograph taken with ECHN's photographer. All costs will be covered by ECHN.

If presenting a PowerPoint presentation, it must be e-mailed to the Community Benefit department the day before the scheduled presentation.

A presenter is expected to begin and end his/her presentation as scheduled. Presenters who, on more than one occasion, do not present their program as scheduled (for reasons other than weather-related) will not be selected as a presenter for a period of one year.

Presenters who need to cancel a presentation, due to unforeseen circumstances, may resubmit their program to the Community Program Advisory Committee to be considered for presentation during a future session. Rescheduling, for reasons other than weather-related, during the same session is not permitted.

Failure to comply with the above requirements may jeopardize eligibility to present future presentations.

Attendees will be asked to complete a short evaluation of the presenter and program content. All feedback received will be shared with the presenter as well as the ECHN Community Program Advisory Committee.

QUESTIONS

Questions regarding these guidelines should be directed to Community Education Program Coordinator, Karen Charry, who can be reached via phone at 860.646.1222, extension 2292, or via email at kcharry@echn.org. All questions will be brought before the ECHN Community Program Advisory Committee.

Revised 10/17/16

Exhibit C

FY20 17 ECHN Community Health Education Programs

Date	Program Title	Presenter	Attendance
10/6/2016	Fall Prevention and Balance	Victoria DePietro, DPT and Gina Koudelka, DPT	55
10/17/2016	The Ins and Outs of Hearing Aids	Valerie Knorr, AuD and Jeanne Evenson, AuD	52
10/24/2016	Shoulder Pain & Arthroscopic Rotator Cuff Repair	Daniel Veltri, MD	39
10/25/2016	Lunch & Conversation: Breast Health Screening	Julie Gershon, MD and Donna Cameron, BS, RN, CBCN	5
11/1/2016	Diabetes and the Eye	Ilona Shternfeld, MD	8
11/10/2016	Food for Thought	Mark Tousignant, MD	26
11/17/2016	Recurrent Urinary Tract Inections in Women	AeuMuro Lake, MD	52
11/30/2016	Don't Let Knee Pain Hold You Back Anymore!	Vipul Dua, MD	36
1/26/2017	Non-Surgical Options for Common Knee Problems	Kenneth Alleyne, MD	46
2/2/2017	New Year's Resolutions: Exercise and Nutrition	Alyssa Itzkowitz, DPT	57
2/8/2017	Pre-Diabetes: Let's Take Action	Nina Milone, RD, CDE, CDN	32
2/16/2017	From the Inside Out	Donna Cameron, BS, RN, CBCN, Women's Health Nurse Navigator; Hazar Dahhan, MD and Bridget Sutherland, MBA, RDN, CDN	39
2/21/2017	Chronic Pain Management	Raymond Squier, MD	27
3/7/2017	Fall Prevention and Balance	Gina Koudelka, DPT, LSVT and Victoria DePietro, DPT, CKTP	42
3/15/2017	Understanding Arthritic Conditions	Timothy Quan, MD	42
3/23/2017	The Art of Healthy Eating	Bridget Sutherland, MBA, RDN, CDN	50
3/29/2017	Glaucoma & Screenings	Ilona Shternfeld, MD	29
4/6/2017	Massage for General Well Being	Patricia Reagan, LMT (contracted massage therapist and reiki practitioner at the Women's Center for Wellness)	14
4/19/2017	Parkinson's Disease: Improving Speech and Movement	Peggy Bologna, RPT and Karen Aicher, CCC-SLP, PhD	19
6/6/2017	Nerve Pain and Neuropathy: Causes, Symptoms & Treatment Options	Michael Waddington, DO	37
6/7/2017	Label Reading in Real Life: A Visit to the Grocery Store	Amy Rapone, RD, CDN	2
7/18/2017	Feeling Dizzy? It Could be Vertigo	Gina Koudelka, DPT, LSVT; Priscilla Kowal, PT; Stephanie Torchia, DPT	45
8/17/2017	Acupuncture 101	Heather Finn, Lac	15
8/29/2017	Options in Spine Care	Jesse Eisler, MD, PhD	43
8/30/2017	Pre-Diabetes: Let's Take Action	Nina Milone, RD, CDE, CDN	27
9/20/2017	Label Reading in Real Life: A Visit to the Grocery Store	Amy Rapone, RD, CDN	5
		Total People Served	**844**

Exhibit D

Student Education Affiliations

Prospect Memorial Hospital and Prospect Rockville Hospital provide clinical settings for medical residents, medical students, nursing students, radiologic technicians, phlebotomy students, respiratory technicians, dietetic interns, pharmacy students, physical therapists, social workers and other students. The hospitals have agreements for student experiences with the following educational institutions:

Albertus Magnus College
American International College
Asnuntuck Community College
Aspen University
Boston University, rehabilitation
Branford Hall Career
Capital Community College
Central Connecticut State University
Eastern Connecticut State University
Edward Via College of Osteopathic Medicine
Fairfield University
Fordham University
Goodwin College
Manchester Community College
Marian University College of Osteopathic Medicine
Massachusetts College of Pharmacy and Health Sciences
Naugatuck Valley Community College
New York College of Podiatric Medicine
Nova Southeastern University
Porter and Chester Institute
Quinnipiac University
Sacred Heart University
Saint Joseph's College of Maine
Salisbury University
Samuel Merritt University
Southern Connecticut State University
Springfield College
Stone Academy
Three Rivers Community College
Touro College of Osteopathic Medicine
University of Cincinnati
University of Connecticut

Exhibit D

Student Education Affiliations

University of Hartford
University of New England College of Osteopathic Medicine
University of St. Joseph
Walden University
Western Connecticut State University
Widener University Center for Social Work
William Carey University
Yale University School of Nursing

Exhibit E

Prospect MMH Family Development Center

Early Head Start Program

The Early Head Start (EHS) program serves low-income children (birth to age three), pregnant women and their families residing in Manchester and/or Vernon. A Family Development Educator (FDE) provides parent education, child development information and learning activities.

EHS provides families with opportunities to get involved in their child's education.

Positive Parenting Program

Positive Parenting Program (Triple P) is a Connecticut State Department of Children and Families funded grant program. Triple P is suitable for parents with concerns about a child's behavior or who wish to learn a variety of parenting skills that will promote the development and potential of their child or teenager.

Nurturing Families Network Programs

The Nurturing Families Network (NFN) is designed to help new parents and consists of: (i) home visitation which helps first-time parents get off to a great start with a new baby and provides infant development and care information; (ii) Nurturing Connections provides phone support to help first-time parents adjust to their first few weeks home with a new baby; and (iii) Nurturing Group Classes for parents including information on prenatal wellness, nutrition, infant and child development, and parenting skills.

Maternal, Infant and Early Childhood Home Visiting Program (MIECHV)

The purpose of this program is to implement, expand and/or enhance high quality evidenced-based home visiting programs for children and families who reside in high-risk communities. The program provides home visiting, parent-child social activities, parent education groups, and a fatherhood initiative to prevent child abuse, promote healthy and safe children and strengthen families.

School-based Family Resource Center Services

The ECHN Family Resource Centers (FRC), located at Washington Media Arts Magnet School in Manchester and Maple Street School in Vernon, offer education and support services for the entire family Services included child care, school-age care, parent-child playgroups, parent education, home visits, support for child care providers, positive youth development, adult education, resources and referrals to community services.

Exhibit F

Prospect ECHN, MMH & RGH Sponsorships

Fiscal Year 2017

Organization	Date	Amount
Manchester Road Race	9/13/2016	$25,000.00
Glastonbury Education Foundation	12/2/2016	$2,500.00
Nutmeg Senior Rides	12/12/2016	$500.00
Greater Manchester Chamber of Commerce	12/20/2016	$1,300.00
Downtown Manchester Special Services District	1/10/2017	$400.00
The Sculpture Project	1/19/2017	$1,000.00
The Governor's Prevention Partnership, Inc.	2/22/2017	$5,000.00
MCC Foundation	2/24/2017	$1,500.00
South Windsor Chamber of Commerce	2/28/2017	$2,500.00
Taste of Manchester	3/22/2017	$500.00
Gift Shop	4/1/2017	$125.00
Hockanum Valley Community Council, Inc.	4/10/2017	$5,000.00
Highland Park Families Foundation	4/11/2017	$1,500.00
Bench Craft Company	4/11/2017	$750.00
Manchester Police Activities League	4/26/2017	$750.00
The Governor's Partnership to Protect CT's Workforce, Inc.	4/26/2017	$5,000.00
The Rotary Club of Manchester Foundation	4/26/2017	$400.00
The Allied Printing Services Charitable Foundation	5/4/2017	$1,000.00
MHS Football Booster Club	6/20/2017	$500.00
Hockanum Valley Community Council, Inc.	6/20/2017	$150.00
Manchester Rotary Foundation	6/26/2017	$700.00
Tolland County Chamber of Commerce	8/1/2017	$2,500.00
Almada Lodge Times Farm Camp Corp.	8/14/2017	$175.00
American Foundation for Suicide Prevention	8/16/2017	$1,000.00
Little Theatre of Manchester	8/16/2017	$500.00
Foodshare	8/17/2017	$750.00
Manchester Mayors' Foundation	8/29/2017	$500.00
South Windsor Chamber of Commerce	9/7/2017	$500.00
	Total	**$62,000.00**

ECHN
Eastern Connecticut Health Network, Inc.

CORPORATE ADMINISTRATIVE POLICY MANUAL

Title: Nondiscrimination: Auxiliary Aids and Services	**Section:**	200
	Policy Number:	205
	Effective Date:	11/01/16
	Page:	**1** of **11**

I. SCOPE:

The policies and procedures contained in this manual apply to Eastern Connecticut Health Network (ECHN) and its wholly-owned subsidiaries and affiliates.

II. PURPOSE:

The purpose of this policy is to develop a plan that accommodates individuals with special needs, as defined in Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act (ADA) of 1990 and Section 1557 of the Affordable Care Act of 2010, which prohibit discrimination on the basis of disability in the delivery of healthcare services. Individuals in need must be provided with auxiliary aids and services, at no cost, to allow them an equal opportunity to participate in and benefit from healthcare services. The appropriate communication method will be determined by considering the individual's demonstrated need in conjunction with the individual's preference.

ECHN Facilities are committed to full compliance with federal and state laws barring discrimination on the basis of disability. ECHN recognizes its legal obligations to ensure effective communication with persons who are deaf, hard of hearing or visually impaired. Furthermore, ECHN is committed to proactively assessing communication needs as well as providing the highest quality of services to all who use them. Qualified interpreters and/or other auxiliary aids and services are necessary to provide equal access to health services for deaf and hard of hearing individuals as well as those individuals that are visually impaired.

III. DEFINITIONS:

A. **Auxiliary Aids and Services** – services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities conducted by ECHN. For example, auxiliary aids useful for persons with impaired vision include readers, audio recordings, and other similar services and devices. Auxiliary aids useful for persons with impaired hearing include telephone handset amplifiers, telephones compatible with hearing aids, text telecommunication devices (TTYs), sign language interpreters, note takers, written materials, and other similar services and devices.

B. **Companion** – includes a person who is one of the following:
   1. A person whom the patient designates to communicate with ECHN Workforce Members on his or her behalf regarding the patient's condition or care or to help the patient act on the information, advice or instructions provided by ECHN;
   2. A person legally authorized to make healthcare decisions on behalf of the patient; or

3. Such other family member, friend or associate of the patient who, along with the patient, is an appropriate person with whom ECHN should communicate.

C. **Disability** – with respect to an individual, a physical or mental impairment that substantially limits one or more major life activities of such individual.

D. **Deaf** – a condition in which the person does not receive audible sounds, including speech, and must perform major life activities without audible cues.

E. **ECHN Workforce Member** – includes, but is not limited to all employees of Eastern Connecticut Health Network, Inc. and its subsidiaries; active, consulting, and courtesy medical staff, including those with temporary and permanent medical staff privileges, and members of their office staff who handle ECHN generated patient information; the Board of Trustees; Corporators; volunteers; contractors, subcontractors or those who bid for contracts or subcontracts; Auxilians; students; clergy and lay ministry, and designated members of their office staff; and transport personnel.

F. **Effective Communication** – any form of communication (for example, writing or speech) that leads to demonstrated understanding and is appropriate given the circumstances of the situation.

G. **Hard-of-Hearing** – a condition where the sense of hearing is defective, but functional to some degree, usually with the use of hearing aids, for purposes of most major life activities.

H. **Hearing Impaired** – a general term used to describe all types of hearing losses, ranging from a very minute loss to profound deafness.

I. **Interpretation** – the oral or physical transmittal of a message from one language into another.

J. **Non-scheduled Request** – a situation in which there are less than two (2) hours between the time when a patient or companion makes a request for an interpreter and when the services of an interpreter are necessary (*e.g.*, walk-ins, emergency situations, etc.).

K. **Protected Characteristic** – a characteristic of a person which cannot be targeted for discrimination in accordance with federal and/or state law. For the purposes of this policy protected characteristics include, but are not limited to: race, color, national or ethnic origin, age, religion, mental or physical disability, sex, sexual orientation, gender identity and expression, socio-economic status, marital status, medical condition, veteran status or any other characteristic protected under applicable federal or state law.

L. **Qualified Interpreter** – an interpreter who, via Video Remote Interpreting (VRI) service, telephonic interpreting or an on-site appearance, is able to interpret effectively, accurately and impartially both receptively and expressively, using any necessary specialized vocabulary. Not all interpreters are qualified for all situations. For example, an interpreter who is qualified to interpret using American Sign Language may not be qualified to interpret non-English languages.

M. **Scheduled Requests** – situations in which a patient or the patient's representative has made ECHN aware of a communication need when scheduling the appointment and there are two (2) or more hours between the time when an appointment is scheduled and when the services of the qualified interpreter are required.

N. **Telephonic Interpreting** – a service that connects qualified interpreters via telephone to individuals who wish to speak to each other, but do not share a common language.

O. **Text Telephone (TTY)** – a device that allows people with hearing or speech impairments to communicate over the telephone using some form of keyboard input and visual display output.

P. **Translation** – the process of translating words or text from one language into another.

Q. **Video Remote Interpreting (VRI)** – an interpreting service that uses video conference technology over dedicated lines or wireless technology offering high-speed, wide-bandwidth video connection that delivers high-quality video images. Whenever VRI is provided or used, ECHN shall ask the patient or companion whether the VRI is meeting his or her communication needs.

IV. POLICY:

It is the policy of ECHN not to exclude, deny services to, or otherwise discriminate against any person on the basis of protected characteristic(s) under applicable federal or state law. Reasonable accommodations will be made to ensure everyone, regardless of any characteristic, has an equal opportunity to participate in their own healthcare, or that of a companion's.

ECHN Workforce Members will provide qualified sign-language interpreters and/or other appropriate auxiliary aids and services where necessary to ensure effective communication with individuals with disabilities. This includes an obligation to provide effective communication to the companions of patients who are persons with disabilities. To achieve that goal, ECHN Workforce Members will inform patients and companions with disabilities of the availability, **at no cost to them**, of qualified interpreters and/or other auxiliary aids, and will provide each service promptly upon request.

ECHN has adopted an internal grievance procedure requiring prompt and equitable resolution of all complaints and grievances. Any person who believes he or she has been subjected to discrimination on the basis of a protected characteristic may file a grievance under this procedure. It is against the law and ECHN's policies and procedures for any member of ECHN to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance (see Corporate Administrative Policy #202: Rights and Responsibilities of Clients, Patients and Residents and Corporate Administrative Policy #203: Patient Complaints and Grievances).

V. PROCEDURE:

A. Patient Nondiscrimination Coordinator

1. The Patient Experience Coordinator, or respective affiliate designee(s), will serve as the Patient Nondiscrimination Coordinator to ensure compliance with any state or federal regulation related to the provisioning of auxiliary aids and services to patients or companions.
2. The Patient Nondiscrimination Coordinator, or respective affiliate designee(s), will know where the appropriate auxiliary aids are stored and how to operate them, and will be responsible for ensuring their maintenance, repair, replacement and distribution.

3. The Patient Nondiscrimination Coordinator, or respective affiliate designee(s), will distribute this policy as well as Attachment A: Communication and Language Services Quick Reference Guide for information on ECHN's language interpreting agency (see Corporate Administrative Policy #206: Nondiscrimination: Language Assistance to Persons with Limited English Proficiency (LEP)).
4. In addition, the Patient Nondiscrimination Coordinator, or respective affiliate designee(s), will ensure that all ECHN Workforce Members are trained on the auxiliary aids and services described in this policy.
5. The Patient Nondiscrimination Coordinator, or respective affiliate designee(s), will be responsible for the implementation of the Grievance Procedure outlined in Corporate Administrative Policy #203: Patient Complaints and Grievances.

B. Procedure for Patients or Companions with Auxiliary Aids and Services Needs

1. Initial Intake and Assessment of Patients

a. All ECHN Facilities shall ask every patient, as soon as practicable, upon scheduling or registration, whether the patient or any companion will be in need of communication services.

b. A proactive Communication Assessment Form (Attachment B) will be performed, as soon as the patient's condition reasonably allows, to assess the patient's or companion's needs in order to ensure effective communication:

   i. At the time an appointment is scheduled;
   ii. At the time ECHN becomes aware that a patient or companion may require auxiliary aids or services is being transferred or transported to an ECHN Facility; or
   iii. At the time the patient or companion initially arrives at ECHN or encounters an ECHN Workforce Member.

c. The assessment shall consider and take into account all relevant facts and circumstances, including without limitation the following:

   i. The patient's or companion's request for, stated need, or preference for, a qualified interpreter or other specific auxiliary aid(s) or service(s);
   ii. The nature, length, complexity and importance of the communication at issue;
   iii. The individual's disability, communication skills and knowledge;
   iv. The patient's health status or changes thereto;

v. The reasonably foreseeable healthcare activities of the patient (*e.g.*, medical tests or procedures, rehabilitation services, meetings with healthcare professionals or social workers, discussions regarding billing, insurance, self-care, prognoses, history and discharge); and

vi. Any factors relevant to determine whether the specific type of auxiliary aid or service will be effective.

d. If a patient or companion with communication needs has an ongoing relationship with ECHN, with respect to each of the subsequent visits, ECHN shall continue to provide appropriate auxiliary aids and services to the patient or companion during the entire period of the patient's hospitalization and/or outpatient visits, without requiring subsequent Communication Assessments or requests for the appropriate auxiliary aids and services by the patient or companion unless the patient or companion indicates otherwise.

e. The Communication Assessment Form shall be completed as soon as practicable as indicated in section (V)(B)(1)(b) for every patient or companion with indication of a communication services need unless there is indication or documentation of the following:

   i. The patient or companion has had a Communication Assessment completed within a month prior to the current visit, in which case ECHN Workforce Members shall rely on the previously documented Communication Assessment; or

   ii. The patient is arriving due to an emergency situation, in which case, a Communication Assessment of either the patient or companion shall be completed as soon as the patient's condition reasonably allows.

f. If a Communication Assessment was completed on a patient or companion a month prior to the current visit and the patient or companion subsequently waived communication services, another Communication Assessment will be completed for the patient or companion.

g. If ECHN determines that it cannot provide a particular auxiliary aid or service requested by a patient or companion with communication needs, ECHN Workforce Members shall advise the individual requesting the auxiliary aid or service of the determination.

h. ECHN Workforce Members shall document the basis for the determination if requested services cannot be provided, including the date of the determination, the name and title of the ECHN Workforce Member who made the determination and the alternative auxiliary aid or service, if any, that ECHN decided to provide, in the patient's medical record.

i. The ECHN Facility will retain the Communication Assessment and/or Waiver Form in the patient's medical record.

2. *Interpreting Services for Persons Who are Hearing-Impaired*
   a. ECHN shall provide, in a timely manner, a qualified interpreter and/or other appropriate auxiliary aids and services in all circumstances where necessary for effective communication with a patient or companion.
   b. For scheduled requests, when an interpreter is necessary to ensure effective communication, the servicing department shall make a qualified interpreter available at the time of the appointment.
   c. If an interpreter fails to arrive, the supervisor for the department/area shall be contacted immediately.
   d. The supervisor shall assist staff in contacting interpreter service or another resource to arrange for another qualified interpreter.
   e. The delay or non-arrival of the interpreter shall be documented in the patient's medical record and the Patient Nondiscrimination Coordinator, or respective affiliate designee(s), shall be notified.
   f. For non-scheduled requests, ECHN shall make a qualified interpreter available as soon as practicable, but no later than:
      i. Two (2) hours from the time the request for an on-site interpreter is made by the patient, the patient's representative or the patient's companion; or
      ii. Within fifteen (15) minutes of the request for an interpreter when providing an interpreter through VRI.
   g. If ECHN chooses to provide qualified interpreters via the VRI service, the ECHN Facility will ensure that it provides:
      i. Real-time, full motion video and audio over a dedicated, high-speed, wide-bandwidth video connection or wireless connection that delivers high-quality video images that do not produce lags, choppy, blurry, or grainy images or irregular pauses in communication;
      ii. A sharply delineated image that is large enough to display the interpreter's face, arms, hands and fingers and the participating individual's face, arms, hands and fingers regardless of his or her body position;
      iii. A clear, audible transmission of voices;
      iv. A qualified interpreter who is capable of communicating effectively with the patient or companion; and

v. Adequate training to users of the technology and other individuals involved, so that they may quickly and efficiently set up and operate the VRI.

3. *Services for Persons Who Are Blind or Visually Impaired*
   a. ECHN Workforce Members will provide appropriate auxiliary aids and services for blind or visually impaired patients or companions including qualified readers, large print materials, audio tape recordings of policies and procedures, as well as reading to the patient or companion.
   b. For any specific requests, ECHN Workforce Members shall contact the Patient Nondiscrimination Coordinator.
   c. Service Animals ***will*** be allowed in ECHN Facilities in accordance with Corporate Administrative Policy #213: Service Animals and Miniature Horses.
4. *Ongoing Assessment and Redetermination*
   a. ECHN shall reassess its determination of which auxiliary aids and services are necessary, in consultation with the patient or companion, when the patient or companion indicates that communication has not been effective.

C. Prohibition of Surcharges and Restricted Use of Minors or Adult Companions
   1. All appropriate auxiliary aids or services shall be provided ***free of charge*** to the patient or companion when such aids or services are necessary to ensure effective communication.
   2. ECHN shall not require a patient or companion to bring another individual to interpret or provide other communication services for him or her.
   3. ECHN shall not rely on a minor accompanying a patient or companion to interpret or facilitate communications between ECHN Workforce Members and a patient or companion except in an emergency involving an imminent threat to the safety or welfare of an individual or the public where there is no interpreter available.
   4. ECHN may not rely on an adult accompanying a patient or companion to interpret or facilitate communications between ECHN Workforce Members and a patient or companion except in an emergency involving an imminent threat to the safety or welfare of an individual or the public where there is no interpreter available or unless the following four factors are present:
      a. Where the individual with a disability specifically requests that the accompanying adult interpret or facilitate communication and such person agrees to provide such assistance;
      b. Such use is necessary or appropriate under circumstances, giving appropriate consideration to any privacy and confidentiality issues that may arise;

c. The patient or companion has been made aware of ECHN's full range of auxiliary aids and services available free of charge; and
d. The patient or companion provides written confirmation that he or she was made aware of relevant auxiliary aids and services available free of charge and agrees to the use of such person to interpret or facilitate communication (see Attachment C: Waiver of Interpreter Services Provided by ECHN).

5. ECHN may not rely on staff if they are not ***qualified*** interpreters, in order to communicate directly with individuals.

D. Waiver of Interpreter Services Provided by ECHN
1. If a person in need of communication services rejects a qualified interpreter, the ECHN Facility must secure a signed Waiver Form (Attachment C) from the individual (or note in the patient's chart that the patient or companion has refused an ECHN supplied interpreter and refused to sign the Waiver Form); such forms should be maintained in the patient's medical record.
2. Any patient or companion who initially executes the waiver can change his or her mind at any time simply by telling an ECHN Workforce Member that they want an interpreter to be provided.

E. Emergencies
1. The staff member should not compromise the patient's care by delaying the medical assessment and treatment when interpreter services are inappropriate or unavailable.
2. During an emergency, all available methods of communication will be utilized.

F. Complaints and Grievances
1. Any patient or companion dissatisfied with a decision made concerning auxiliary aids and services will have the ability to file a complaint or grievance as part of the Patient's Rights process, according to Corporate Administrative Policy #203: Patient Complaints and Grievances.
2. It is the policy of ECHN that any complaint or grievance received from a patient or their representative/companion will be investigated and an appropriate resolution will be communicated to the patient or representative/companion.
3. ECHN will not retaliate against or coerce in any way any person who made, or is making, a complaint or grievance, or who has assisted or participated in the investigation of any such matter.

G. Posting of Signage
1. ECHN Facilities will post a General Notice of Non-Discrimination, information on how to file a grievance and a Notice of Available Auxiliary Aids and Services in a conspicuous size and print in visible locations throughout the organization.
2. These notices will also be displayed on ECHN's website and published in ECHN's Patient Handbooks.

H. Training
1. ECHN shall provide training on auxiliary aids and services as well as nondiscrimination for all ECHN personnel.
2. ECHN shall provide training to new employees as part of their initial orientation and annually for all other ECHN employees.
3. ECHN shall maintain copies of the training material and attendance records.

VI. ATTACHMENTS:

Attachment A: Communication & Language Services Quick Reference Guide
Attachment B: Communication Assessment Form
Attachment C: Waiver of Interpreter Services Provided by ECHN

VII. INDIVIDUAL RESPONSIBLE FOR REVISION:

Patient Experience Coordinator

VIII. HISTORY:

Originated:	09/93
Reviewed, No Revisions:	
Reviewed, With Revisions:	11/98, 07/01, 11/07, 06/09, 10/16

IX. CROSS REFERENCE:

Corporate Administrative Policy #200: Nondiscrimination Policy
Corporate Administrative Policy #202: Rights and Responsibilities of Clients, Patients and Residents
Corporate Administrative Policy #203: Patient Complaints and Grievances
Corporate Administrative Policy #206: Nondiscrimination: Language Assistance to Persons with Limited English Proficiency (LEP)
Corporate Administrative Policy #213: Service Animals and Miniature Horses

X. REFERENCES:

29 U.S.C. §791 *et seq*
29 U.S.C. §794(a)
42 U.S.C. §1981(a) *et seq*
42 U.S.C. §2000(a) *et seq*
42 U.S.C. §12111 *et seq*
42 U.S.C. §12201-12204 and 12210
42 U.S.C §18116
28 CFR Part 36
29 CFR Part 32
42 CFR 482.13
42 CFR 483.10
42 CFR 483.12
42 CFR 482.58
45 CFR Part 80
45 CFR §84.7(b)
81 F.R. 31375
Joint Commission Standard RC.02.01.01
Joint Commission Standard RI.01.01.01
Joint Commission Standard RI.01.01.03

Lillanya Dantzler, Patient Experience Coordinator

Individual Responsible for Policy Development/Revisions

Rebecca Ford

Chief Compliance and Privacy Officer

Michael Collins

Interim President/CEO Date

Attachment A

COMMUNICATION & LANGUAGE SERVICES QUICK REFERENCE GUIDE

Interpreters and Translators, Inc. (iTi) provides language services for ECHN.

REQUESTING IN-PERSON INTERPRETER/TRANSLATOR

1. Information needed: Your Name, Phone Number, Language needed, Facility Location, Department Name, Patient's Name, Medical Record Number, Date and Time needed, Duration of appointment, Subject (ex. Informed consent, Medical procedure), Name of the staff the interpreter is meeting
2. Dial: 860-647-0686
3. An interpreter coordinator will answer and assist with scheduling

*Note: Because interpreters are in high demand, scheduled in-person visits are recommended but not required.

TELEPHONIC INTERPRETING (FOR LIMITED ENGLISH-PROFICIENT INDIVIDUALS ONLY)

1. Information needed: Your Name, Phone Number, Language needed, Facility Location, Department Name, Patient's Name, and Medical Record Number
2. Use Conference Hold to place the limited English speaker on hold.
3. DIAL: 1-800-245-9647 (this number is assigned to ECHN)
4. An operator will pick up and ask for your customer code.
5. ECHN Customer Code is: 182061

CALLING AN INDIVIDUAL WHO IS DEAF, HARD OF HEARING, DEAF-BLIND, SPEECH-DISABLED

1. From a regular phone, dial: 7-1-1 Relay CT
2. TTY phones may be used to contact individuals who are deaf, hard of hearing or speech impaired only if the person is known to have a TTY machine. They are located:
    a. MMH: Nursing Supervisor's office and Emergency Department
    b. RGH: Nursing Education office and Emergency Department

VIDEO REMOTE INTERPRETING (VRI)

1. Information needed: Your Name, Facility Name, Department Name, Patient Name and MRN
2. Log into the VRI iPad
3. Select the VRI application
4. Tap the language needed
5. Greet your interpreter, provide the information needed and proceed with communication

Eastern Connecticut Health Network, Inc.

Attachment A

REQUESTING WRITTEN DOCUMENT TRANSLATION

1. Complete the Translation Request Form located in Access E-Forms and on ECHN Portal/Quality Department/Patient Experience Section
2. Manager approval signature is required.
3. Email document along with the request form to: Translations@iTitranslates.com
4. An iTi Project Manager will confirm receipt of your request and provide you with a quote. This quote must be approved by you before they will proceed.
5. Forward the quote to the approving manager for record retention.
6. Final translated document will be emailed securely back to requestor.
7. Certificates of Accuracy are available at no additional cost

IMPORTANT TIPS:

DIALECTS: Because languages encompass various dialects, check periodically with the individual to ensure the language/dialect spoken is one they understand. If another dialect is needed, inform the interpreter, and try to obtain another. The telephonic language service covers a larger amount of languages/dialects.

UNKNOWN LANGUAGE: If you do not know what language to request, an iTi representative will help you.

WORKING WITH AN INTERPRETER: Give the Interpreter specific questions to relay. Group your thoughts or questions to help the conversation flow quickly. Speak directly to the individual and not to the interpreter. Use statements like “how are you today?” not “ask him how he is doing today?”

LENGTH OF CALL: Expect interpreted comments to run a bit longer than English phrases. Interpreters convey meaning-for-meaning, not word-for-word. Concepts familiar to English speakers often require explanation or elaboration in other languages and cultures.

INTERPRETER IDENTIFICATION: Interpreters identify themselves by their first name and number only. For reasons of confidentiality, they do not divulge either their full names or phone number.

DEMONSTRATION LINE: To hear a recorded demonstration of over-the-phone interpretation call iTi’s demonstration line at 1-800-996-8808

CONCERNS: should be reported to the manager as soon as possible.

Eastern Connecticut Health Network, Inc.

Attachment B

COMMUNICATION ASSESSMENT FORM

*It is the policy of ECHN to provide auxiliary aids and services **FREE OF CHARGE** to ensure effective communication with patients and companions.*

DATE/TIME: _____

Does the Patient/Companion Have a Need for Communication Services? ☐ YES ☐ NO

SECTION 1: PATIENT/COMPANION INFORMATION

1A. PATIENT NAME:		1B. DOB (MM/DD/YYYY):
1C. REQUESTED FOR:	1D. COMPANION NAME/RELATION TO PATIENT (IF COMPANION NEEDS SERVICES):	
☐ PATIENT ☐ COMPANION		
1E. TYPE OF VISIT:		1F. LOCATION:
☐ SCHEDULED APPOINTMENT ☐ NON-SCHEDULED APPOINTMENT		

1G. TYPE OF COMMUNICATION NEED (CHECK ALL THAT APPLY):	
SENSORY: ☐ DEAF/HARD OF HEARING ☐ BLIND/VISUAL IMPAIRMENT	
LANGUAGE: ☐ SPEECH IMPAIRMENT ☐ LIMITED ENGLISH PROFICIENCY (LEP)	
1H. PRIMARY LANGUAGE:	
1I. CAN INDIVIDUAL READ/WRITE ENGLISH	
1J. DOES INDIVIDUAL HAVE A COCHLEAR IMPLANT OR HEARING AID?	

NOTE: IF INDIVIDUAL WOULD LIKE TO WAIVE AUXILIARY AIDS/SERVICE PROCEED TO WAIVER FORM

SECTION 2: AUXILIARY AID(S)/SERVICE(S) REQUESTED AND PROVIDED

2A. TYPE OF AUXILIARY AID(S) OR SERVICE(S) REQUESTED:			
2B. DATE REQUESTED:		2C.TIME REQUESTED:	
2D. NATURE OF AUXILIARY AID(S)/SERVICE(S) PROVIDED (CHECK ALL THAT APPLY)			
☐ QUALIFIED INTERPRETER (see Sec. 3) ☐ VIDEO REMOTE INTERPRETIVE (VRI) SERVICE ☐ CT RELAY SERVICE ☐ TTY/TDD (Text Telephone)			
2E. ALTERNATIVE AUXILIARY AID(S) OR SERVICE(S) PROVIDED (Including Information on CD or Flash Drive, Audiotape, Braille, Large Print, Translated Materials):			

SECTION 3: NEED FOR QUALIFIED INTERPRETER

3A. TYPE OF QUALIFIED INTERPRETER NEEDED (*e.g.*, American Sign Language, Spanish, Polish, etc.):			
3B. REQUEST MADE TO (Name of Company):		3C. REQUEST DATE/TIME:	

IF A REQUEST FOR COMMUNICATIONS SERVICES IS DENIED, ECHN STAFF SHALL DOCUMENT THE BASIS FOR THE DETERMINATION, DATE/TIME, THE NAME AND TITLE OF THE INDIVIDUAL WHO MADE THE DETERMINATION, AND ANY ALTERNATIVE AID/SERVICE PROVIDED IN THE PATIENT'S MEDICAL RECORD.

MEDICAL RECORD COPY

Eastern Connecticut Health Network, Inc.

Attachment C

WAIVER OF INTERPRETER SERVICES PROVIDED BY ECHN

To be completed by the patient/companion ONLY if patient/companion would like to decline right to services for this visit.

It is your choice whether you use an interpreter provided by ECHN. ECHN has informed you that it does not require a patient or companion to bring someone to interpret for him or her. Additionally, ECHN has informed you of the range of auxiliary aids and services that are available to you ***free of charge***. By signing below, you are acknowledging that ECHN has offered to provide you with an interpreter free of charge, and that you have declined ECHN's offer. **If at any point in time during your course of treatment with ECHN, you wish to change any of your prior answers to the questions on this form or revoke your waiver, please notify your provider.**

Check all that apply:

☐ I prefer that _____ (name of individual to interpret) interpret or facilitate communications between ECHN personnel and myself.

☐ I do not use sign language or do not use an interpreter.

☐ I do not feel an interpreter is necessary or do not want one for this visit.

☐ Other (explain): _____

AUTHORIZATION

_____ _____

PRINT NAME/SIGNATURE OF PATIENT OR COMPANION **DATE/TIME**

_____ _____

PRINT NAME/SIGNATURE OF STAFF MEMBER **DATE/TIME**

MEDICAL RECORD COPY

ECHN
Eastern Connecticut Health Network, Inc.

CORPORATE ADMINISTRATIVE POLICY MANUAL

Title: Nondiscrimination: Language Assistance to Persons with Limited English Proficiency (LEP)	**Section:**	200
	Policy Number:	206
	Effective Date:	11/01/16
	Page:	**1** of **9**

I. SCOPE:

The policies and procedures contained in this manual apply to Eastern Connecticut Health Network (ECHN) and its wholly-owned subsidiaries and affiliates.

II. PURPOSE:

The purpose of this policy is to develop effective means, consistent with all federal and state laws requiring that persons with Limited English Proficiency (LEP) have equal and meaningful access to healthcare services.

III. DEFINITIONS:

A. **Companion** – includes a person who is one of the following:
   1. A person whom the patient designates to communicate with ECHN personnel on his or her behalf regarding the Patient's condition or care or to help the Patient act on the information, advice or instructions provided by ECHN;
   2. A person legally authorized to make healthcare decisions on behalf of the Patient; or
   3. Such other family member, friend or associate of the Patient who, along with the Patient, is an appropriate person with whom ECHN should communicate.

B. **ECHN Workforce Member** – includes, but is not limited to all employees of Eastern Connecticut Health Network, Inc. and its subsidiaries; active, consulting, and courtesy medical staff, including those with temporary and permanent medical staff privileges, and members of their office staff who handle ECHN generated patient information; the Board of Trustees; Corporators; volunteers; contractors, subcontractors or those who bid for contracts or subcontracts; Auxilians; students; clergy and lay ministry, and designated members of their office staff; and transport personnel.

C. **Effective Communication** – any form of communication (for example, writing or speech) that leads to demonstrated understanding and is appropriate given the circumstances of the situation.

D. **Interpretation** – the oral or physical transmittal of a message from one language into another.

E. **Language Assistance** – all oral and written language services needed to assist LEP individuals to communicate effectively with ECHN Workforce Members and to provide LEP individuals with meaningful access to, and an equal opportunity to participate fully in, the services, activities, programs, or other benefits provided by ECHN.

F. **Limited-English Proficient (LEP) Individual** – an individual who does not speak English as his or her primary language and who has a limited ability to read, write, speak, or understand English in a manner that permits him or her to communicate effectively with ECHN and have meaningful access to, and an equal opportunity to participate fully in, the services, activities, programs, or other benefits administered by ECHN.

G. **Non-scheduled Request** – a situation in which there are less than two (2) hours between the time when a patient or companion makes a request for an interpreter and when the services of an interpreter are necessary (e.g., walk-ins, emergency situations, etc.).

H. **Primary Language** – the language that an LEP individual identifies as the language that he or she uses to communicate effectively, and is the language which the individual has indicated they would prefer to use to communicate with ECHN.

I. **Protected Characteristic** – a characteristic of a person which cannot be targeted for discrimination in accordance with federal and state law. For the purposes of this policy protected characteristics include, but are not limited to: race, color, national or ethnic origin, age, religion, mental or physical disability, sex, sexual orientation, gender identity and expression, socio-economic status, marital status, medical condition, veteran status or any other characteristic protected under applicable federal or state law.

J. **Qualified Interpreter** – an interpreter who, via Video Remote Interpreting (VRI) service, telephonic interpreting or an on-site appearance, is able to interpret effectively, accurately and impartially both receptively and expressively, using any necessary specialized vocabulary. Not all interpreters are qualified for all situations. For example, an interpreter who is qualified to interpret using American Sign Language may not be qualified to interpret non-English languages.

K. **Scheduled Requests** – situations in which a patient or the patient's representative has made ECHN aware of a communication need when scheduling the appointment and there are two (2) or more hours between the time when an appointment is scheduled and when the services of the qualified interpreter are required.

L. **Telephonic Interpreting** – a service that connects qualified interpreters via telephone to individuals who wish to speak to each other, but do not share a common language.

M. **Translation** – the process of translating words or text from one language into another.

N. **Vital Documents** – include, but are not limited to: consent forms; complaint forms; letters or notices pertaining to eligibility for benefits; letters or notices pertaining to the reduction, denial or termination of services or benefits or that require a response from the LEP person; documents that must be provided by law; and notices regarding the availability of free language assistance services for LEP individuals.

O. **Video Remote Interpreting (VRI)** – an interpreting service that uses video conference technology over dedicated lines or wireless technology offering high-speed, wide-bandwidth video connection that delivers high-quality video images. Whenever VRI is provided or used, ECHN shall ask the Patient or Companion whether the VRI is meeting his or her communication needs and make a record of his or her response.

IV. POLICY:

ECHN will take reasonable steps to ensure that persons with Limited English Proficiency (LEP) have meaningful access and an equal opportunity to participate in services, activities, programs and other benefits. It is the policy of ECHN to ensure meaningful communication with all patients including LEP patients and their authorized representatives, who may be participating in treatment discussions and decision making.

All interpreters, translators and other aids shall be provided without cost and all patients, representatives and visitors shall be informed of the availability of such assistance. Language assistance will be provided through use of qualified interpreters and all staff shall be trained in effective communication techniques, including the effective use of an interpreter.

ECHN prohibits discrimination or harassment against any person because of any protected characteristic(s) under applicable federal or state law.

V. PROCEDURE:

A. Patient Nondiscrimination Coordinator

1. The Patient Experience Coordinator, or respective affiliate designee(s), will serve as the Patient Nondiscrimination Coordinator to ensure compliance with any state or federal regulation related to the provisioning of auxiliary aids and services to patients or companions.
2. The Patient Nondiscrimination Coordinator, or respective affiliate designee(s), will distribute this policy as well as Attachment A: Communication & Language Services Quick Reference Guide for information on ECHN's language interpreting agency.

3. In addition, the Patient Nondiscrimination Coordinator, or respective affiliate designee(s), will ensure that all ECHN Workforce Members are trained on obtaining language services through the contracted vendor.
4. The Patient Nondiscrimination Coordinator, or respective affiliate designee(s), will be responsible for the implementation of the Grievance Procedure outlined in Corporate Administrative Policy #203: Patient Complaints and Grievances.

B. Communication Assessment and Primary Language Identification

1. All ECHN Facilities shall ask every patient, as soon as practicable, upon scheduling or registration whether the patient or any companion will be in need of communication services.
2. A proactive Communication Assessment Form (Attachment B) will be performed, as soon as the patient's condition reasonably allows, to assess the patient's or companion's needs in order to ensure effective communication:
   a. At the time an appointment is scheduled;
   b. At the time ECHN becomes aware that a patient or companion may require language services is being transferred or transported to an ECHN Facility; or
   c. At the time the patient or companion initially arrives at ECHN or encounters ECHN Workforce Members.
3. The assessment shall consider and take into account all relevant facts and circumstances, including without limitation the following:
   a. The patient's or companion's request for, stated need, or preference for, a qualified interpreter;
   b. The nature, length, complexity and importance of the communication at issue;
   c. The individual's communication skills and knowledge;
   d. The patient's health status or changes thereto; and
   e. The reasonably foreseeable healthcare activities of the patient (*e.g.*, medical tests or procedures, rehabilitation services, meetings with healthcare professionals or social workers, discussions regarding billing, insurance, self-care, prognoses, history and discharge).
4. If a patient or companion with language needs has an ongoing relationship with ECHN, with respect to each of the subsequent visits, ECHN shall continue to provide appropriate language services to the patient or companion during the entire period of the patient's hospitalization and/or outpatient visits, without requiring subsequent Communication Assessments or requests for language services by the patient or companion unless the patient or companion indicates otherwise.
5. The Communication Assessment Form shall be completed as soon as practicable as indicated in section (V)(B)(2) for every patient or companion with indication of a

communication services need unless there is indication or documentation of the following:

a. The patient or companion has had a Communication Assessment completed within a month prior to the current visit, in which case the ECHN Facility shall rely on the previously documented Communication Assessment; or
b. The patient is arriving due to an emergency situation, in which case, a Communication Assessment of either the patient or companion shall be completed as soon as the patient's condition reasonably allows.

6. If a Communication Assessment was completed on a patient or companion a month prior to the current visit and the patient or companion subsequently waived communication services, another Communication Assessment will be completed for the patient or companion.
7. If ECHN determines that it cannot provide a particular language service requested by a patient or companion with LEP needs, ECHN Workforce Members shall advise the individual requesting the language service of the determination.
8. ECHN shall document the basis for the determination if requested services cannot be provided, including the date of the determination, the name and title of the ECHN Workforce Member who made the determination and the alternative auxiliary aid or service, if any, that ECHN decided to provide, in the patient's medical record.
9. The ECHN Facility will retain the Communication Assessment and/or Waiver Form in the patient's medical record.

C. Requests for Language Services

1. *In Person Interpreter*
   a. ECHN shall provide, in a timely manner, a qualified interpreter in all circumstances where necessary for effective communication with a patient or companion (see Attachment A: Communication & Language Services Quick Reference Guide).
   b. For scheduled requests, when an interpreter is necessary to ensure effective communication, the servicing department shall make a qualified interpreter available at the time of the appointment.
   c. If an interpreter fails to arrive, the supervisor for the department/area shall be contacted immediately.
   d. The supervisor shall assist staff in contacting interpreter service or another resource to arrange for another qualified interpreter.
   e. The delay or non-arrival of the interpreter shall be documented in the patient's record.
   f. For non-scheduled requests, ECHN shall make a qualified interpreter available as soon as practicable, but no later than:
      i. Two (2) hours from the time the request for an on-site interpreter is made by the patient, the patient's representative or the patient's companion; or

ii. Within fifteen (15) minutes of the request for an interpreter when providing an interpreter through VRI.

2. *Video Remote Interpreting*
   a. If ECHN chooses to provide qualified interpreters via the VRI service, the ECHN Facility will ensure that it provides:
      i. Real-time, full motion video and audio over a dedicated, high-speed, wide-bandwidth video connection or wireless connection that delivers high-quality video images that do not produce lags, choppy, blurry, or grainy images or irregular pauses in communication;
      ii. A sharply delineated image that is large enough to display the interpreter's face, arms, hands and fingers and the participating individual's face, arms, hands and fingers regardless of his or her body position;
      iii. A clear, audible transmission of voices;
      iv. A qualified interpreter who is capable of communicating effectively with the patient or companion; and
      v. Adequate training to users of the technology and other individuals involved, so that they may quickly and efficiently set up and operate the VRI.
3. *Telephonic Interpreting*
   a. For LEP individuals only, ECHN provides telephonic interpreting (see Attachment A: Communication & Language Services Quick Reference Guide).
4. *Requesting Written Document Translation*
   a. For the translation of documents, ECHN staff shall complete the iTi Document Translation Request Form (Attachment D), which is appended to this policy and can also be found in Access E-Forms and on the ECHN Portal/Quality Department/Patient Experience.
   b. Staff should follow directions provided in Attachment A: Communication & Language Services Quick Reference Guide.

D. Prohibition of Surcharges and Restricted Use of Minors or Adult Companions
   1. All appropriate language services shall be provided ***free of charge*** to the patient or companion when such aids or services are necessary to ensure effective communication.
   2. ECHN shall not require a patient or companion to bring another individual to interpret for him or her.
   3. ECHN shall not rely on a minor accompanying a patient or companion to interpret or facilitate communications between ECHN personnel and a patient or companion except in an emergency involving an imminent threat to the safety or welfare of an individual or the public where there is no interpreter available or when communication is limited to simple, straightforward matters such as scheduling appointments or confirming an

address and telephone number.

4. ECHN may not rely upon an adult accompanying a patient or companion to interpret or facilitate communications between ECHN personnel and a patient or companion except in an emergency involving an imminent threat to the safety or welfare of an individual or the public where there is no interpreter available or unless the following four factors are present:
   a. Where the individual specifically requests that the accompanying adult interpret or facilitate communication and such person agrees to provide such assistance;
   b. Such use is necessary or appropriate under the circumstances, giving appropriate consideration to any privacy and confidentiality issues that may arise;
   c. The patient or companion has been made aware of ECHN's full range of interpretation and translation services available free of charge;
   d. The patient or companion provides written confirmation that he or she was made aware of relevant interpretation and translation services available free of charge and agrees to the use of such person to interpret or facilitate communication (see Attachment C: Waiver of Interpreter Services Provided by ECHN).
5. ECHN may not rely on staff if they are not qualified interpreters, in order to communicate directly with individuals.

E. Waiver of Interpreter Services Provided by ECHN
   1. If a person in need of communication services rejects a qualified interpreter, the ECHN Facility must secure a signed Waiver Form (Attachment C) from the individual (or note in the patient's chart that the patient or companion has refused an ECHN supplied interpreter and refused to sign the Waiver Form); such forms should be maintained in the patient's medical record.
   2. ECHN will provide an interpreter if there is reason to believe that communication is being hindered by the family member or friend selected to interpret.

F. Emergencies
   1. The staff member should not compromise the patient's care by delaying the medical assessment and treatment when interpreter services are inappropriate or unavailable.
   2. During an emergency, all available methods of communication will be utilized.

G. Complaints and Grievances
   1. Any Patient or Companion dissatisfied with a decision made concerning language services will have the ability to file a complaint or grievance as part of the Patient's Rights process, according to Corporate Administrative Policy #203: Patient Complaints and Grievances.

2. It is the policy of ECHN that any complaint or grievance received from a Patient or their Representative/Companion will be investigated and an appropriate resolution will be communicated to the patient or representative/companion.
3. ECHN will not retaliate against or coerce in any way any person who made, or is making, a complaint or grievance, or who has assisted or participated in the investigation of any such matter.

H. Posting of Signage
1. ECHN Facilities will post notices of nondiscrimination and include taglines that alert individuals with LEP to the availability of language assistance services free of charge.
2. Such notices are also included on ECHN's website as well as in the Patient Guidebook.
3. Notices and signs will be posted and provided in intake areas and other points of entry, including but not limited to the Emergency Room, outpatient areas, etc.

I. Training
1. ECHN shall provide training on auxiliary aids and services as well as nondiscrimination for all ECHN personnel.
2. ECHN shall provide training to new employees as part of their initial orientation and annually for all other ECHN employees.
3. ECHN shall maintain copies of the training material and attendance records.

VI. ATTACHMENTS:

Attachment A: Communication & Language Services Quick Reference Guide
Attachment B: Communication Assessment Form
Attachment C: Waiver of Interpreter Services Provided by ECHN
Attachment D: iTi Document Translation Request Form

VII. INDIVIDUAL RESPONSIBLE FOR REVISION:

Patient Experience Coordinator

VIII. HISTORY:

Originated: 09/93
Reviewed, No Revisions:
Reviewed, With Revisions: 05/03, 10/07, 03/12, 10/16

IX. CROSS REFERENCE:

Corporate Administrative Policy #200: Nondiscrimination Policy

Corporate Administrative Policy #202: Rights and Responsibilities of Clients, Patients and Residents
Corporate Administrative Policy #203: Patient Complaints and Grievances
Corporate Administrative Policy #205: Nondiscrimination: Auxiliary Aids and Services

X. REFERENCES:

29 U.S.C. §794(a)
42 U.S.C. §1981(a) *et seq*
42 U.S.C. §2000(a) *et seq*
42 U.S.C §18116
42 CFR 482.13
42 CFR 483.10
42 CFR 483.12
42 CFR 482.58
45 CFR Part 80
45 CFR §84.7(b)
81 F.R. 31375
Executive Order 13166
Joint Commission Standard RC.02.01.01
Joint Commission Standard RI.01.01.01
Joint Commission Standard RI.01.01.03

Lillanya Dantzler, Patient Experience Coordinator

Individual Responsible for Policy Development/Revisions

Rebecca Ford

Chief Compliance and Privacy Officer

Michael Collins

Interim President/CEO Date

Attachment A

COMMUNICATION & LANGUAGE SERVICES QUICK REFERENCE GUIDE

Interpreters and Translators, Inc. (iTi) provides language services for ECHN.

REQUESTING IN-PERSON INTERPRETER/TRANSLATOR

1. Information needed: Your Name, Phone Number, Language needed, Facility Location, Department Name, Patient's Name, Medical Record Number, Date and Time needed, Duration of appointment, Subject (ex. Informed consent, Medical procedure), Name of the staff the interpreter is meeting
2. Dial: 860-647-0686
3. An interpreter coordinator will answer and assist with scheduling

*Note: Because interpreters are in high demand, scheduled in-person visits are recommended but not required.

TELEPHONIC INTERPRETING (FOR LIMITED ENGLISH-PROFICIENT INDIVIDUALS ONLY)

1. Information needed: Your Name, Phone Number, Language needed, Facility Location, Department Name, Patient's Name, and Medical Record Number
2. Use Conference Hold to place the limited English speaker on hold.
3. DIAL: 1-800-245-9647 (this number is assigned to ECHN)
4. An operator will pick up and ask for your customer code.
5. ECHN Customer Code is: 182061

CALLING AN INDIVIDUAL WHO IS DEAF, HARD OF HEARING, DEAF-BLIND, SPEECH-DISABLED

1. From a regular phone, dial: 7-1-1 Relay CT
2. TTY phones may be used to contact individuals who are deaf, hard of hearing or speech impaired only if the person is known to have a TTY machine. They are located:
    a. MMH: Nursing Supervisor's office and Emergency Department
    b. RGH: Nursing Education office and Emergency Department

VIDEO REMOTE INTERPRETING (VRI)

1. Information needed: Your Name, Facility Name, Department Name, Patient Name and MRN
2. Log into the VRI iPad
3. Select the VRI application
4. Tap the language needed
5. Greet your interpreter, provide the information needed and proceed with communication

Attachment A

REQUESTING WRITTEN DOCUMENT TRANSLATION

1. Complete the Translation Request Form located in Access E-Forms and on ECHN Portal/Quality Department/Patient Experience Section
2. Manager approval signature is required.
3. Email document along with the request form to: Translations@iTitranslates.com
4. An iTi Project Manager will confirm receipt of your request and provide you with a quote. This quote must be approved by you before they will proceed.
5. Forward the quote to the approving manager for record retention.
6. Final translated document will be emailed securely back to requestor.
7. Certificates of Accuracy are available at no additional cost

IMPORTANT TIPS:

DIALECTS: Because languages encompass various dialects, check periodically with the individual to ensure the language/dialect spoken is one they understand. If another dialect is needed, inform the interpreter, and try to obtain another. The telephonic language service covers a larger amount of languages/dialects.

UNKNOWN LANGUAGE: If you do not know what language to request, an iTi representative will help you.

WORKING WITH AN INTERPRETER: Give the Interpreter specific questions to relay. Group your thoughts or questions to help the conversation flow quickly. Speak directly to the individual and not to the interpreter. Use statements like “how are you today?” not “ask him how he is doing today?”

LENGTH OF CALL: Expect interpreted comments to run a bit longer than English phrases. Interpreters convey meaning-for-meaning, not word-for-word. Concepts familiar to English speakers often require explanation or elaboration in other languages and cultures.

INTERPRETER IDENTIFICATION: Interpreters identify themselves by their first name and number only. For reasons of confidentiality, they do not divulge either their full names or phone number.

DEMONSTRATION LINE: To hear a recorded demonstration of over-the-phone interpretation call iTi’s demonstration line at 1-800-996-8808

CONCERNS: should be reported to the manager as soon as possible.

Eastern Connecticut Health Network, Inc.

Attachment B

COMMUNICATION ASSESSMENT FORM

*It is the policy of ECHN to provide auxiliary aids and services **FREE OF CHARGE** to ensure effective communication with patients and companions.*

DATE/TIME: _____

Does the Patient/Companion Have a Need for Communication Services? ☐ YES ☐ NO

SECTION 1: PATIENT/COMPANION INFORMATION

1A. PATIENT NAME:		1B. DOB (MM/DD/YYYY):
1C. REQUESTED FOR:	1D. COMPANION NAME/RELATION TO PATIENT (IF COMPANION NEEDS SERVICES):	
☐ PATIENT ☐ COMPANION		
1E. TYPE OF VISIT:		1F. LOCATION:
☐ SCHEDULED APPOINTMENT ☐ NON-SCHEDULED APPOINTMENT		
1G. TYPE OF COMMUNICATION NEED (CHECK ALL THAT APPLY):		
SENSORY: ☐ DEAF/HARD OF HEARING ☐ BLIND/VISUAL IMPAIRMENT ***LANGUAGE:*** ☐ SPEECH IMPAIRMENT ☐ LIMITED ENGLISH PROFICIENCY (LEP)		
1H. PRIMARY LANGUAGE:		
1I. CAN INDIVIDUAL READ/WRITE ENGLISH		
1J. DOES INDIVIDUAL HAVE A COCHLEAR IMPLANT OR HEARING AID?		

NOTE: IF INDIVIDUAL WOULD LIKE TO WAIVE AUXILIARY AIDS/SERVICE PROCEED TO WAIVER FORM

SECTION 2: AUXILIARY AID(S)/SERVICE(S) REQUESTED AND PROVIDED

2A. TYPE OF AUXILIARY AID(S) OR SERVICE(S) REQUESTED:			
2B. DATE REQUESTED:		2C.TIME REQUESTED:	
2D. NATURE OF AUXILIARY AID(S)/SERVICE(S) PROVIDED (CHECK ALL THAT APPLY)			
☐ QUALIFIED INTERPRETER (see Sec. 3) ☐ VIDEO REMOTE INTERPRETIVE (VRI) SERVICE ☐ CT RELAY SERVICE ☐ TTY/TDD (Text Telephone)			
2E. ALTERNATIVE AUXILIARY AID(S) OR SERVICE(S) PROVIDED (Including Information on CD or Flash Drive, Audiotape, Braille, Large Print, Translated Materials):			

SECTION 3: NEED FOR QUALIFIED INTERPRETER

3A. TYPE OF QUALIFIED INTERPRETER NEEDED (*e.g.*, American Sign Language, Spanish, Polish, etc.):			
3B. REQUEST MADE TO (Name of Company):		3C. REQUEST DATE/TIME:	

IF A REQUEST FOR COMMUNICATIONS SERVICES IS DENIED, ECHN STAFF SHALL DOCUMENT THE BASIS FOR THE DETERMINATION, DATE/TIME, THE NAME AND TITLE OF THE INDIVIDUAL WHO MADE THE DETERMINATION, AND ANY ALTERNATIVE AID/SERVICE PROVIDED IN THE PATIENT'S MEDICAL RECORD.

MEDICAL RECORD COPY

Attachment C

WAIVER OF INTERPRETER SERVICES PROVIDED BY ECHN

To be completed by the patient/companion ONLY if patient/companion would like to decline right to services for this visit.

It is your choice whether you use an interpreter provided by ECHN. ECHN has informed you that it does not require a patient or companion to bring someone to interpret for him or her. Additionally, ECHN has informed you of the range of auxiliary aids and services that are available to you ***free of charge***. By signing below, you are acknowledging that ECHN has offered to provide you with an interpreter free of charge, and that you have declined ECHN's offer. **If at any point in time during your course of treatment with ECHN, you wish to change any of your prior answers to the questions on this form or revoke your waiver, please notify your provider.** Check all that apply:

☐ I prefer that _____ (name of individual to interpret) interpret or facilitate communications between ECHN personnel and myself.
☐ I do not use sign language or do not use an interpreter.
☐ I do not feel an interpreter is necessary or do not want one for this visit.
☐ Other (explain): _____

AUTHORIZATION

_____ _____
PRINT NAME/SIGNATURE OF PATIENT OR COMPANION **DATE/TIME**

_____ _____
PRINT NAME/SIGNATURE OF STAFF MEMBER **DATE/TIME**

MEDICAL RECORD COPY

Attachment D

iTi DOCUMENT TRANSLATION REQUEST FORM

Send requests via email to:

iTi Translation Department
Email: Translations@iTitranslates.com

Date of Request: _____

Name of Requestor & Title: _____

Location of Requestor: _____

Phone Number: _____

ECHN E-mail address: _____

Department Name: _____

Services Being Requested For: ☐ Patient ☐ Companion

Patient's Name and Medical Record Number: _____

Language Combination (e.g., English to Spanish): _____

Date Translated Document Needed: _____

Comments (e.g., Rush, Needed ASAP): _____

****APPROVAL REQUIRED****

(Manager's Signature Must Be Obtained Prior to Submitting Request)

_____	_____	_____
Manager's Print Name/Title	Manager's Signature	Date/Time

Total Number of Pages to Be Translated (Including Cover Page): _____

A Certificate of Accuracy must be obtained. Both the certificate and final translated document shall be forwarded to the respective Patient Nondiscrimination Coordinator or designee for record keeping.

MEDICAL RECORD COPY

Exhibit I

EASTERN CONNECTICUT HEALTH NETWORK
POLICY AND PROCEDURE

TITLE: Financial Assistance Policy and Procedure **Policy: 500**

TOPIC

Financial Assistance / Charity Care

ECHN is committed to providing financial assistance to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with their mission to deliver compassionate and high quality healthcare services and to advocate those who are poor and disenfranchised, ECHN strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

In accordance with the Federal Poverty Level (FPL) guidelines, all other uninsured patient will not be charged more than the amount generally billed to insured patients for emergency or medically necessary care.

PURPOSE

To identify those patients that qualify for charitable assistance and to complete write-off procedures that is in keeping with state and federal regulations.

A. ECHN is committed to providing financial assistance to persons who have health care needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for emergency or medically necessary care based on their individual financial situation.
B. It is the policy of ECHN to provide Financial Assistance based on indigence or high medical expenses for patients who meet specified financial criteria and request such assistance. The purpose of the following policy is to describe how applications for Federal Assistance should be made, the criteria for eligibility, and the steps for processing each application.
C. Financial assistance may be extended when a review of a patient's individual financial circumstances has been conducted and documented. This should include a review of the patient's existing medical expenses and obligations (including any accounts having gone to bad debt except those accounts that have gone to lawsuit and a judgment has been obtained) and any projected medical expenses. Financial Assistance Applications may be offered to patients whose accounts are with a collection agency and will apply only to those accounts on which a judgment has not been granted.
D. Race, gender, sexual orientation, religious or political affiliation, social or immigration status will not be taken into consideration.
E. To further ECHN's commitment to their mission to provide healthcare to patients seeking emergency care, ECHN will utilize an abbreviated application for financial assistance for their uninsured patients being seen in the Emergency Room. The patients eligible for this financial assistance must not be eligible for any other insurance benefits or have exhausted their insurance benefits, and do not have active medical assistance coverage. Eligibility will be granted in this case for the one visit only.

POLICY:

In order to provide the level of aid necessary to the greatest number of patients in need, and protect the resources needed to do so, the following guidelines apply:

Exhibit I

ECHN Eastern Connecticut Health Network

EASTERN CONNECTICUT HEALTH NETWORK
POLICY AND PROCEDURE

A. Patient
   a. Services are provided under charity care only when deemed emergency or medically necessary and after patients are found to have met all financial criteria based on the disclosure of proper information and documentation.
   b. Any patient who believes that they are qualified may apply for financial assistance under the hospitals' charity care policy or discount policy.
   c. Patients are expected to contribute payment for care based on their individual financial situation; therefore, each case will be reviewed separately.
   d. Charity Care is not considered an alternative option to payment and patients may be assisted in finding other means of payment or financial assistance before approval for charity care.
   e. Uninsured patients who may meet the State of CT Dept. of Social Services guidelines for Medicaid eligibility will be provided assistance in determining their eligibility as well as assisting with obtaining eligibility.
   f. Uninsured patients who are believed to have the financial ability to purchase health insurance may be encourage to do so in order to ensure healthcare accessibility and overall well-being.

B. Hospital
   a. ECHN will maintain an understandable, written financial assistance policy, clearly stating the eligibility criteria.
   b. ECHN will ensure that all financial assistance policies will be applied consistently.
   c. In applying the Financial Assistance policy, ECHN will assist the patent in determining if he/she is eligible for government- sponsored programs.

C. COMMUNICATION:
   a. Notices regarding availability of Financial Assistance at ECHN will be posted in public places around the hospital, on patient bills, and on our website.
   b. Financial Assistance Applications are available at all ECHN registration locations as well as on the ECHN Website, ECHN.org.
   c. Copies of this policy as well as the Financial Assistance Application can be obtained via the U.S. mail by calling our Customer Service Representative at 1-888-943-6042 or 860-646-1222 x2768.

D. FEDERAL POVERY LEVEL GUIDELINES (UPDATED ANNUALLY)

2017 Federal Poverty Guidelines	125%	150%	175%	200%	250%	300%	400%

% of Write Off	100%	90%	80%	70%	60%	50%	40%
Family Size							
1	15,075	18,090	21,105	24,120	30,150	36,180	48,240
2	20,300	24,360	28,420	32,480	40,600	48,720	64,960
3	25,525	30,630	35,735	40,840	51,050	61,260	81,680
4	30,750	36,900	43,050	49,200	61,500	73,800	98,400
5	35,975	43,170	50,365	57,560	71,950	86,340	115,120
6	41,200	49,440	57,680	65,920	82,400	98,880	131,840

7	46,425	55,710	64,995	74,280	92,850	111,420	148,560
8	51,650	61,980	72,310	82,640	103,300	123,960	165,280

Add $4,180 for each additional member

E. DISCOUNT GUIDELINES:

	UNINSURED	UNDERINSURED
Basis for calculating discount:	Hospital Gross Charges. Discounts apply to medically necessary services. Patients eligible for financial assistance will not be charged more than the amount generally billed to patients with insurance for emergency or other medically necessary care.	Hospital Gross Charges or the patient's balance after insurance payments. Discounts apply to medically necessary services. Patients eligible for financial assistance will not be charged more than the amount generally billed to patients with insurance for emergency or other medically necessary care.
Income Requirement for 100% discount	Income at or below 150% of FPL Guidelines	Income at or below 150% of FPL Guidelines
Income Requirements for other discounts	If household gross income is between 150% -400% of the FPL guidelines, the patient may qualify for a discount that is equal to or greater than the average discount received for the same services covered by Medicare, Medicaid and other private insurers. *Information on the discount calculation can be requested from our financial counselor.*	If household gross income is between 150% -400% of the FPL guidelines, the patient may qualify for a discount that is equal to or greater than the average discount received for the same services covered by Medicare, Medicaid and other private insurers. This discount will apply to the account balance. *Information on the discount calculation can be requested from our financial counselor.*
Catastrophic Circumstances	Special circumstances are handled on a case-by-case basis. We will take into consideration those circumstances that affect a patient's ability to pay, such as catastrophic event.	Special circumstances are handled on a case-by-case basis. We will take into consideration those circumstances that affect a

		patient's ability to pay, such as catastrophic event.

DEFINITIONS

The following terms are meant within this policy to be interpreted as follows:

a. Charity Care means free or discounted health care services rendered by a hospital to persons who cannot afford to pay, including but not limited to, care to the uninsured patient or patients who are expected to pay all or part of a hospital bill based on income guidelines and other financial criteria set forth in statute or in the hospital's charity care policies on file at OCHA.

b. Emergency Care: Immediate care which is necessary to prevent putting the patient's health in serious jeopardy, serious impairment to bodily functions, and serious dysfunction of any organs or parts.

c. Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal revenue Services rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposed of the provision of financial assistance.

d. Family Income: family income is determined using the census Bureau definition, which uses the following income when computing federal poverty guidelines.
   i. Includes earnings, unemployment compensation, workers' compensation, Social security, Supplemental security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income form estates, trusts, educational assistance, alimony, child support, assistance form outside the household, and other miscellaneous sources.
   ii. Noncash benefits (such as food stamps and housing subsidies) do not count.
   iii. Determined on a before-tax basis
   iv. If a person lives with a family, includes the income of all family members (non-relatives, such as housemates do not count)

e. Medically Necessary: hospital services or care rendered (both inpatient and outpatient) to a patient in order to diagnose, alleviate, correct, cure or prevent the onset of worsening conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or aggravate a handicap or result in overall illness.

f. Presumptive: other financial assistance, not charity care.

g. Underinsured: Patients who carry insurance of have third party assistance to help pay for medical services, but who accrue or have the likelihood of accruing out-of-pocket expenses which exceed their financial ability.

h. Uninsured: means a patient who is without health insurance for whom the payer responsible for payment of the bill for hospital services rendered is the patient, the patient's parent or guardian or another responsible person, who is not a third party payer and who is not subsequently reimbursed by another payer for the cost of any of the services rendered to the patient. A patient shall not be classified an uninsured patient, is such subsequent reimbursement takes place.

EASTERN CONNECTICUT HEALTH NETWORK
POLICY AND PROCEDURE

i. Urgent Care: Services necessary in order to avoid the onset of illness or injury, disability, death, or serious impairment or dysfunction if treated within 12 hours.

PROCEDURE

a. Services Eligible Under This Policy
   i. The following healthcare services are eligible for charity:
      1. Emergency medical services provided in an emergency room setting;
      2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
      3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
      4. Medically necessary services, evaluated on a case-by-case basis at ECHN's discretion.

b. Eligibility for Charity Care
   1. Eligibility for Charity Care will be based on an individual's assessment of financial need.
   2. Requires an application process.
   3. We expect cooperation from patients and guardians.
   4. May rely upon publicly available information and resources to determine the financial resources of the patient or a potential guardian.
   5. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
   6. The need for financial assistance shall be re-evaluated every six months or at any time additional information relevant to the eligibility of the patient for charity care becomes known.

c. Presumptive Financial Assistance Eligibility
   i. There are instances when a patient may appear eligible for charity care discounts, but are unable to provide supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with charity care assistance such as
      1. State-funded prescription programs;
      2. Patient is homeless or received care from a homeless clinic;
      3. Patient files bankruptcy
      4. Participation in Women, Infants and Children programs (WIC);
      5. Patient is eligible for assistance under the Crime Victims Act or Sexual Assault Act
      6. Food stamp eligibility;
      7. Subsidized school lunch program eligibility;
      8. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
      9. Low income/subsidized housing is provided as a valid address; and
      10. Patient is deceased with no known estate.

EASTERN CONNECTICUT HEALTH NETWORK
POLICY AND PROCEDURE

F. ASSESSMENT PROCESS

1. The application must be fully completed and signed by the patient / responsible party
2. Proof of income for applicant (and spouse if applicable) is verified by two forms of documentation which could include:
    a. Last four pay stubs
    b. Previous Year Federal Income Tax Form
    c. Previous Year W-2 Form
    d. Social Security Statement
    e. Unemployment Benefit Statement
3. Other documentation that may be required:
    a. Proof of disability compensation
    b. For Medicare patients a copy of their social security benefits, pension and retirement benefits and/or bank statements showing deposits
    c. Workers compensation deposits

i. The level of Charity Care provided will be determined based on the Federal Poverty Level in effect (please refer to the current year's sliding scale).

ii. Once a patient has been granted financial assistance, that patient shall not receive any future bills based on undiscounted gross charges.

E. COLLECTION PRACTICES FOR CHARITY CARE PATIENTS

a. Internal and external collection policies and procedures will take into account the extent to which a patient is qualified for charity care or discounts. In additional, patients who qualify for partial discounts are required to make a good faith effort to honor payment agreements with ECHN, including payment plans and discounted hospital bills. ECHN is committed to working with patients to resolve their accounts, and at it discretion, may provide extended payment plans to eligible patients. ECHN will not pursue legal action for non-payment of bills against charity care patients who have cooperated with the hospital to resolve their accounts and have demonstrated their income and/or assets are insufficient to pay medical bills.
b. During the eligibility process, other forms of financial assistance will be considered such as Medicare and Medicaid.
c. All billing is put on hold during the financial assistance application process. Patients are given the opportunity to provide any missing or incomplete information.

Hospital Billing and Collections Practices can be found on the ECHN Website (ECHN.org) or obtained by calling our Customer Service Representative at 1-888-943-6042.

Exhibit I

EASTERN CONNECTICUT HEALTH NETWORK
POLICY AND PROCEDURE

INDIVIDUAL RESPONSIBLE FOR REVISION: Director Patient Financial Services

ORIGINATED: 07/29/02

REVISION DATE:
11/26/12
04/15/13
08/20/14
06/30/15
02/19/16
02/07/17

User, OHCA

From: Cotto, Carmen
Sent: Friday, November 03, 2017 1:30 PM
To: Colleen Smith
Cc: Martone, Kim; Roberts, Karen; User, OHCA
Subject: RE: Compliance with CON Docket # 15-32016-486, Prospect ECHN_Condition #20

Hi Colleen,

This email is to follow up on any progress related to ECHN s search for a Community Representative at Vernon to join the local Advisory Board, as re uired under Condition 20, Docket 15-302016-486-CON.

Correspondence from ECHN received at OHCA on March 3, 2017 indicated that the Applicants had asked Vernon s Mayor to act as the
interim Community Representative and that he had attended the latest Advisory Board meeting on February 22, 2017.

Correspondence from you received at OHCA on March 6, 2017 below indicated that you will follow up on the progress regarding this matter.

No additional documentation has been received at OHCA after March 6th related to Condition 20 .

Please provide OHCA with an update on the search for a Community Representative at Vernon by the Applicants.

Thank you,
Carmen

Carmen Cotto, MBA
Associate Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, CT 06134
P: (860) 418-7039 |F: (860) 418-7053 |E: carmen.cotto@ct.gov

www.ct.gov/dph

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Monday, March 6, 2017 4:29 PM
To: Roberts, Karen <Karen.Roberts@ct.gov>

Cc: Martone, Kim <Kimberly.Martone@ct.gov>; Cotto, Carmen <Carmen.Cotto@ct.gov>; User, OHCA <OHCA@ct.gov>
Subject: Re: Compliance with CON Docket # 15-32016-486, Prospect ECHN

Dear aren,
Thank you for this update regarding Condition 20. I was aware that ECHN has experienced difficulty in finding a suitable Vernon representative for the local Advisory Board. I will follow up immediately with Dennis McConville and Michael Collins regarding their progress in filling this position with a ualified, unbiased Vernon community representative.
Sincerely,
Colleen Smith

Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

On Mar 6, 2017, at 1:14 PM, Roberts, aren aren.Roberts@ct.gov wrote:

To: Colleen Scott, MSN, RN, NEA-BC
Independent Monitor for Prospect ECHN CON Docket # 15-32016-486

Hi Ms. Scott – as the Independent Monitor for the Prospect ECHN CON under Docket # 15-32016-486, we wanted to alert you to several compliance related email communications that have recently occurred between the Office of Health Care Access (OHCA) and Mr. Michael Collins, Interim CEO for the two Prospect ECHN hospitals. Please reference PDF pages 716 – 772 of http://www.ct.gov/dph/lib/dph/ohca/con_completed/2016/15_32016_486_compliance.pdf for the recent communications that have occurred.

Condition #20 states:

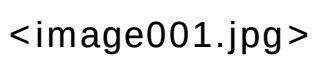
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At this time, there is no further questions for the Applicant in this regard, but OHCA will continue to need to be kept updated on the status of or any changes to the two community representatives, required pursuant to Condition #20.

Thank you.

Sincerely,

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E: *karen.roberts@ct.gov*



User, OHCA

From: Colleen Smith <colleen713.smith@gmail.com>
Sent: Friday, November 03, 2017 4:01 PM
To: Cotto, Carmen
Cc: Martone, Kim; Roberts, Karen; User, OHCA
Subject: Re: Compliance with CON Docket # 15-32016-486, Prospect ECHN_Condition #20

Dear Carmen,

In follow up to your □uestion concerning the Vernon community Board representative, the current mayor of Vernon, Mr. Dan Champagne, continues to serve as the Vernon community representative to the Board. He has voiced his intent to continue his service to the Board and has faithfully attended the monthly board meetings. At the current time, there are no plans to replace him.
I will notify you if this situation changes.

I would also like to follow up to my □uery of 8□28□17 concerning condition □19. Specifically, I want to verify that the 2 joint Board meetings followed by public community meetings held last spring in April and May on the Rockville and Manchester campuses satisfiy the re□uirements of condition □19.
I appreciate your guidance and attention to this matter.

Best regards,

Colleen smith

On Nov 3, 2017, at 1:30 PM, Cotto, Carmen □Carmen.Cotto@ct.gov□ wrote:

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Please provide OHCA with an update on the search for a Community Representative at Vernon by the Applicants.

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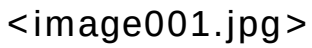
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Sent: Friday, November 03, 2017 5:38 PM
To: Colleen Smith
Cc: Martone, Kim; Roberts, Karen; User, OHCA
Subject: RE: Compliance with CON Docket # 15-32016-486, Prospect ECHN_Condition #20

Dear Colleen,

Thank you for your prompt response.

You will received a response to your re□uest related to Condition □19 early next week.

Carmen

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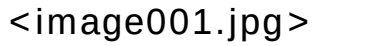
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Sent: Friday, November 03, 2017 6:12 PM
To: Cotto, Carmen
Cc: Martone, Kim; Roberts, Karen; User, OHCA
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Sincerely,
Colleen

Sent from my iPhone

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> Thank you for your prompt response.
>
> You will received a response to your re uest related to Condition 19 early next week.
>
> Carmen
>
> Carmen Cotto, MBA
> Associate Health Care Analyst
> Office of Health Care Access
> Connecticut Department of Public Health
> 410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, CT 06134
> P: (860) 418-7039 |F: (860) 418-7053 |E: carmen.cotto@ct.gov
>
> www.ct.gov/dph

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Friday, November 3, 2017 4:01 PM
To: Cotto, Carmen <Carmen.Cotto@ct.gov>
Cc: Martone, Kim <Kimberly.Martone@ct.gov>; Roberts, Karen <Karen.Roberts@ct.gov>; User, OHCA <OHCA@ct.gov>
Subject: Re: Compliance with CON Docket # 15-32016-486, Prospect ECHN_Condition #20

Dear Carmen,

In follow up to your □uestion concerning the Vernon community Board representative, the current mayor of Vernon, Mr. Dan Champagne, continues to serve as the Vernon community representative to the Board. He has voiced his intent to continue his service to the Board and has faithfully attended the monthly board meetings. At the current time, there are no plans to replace him.
I will notify you if this situation changes.

I would also like to follow up to my □uery of 8□28□17 concerning condition □19. Specifically, I want to verify that the 2 joint Board meetings followed by public community meetings held last spring in April and May on the Rockville and Manchester campuses satisfiy the re□uirements of condition □19.
I appreciate your guidance and attention to this matter.

Best regards,

Colleen smith

> On Nov 3, 2017, at 1:30 PM, Cotto, Carmen □Carmen.Cotto@ct.gov□ wrote:
>
> Hi Colleen,
>
> This email is to follow up on any progress related to ECHN□s search for a Community Representative at Vernon to join the local Advisory Board, as re□uired under Condition □20, Docket □15-302016-486-CON.
>
> Correspondence from ECHN received at OHCA on March 3, 2017 indicated that the Applicants had asked Vernon□s Mayor to act as the interim Community Representative and that he had attended the latest Advisory Board meeting on February 22, 2017.
>
> Correspondence from you received at OHCA on March 6, 2017 below indicated that you will follow up on the progress regarding this matter.
>
> No additional documentation has been received at OHCA after March 6th related to Condition □20 .
>
> Please provide OHCA with an update on the search for a Community Representative at Vernon by the Applicants.
>
> Thank you,
> Carmen
>
> Carmen Cotto, MBA
> Associate Health Care Analyst
> Office of Health Care Access
> Connecticut Department of Public Health
> 410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, CT 06134
> P: (860) 418-7039 |F: (860) 418-7053 |E: carmen.cotto@ct.gov


www.ct.gov/dph

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Monday, March 6, 2017 4:29 PM
To: Roberts, Karen <Karen.Roberts@ct.gov>
Cc: Martone, Kim <Kimberly.Martone@ct.gov>; Cotto, Carmen <Carmen.Cotto@ct.gov>; User, OHCA <OHCA@ct.gov>
Subject: Re: Compliance with CON Docket # 15-32016-486, Prospect ECHN

Dear aren,
Thank you for this update regarding Condition 20. I was aware that ECHN has experienced difficulty in finding a suitable Vernon representative for the local Advisory Board. I will follow up immediately with Dennis McConville and Michael Collins regarding their progress in filling this position with a ualified, unbiased Vernon community representative.
Sincerely,
Colleen Smith

Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

On Mar 6, 2017, at 1:14 PM, Roberts, aren
aren.Roberts@ct.gov wrote:

To: Colleen Scott, MSN, RN, NEA-BC
Independent Monitor for Prospect ECHN CON Docket # 15-32016-486

Hi Ms. Scott – as the Independent Monitor for the Prospect ECHN CON under Docket # 15-32016-486, we wanted to alert you to several compliance related email communications that have recently occurred between the Office of Health Care Access (OHCA) and Mr. Michael Collins, Interim CEO for the two Prospect ECHN hospitals. Please reference PDF pages 716 – 772 of http://www.ct.gov/dph/lib/dph/ohca/con_completed/2016/15_32016_486_compliance.pdf for the recent communications that have occurred.

Condition #20 states:

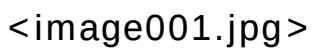
20. For three (3) years following the Closing Date, PMH shall allow for two (2) community representatives to serve as voting members of the New MMH and New RGH Local Board with rights and obligations consistent with other voting members under the Local Board Bylaws. The community representatives shall be selected in consultation with the Mayors of Manchester and Vernon in order to ensure the appointment of two unbiased persons who will fairly represent the interests of the communities served by MMH and RGH, respectively. OHCA is imposing this Condition to ensure continued access to health care services for the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(2),(3),(5),(7),(8),(11) & (12); FF 28-30*

At this time, there is no further questions for the Applicant in this regard, but OHCA will continue to need to be kept updated on the status of or any changes to the two community representatives, required pursuant to Condition #20.

Thank you.

Sincerely,

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E: *karen.roberts@ct.gov*



User, OHCA

From: Cotto, Carmen
Sent: Friday, November 03, 2017 5:38 PM
To: Colleen Smith
Cc: Martone, Kim; Roberts, Karen; User, OHCA
Subject: RE: Compliance with CON Docket # 15-32016-486, Prospect ECHN_Condition #20

Follow Up Flag: Follow up
Flag Status: Completed

Dear Colleen,

Thank you for your prompt response.

You will received a response to your re□uest related to Condition □19 early next week.

Carmen

Carmen Cotto, MBA
Associate Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, CT 06134
P: (860) 418-7039 |F: (860) 418-7053 |E: carmen.cotto@ct.gov

www.ct.gov/dph

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Friday, November 3, 2017 4:01 PM
To: Cotto, Carmen <Carmen.Cotto@ct.gov>
Cc: Martone, Kim <Kimberly.Martone@ct.gov>; Roberts, Karen <Karen.Roberts@ct.gov>; User, OHCA <OHCA@ct.gov>
Subject: Re: Compliance with CON Docket # 15-32016-486, Prospect ECHN_Condition #20

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Colleen smith

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Thank you,
Carmen

Carmen Cotto, MBA
Associate Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, CT 06134
P: (860) 418-7039 |F: (860) 418-7053 |E: carmen.cotto@ct.gov


www.ct.gov/dph

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Monday, March 6, 2017 4:29 PM
To: Roberts, Karen <Karen.Roberts@ct.gov>

Cc: Martone, Kim <Kimberly.Martone@ct.gov>; Cotto, Carmen <Carmen.Cotto@ct.gov>; User, OHCA <OHCA@ct.gov>
Subject: Re: Compliance with CON Docket # 15-32016-486, Prospect ECHN

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Colleen Smith

Colleen O'Brien Smith MSN RN NEA-BC
Nursing Consulting Partners, LLC
690C9 S. Park View Court
Franklin, WI 53132
Phone: 203-245-1044
Cell: 203-671-1348
colleen713.smith@gmail.com
http://nursingconsultingpartners.com/

On Mar 6, 2017, at 1:14 PM, Roberts, aren aren.Roberts@ct.gov wrote:

To: Colleen Scott, MSN, RN, NEA-BC
Independent Monitor for Prospect ECHN CON Docket # 15-32016-486

Hi Ms. Scott – as the Independent Monitor for the Prospect ECHN CON under Docket # 15-32016-486, we wanted to alert you to several compliance related email communications that have recently occurred between the Office of Health Care Access (OHCA) and Mr. Michael Collins, Interim CEO for the two Prospect ECHN hospitals. Please reference PDF pages 716 – 772 of http://www.ct.gov/dph/lib/dph/ohca/con_completed/2016/15_32016_486_compliance.pdf for the recent communications that have occurred.

Condition #20 states:

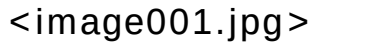
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At this time, there is no further questions for the Applicant in this regard, but OHCA will continue to need to be kept updated on the status of or any changes to the two community representatives, required pursuant to Condition #20.

Thank you.

Sincerely,

Karen Roberts
Principal Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, CT 06134-0308
P: (860) 418-7041 / F: (860) 418-7053 / E: *karen.roberts@ct.gov*



User, OHCA

From: Roberts, Karen
Sent: Thursday, November 16, 2017 12:06 PM
To: User, OHCA
Cc: Cotto, Carmen
Subject: FW: Request

From: Martone, Kim
Sent: Thursday, November 16, 2017 12:01 PM
To: 'Mcconville, Dennis P' <dmcconville@echn.org>
Cc: Roberts, Karen <Karen.Roberts@ct.gov>; Cotto, Carmen <Carmen.Cotto@ct.gov>
Subject: RE: Request

Dennis, your extension request is approved.

Kim

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
Phone: 860-418-7029 Fax: 860-418-7053
Email: Kimberly.Martone@ct.gov Website: www.ct.gov/ohca

From: Mcconville, Dennis P [mailto:dmcconville@echn.org]
Sent: Wednesday, November 15, 2017 3:22 PM
To: Martone, Kim
Subject: RE: Request

Thanks Kim,

I will wait for her reply.

Dennis

From: Martone, Kim [mailto:Kimberly.Martone@ct.gov]
Sent: Wednesday, November 15, 2017 2:27 PM
To: Mcconville, Dennis P
Subject: RE: Request

CAUTION: This email originated outside of ECHN. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Dennis, sorry I have been out of the office but I did get your voice mail. Any extension requests for conditions in settlements should be sent to Karen Roberts.

I did forward this to her. Thanks.

Kim

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
Phone: 860-418-7029 Fax: 860-418-7053
Email: Kimberly.Martone@ct.gov Website: www.ct.gov/ohca

From: Mcconville, Dennis P [mailto:dmcconville@echn.org]
Sent: Wednesday, November 15, 2017 1:23 PM
To: Martone, Kim
Subject: Request

Kim,

I'm writing to request an extension for a filing that is due November 30 for DN# 15-32016-486. Conditions 8, 9 and 10 from that decision require us to file financial information and our finance staff have asked if it is possible to move the due date to December 15. They are busy with the audits. Please let me know. Thank you.

Best regards,

Dennis

Dennis P. McConville
Senior Vice President, Chief Strategy Officer
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
(860) 268-4591 (cell)
dmcconville@echn.org

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

User, OHCA

From: Mcconville, Dennis P <dmcconville@echn.org>
Sent: Friday, December 15, 2017 10:19 AM
To: User, OHCA
Cc: Martone, Kim; Roberts, Karen; Colleen Smith; Ellen J. Shin (ellen.shin@prospectmedical.com); Tichy, Joyce A (Legal Department); Collins, Michael; Garrison DeLee (garrison.delee@prospectmedical.com); Frank.Saidara; Von.Crockett; Basile, Mary C; Veillette, Michael
Subject: 15-32016-486-CON
Attachments: Letter to Yvonne Addo, OHCA re DN 15-32016-486-CON 12 15 17 Final.pdf

The attached letter is submitted as required for condition number eight (8), condition number nine (9) and condition number ten (10) contained in the Final Decision for Docket Number: 15-32016-486-CON, the Transfer of Assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
(860) 268-4591 (cell)
dmcconville@echn.org

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

December 15, 2017

VIA EMAIL DELIVERY

Deputy Commissioner Yvonne Addo
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS 13HCA
P.O. Box 340308
Hartford, CT 06134

Re: **Docket Number: 15-32016-486**

Project Title: **Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.**

Dear Ms. Addo:

This letter is submitted in accordance with the Order for the above referenced Certificate of Need Final Decision, specifically Condition Number Eight (8), Condition Number Nine (9) and Condition Number Ten (10) regarding the transfer of assets of Eastern Connecticut Health Network, Inc. (ECHN) to Prospect Medical Holdings, Inc. (PMH).

Condition Number Eight (8) requires that on a semi-annual basis until the capital commitment is satisfied, PMH shall submit to OHCA a report on the capital investments ("Capital Investment Report") it has made in the New MMH, New RGH and their affiliates from the 75 million Commitment Amount. Please find the Capital Investment Report for Fiscal Year 2017 labeled as Exhibit A which includes payment dates, amounts and sources of funding. In addition, please find Exhibit B which includes all capital purchases for Fiscal Year 2017 that have been made or approved with purchase orders issued. The timeframes for the roll out of capital projects are also noted.

Condition Number Nine (9) requires that PMH provide a report for New ECHN, New MMH and New RGH on a semi-annual basis with the following information:

a. The cost saving totals achieved in the following Operating Expense Categories for New ECHN, New MMH and New RGH: Salaries and Wages, Fringe Benefits, Contractual Labor Fees, Medical Supplies and Pharmaceutical Costs, Depreciation and Amortization, Interest Expense, Malpractice Expense, Utilities, Business

Expenses, and other Operating Expenses. The categories shall be consistent with the major operating expense categories (Categories A, B, C, D, E, G, H, I, J, and) which are in use at the time of reporting in the OHCA Hospital Reporting System ("HRS") Report 175 or successor report. The semi-annual submission shall also contain narratives describing:

1. The major cost savings achieved for each expense category for the semi-annual period; and

2. The effect of cost savings on the clinical uality of care.

b. A Consolidated Balance Sheet, Statements of Operations, and Statements of Cash Flows for New ECHN, New MMH and New RGH. The format shall be consistent with that which is in use at the time of reporting in OHCA's HRS Reports 100/150, 300 350 or successor reports.

For Condition Number Nine (9.a.), please find Exhibit C which shows the expenses by category using the form of HRS Report 175 for the period of April 1, 2017 through September 30, 2017 as compared to the first half of Fiscal Year 2017, October 1, 2016 through March 31, 2017. Exhibit D contains information relating to the clinical uality of care provided at New MMH and New RGH this past year.

For Condition Number Nine (9.b.), please find Exhibit E using the form of HRS Reports 100 150 and 300 350 which includes the Consolidated Balance Sheet, Statements of Operations, and Statements of Cash Flows for New ECHN, New MMH and New RGH

Condition Number Ten (10) re uires that on a semi-annual basis, PMH provide a report for New ECHN, New MMH and New RGH with the following financial measurements indicators showing current month and year-to-date data and comparable prior year period data for New ECHN, New MMH and New RGH respectively :

Financial Measurement/Indicators

A. Operating Performance

1. Operating Margin
2. Non-Operating Margin
3. Total Margin

B. Liquidity

1. Current Ratio
2. Days Cash on Hand
3. Days in Net Accounts Receivables
4. Average Payment Period

C. Leverage and Capital Structure

1. Long-term Debt to E uity
2. Long-term Debt to Capitali ation
3. Unrestricted Cash to Debt

4. Times Interest Earned Ratio
5. Debt Service Coverage Ratio
6. E□uity Financing Ratio

D. <u>Additional Statistics</u>

1. Income from Operations
2. Revenue Over (Under) Expense
3. Cash from Operations
4. Cash and Cash E□uivalents
5. Net Working Capital
6. Free Cash Flow (and the elements used in the calculation)
7. Unrestricted Assets□Retained Earnings
8. Bad Debt as □ of Gross Revenue
9. Credit Ratings (S&P, FITCH, or Moody's)

Please find Exhibit F for the periods beginning on October 1, 2016 through March 31, 2017 and April 1, 2017 through September 30, 2017 showing current month and year to date measurements as re□uired for Condition Ten (10). Future reports will compare the data to the comparable period for the prior year.

If you have any □uestions or need anything further, please feel free to contact me at (860) 533-3429.

Very truly yours,

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network

Enclosures:

Exhibit A- Condition Number Eight (8) - Capital Investment Report
Exhibit B – Condition Number Eight (8) – Fiscal Year 2017 Approved Capital Expenditures
Exhibit C – Condition Number Nine (9.a) - Expenses by Category
Exhibit D – Condition Number Nine (9.a) – Effect of Cost Savings on Clinical Quality of Care
Exhibit E – Condition Number Nine (9.b.) - Consolidated Balance Sheets, Statements of Operations, and Statements of Cash Flows for New ECHN, New MMH and New RGH
Exhibit F – Condition Number Ten (10) - Current Month and Year to Date Measurements

cc: imberly R. Martone, Director of Operations, Office of Health Care Access, Connecticut Department of Public Health
aren Roberts, Principal Health Care Analyst, Office of Health Care Access, Connecticut Department of Public Health
Colleen Smith, Nursing Consultant Partners, LLC
Ellen J. Shin, General Counsel, Prospect Medical Holdings, Inc.
Joyce A. Tichy, Senior Vice President and General Counsel, ECHN
Michael Collins, CEO, ECHN
Von Crocket, Senior Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Frank Saidara, Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Garrison De Lee, Assistant General Counsel, Prospect Medical Holdings, Inc.

Exhibit A

Capital Investment Report
Paid Capital
FY 2017

Vendor	Entity	Item	Purpose	PO #	FundingType	October	November	December	January	February	March	Total	April	May
												********PAYMENT AMOUNT********		
MOREDIRECT INC	MMH	SECURITY SYSTEM UPGRADE	Replacement	C0016389	F			$3,227				$3,227		
ADVANCE SECURITY INTERGATION LLC	MMH	ACCESS CONTROL UPGRADE	Replacement	C0016390	F				$81,206			$81,206		
SECURITY 101	MMH	ACCESS CONTROL UPGRADE	Replacement	C0016390	F									
W.B. MASON COMPANY, INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C016300P	F					$1,813		$1,813		
RAINTECH SOUND & COMMUNICATION, INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C016300R	F		$13,278					$13,278		
STRYKER SALES CORPORATION	RGH	WALDEN EATING DISORDER UNIT	Renovation	C01630AU	F					$68,544		$68,544		
GE MEDICAL SYSTEMS INFORMATION	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300AV	F			$2,594				$2,594		
GRAYBAR ELECTRIC CO INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BB	F		$237					$237		
SHI INTERNAIONAL CORP	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BC	F		$1,881					$1,881		
SHI INTERNAIONAL CORP	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BC	F		$155					$155		
SOMA TECHNOLOGY, INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BD	F		$695					$695		
TRI-ANIM HEALTH SERVICES	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BG	F	$413						$413		
TRI-ANIM HEALTH SERVICES	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BG	F		$826					$826		
RAINTECH SOUND & COMMUNICATION, INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BH	F				$34,882			$34,882		
MODERN MECHANICAL SERVICES, INC	MMH	WATER TOWER TANKS	Replacement	C0016345	N		$90,487					$90,487		
ALL-PHASE ENTERPRISES INC	MMH	GENERATOR FLUE STACK	Replacement	C0016364	N		$9,430					$9,430		
SMITHS MEDICAL ASD INC	MMH	TEMP CHECK	Replacement	C0016379	N	$807						$807		
HILL-ROM	MMH	STRETCHER MATTRESSES (7)	Replacement	C0016388	N		$3,644					$3,644		
HILL-ROM	MMH	STRETCHER MATTRESSES (6)	Replacement	C0016393	N		$2,818					$2,818		
SCALES INDUSTRIAL TECHOLOGIES, LLC	MMH	QUINCY OILESS COMPRESSOR	Replacement	C0016394	N		$12,730					$12,730		
SCALES INDUSTRIAL TECHOLOGIES, LLC	MMH	QUINCY OILESS COMPRESSOR	Replacement	C0016394	N					$1,663		$1,663		
SAFEWARE, INC.	RGH	GAS ALERT DETECTOR	Replacement	C0016398	N					$195		$195		
SAFEWARE, INC.	RGH	GAS ALERT DETECTOR	Replacement	C0016398	N					$2,264		$2,264		
SAFEWARE, INC.	RGH	GAS ALERT DETECTOR	Replacement	C0016398	N								$2,458	
MOREDIRECT INC	WAT	IT - CISCO CATALYST	Replacement	C0016401	N								$10,884	
MOREDIRECT, INC.	RGH	IT - CISCO CATALYST	Replacement	C0016401	N									
JKS SYSTEMS, LLC	WAT	WOODLAKE CABLE RUNS	Replacement	C0016402	N								$5,241	
PRAXAIR DISTRIBUTION, INC	MMH	FBC - NITRONOX E STAND PACKAGE	Replacement	C0016403	N						$11,230	$11,230		
STERIS CORP	MMH	CENTURY STERILIZER COLOR DISPLAY	Replacement	C0016404	N									$10,29
STERIS CORP	MMH	SPD - 3 LEVEL MANIFOLD RACK	Replacement	C0016405	N						$13,662	$13,662		
GERMFREE LABORATORIES, INC	RGH	PHARMACY COMPOUNDING ISOLATOR	Replacement	C0016406	N									
OWENS & MINOR	MMH	DIGITAL SCALE WITH HANDRAILS	Replacement	C0016407	N								$1,606	
HILL-ROM	MMH	CLUB SLEEPER/MATRESS (MATERNITY)	Replacement	C0016408	N									$4,51
CARPETWORKS	MMH	NUCLEAR MED FLOORING	Replacement	C0016413	N						$5,429	$5,429		
CARPETWORKS	RGH	FLOORING - BIII, HOSPICE ICU WAITING RO	Replacement	C0016414	N						$19,452	$19,452		
CARPETWORKS LLC	RGH	FLOORING - BIII, HOSPICE ICU WAITING RO	Replacement	C0016414	N									
CARPETWORKS LLC	RGH	FLOORING - BIII, HOSPICE ICU WAITING RO	Replacement	C0016414	N									
CARPETWORKS	RGH	FLOORING - LITHOTRIPSY	Replacement	C0016415	N						$5,158	$5,158		
HILL ROM COMPANY INCORPORATED	RGH	MATTRESS REPLACEMENT	Replacement	C0016416	N									
KARL STORZ ENDOSCOPY AMERICA, INC.	MMH	VIDEO URETEROSCOPE	Replacement	C0016417	N									
INTOXIMETERS INC	MMH	INTOXIMETER SENSOR	Replacement	C0016418	N								$555	
FLAGSHIP NETWORKS, INC	MMH	CITRIX EDUCATION LICENSING	Replacement	C0016420	N									
SHI INTERNAIONAL CORP	MMH	IPAD AIR ACCESSORIES	Replacement	C0016421	N								$249	
SHI INTERNAIONAL CORP	MMH	APPLE IPAD AIR/ACCESSORIES (5)	Replacement	C0016421	N									$4,05
TRUMPF MEDICAL SYSTEMS	MMH	FOOT SUPPORT, ROTATABLE	Replacement	C0016422	N									$85
W.B. MASON CO INC	MMH	MATERNITY WAITING ROOM FURNITURE	Replacement	C0016425	N									
CDW GOVERNMENT INC	ECMP	HP PROBOOK WITH ACCESSORIES (4)	Replacement	C0016426	N									$4,41
TELEFLEX MEDICAL INCORPORATED	MMH	SURGICAL TOOLS	Replacement	C0016427	N								$3,279	
AESCULAP	MMH	SURGICAL TOOLS	Replacement	C0016428	N								$1,531	
INTERA LIFESCIENCES	MMH	LED HEADLIGHT (3)	Replacement	C0016429	N								$18,479	
SHI INTERNAIONAL CORP	MMH	APPLE IPOD TOUCH (50)	Replacement	C0016430	N								$10,365	
MOREDIRECT, INC.	MMH	FIREWALL REPLACEMENT	Replacement	C0016433	N									
MOREDIRECT, INC.	MMH	FIREWALL REPLACEMENT	Replacement	C0016433	N									
MOREDIRECT, INC.	MMH	FIREWALL REPLACEMENT	Replacement	C0016433	N									
CHIMENET, INC.	MMH	FIREWALL	Replacement	C0016434	N									
PRECISION COMPUTER SERVICES, INC	MMH	IT - CISCO B2000 SERVER/ACCESSORIES	Replacement	C0016435	N									$43,43
PRECISION COMPUTER SERVICES, INC.	MMH	CISCO B200 M4 BLADES/IMPLEMENTATION	Replacement	C0016435	N									
OLYMPUS AMERICA, INC	RGH	PORTABLE RHINO-LARYNGO FIBERSCOPE	Replacement	C0016436	N									$13,11
MORTARA INSTRUMENT, INC.	MMH	CARDIAC REHAB TREADMILL	Replacement	C0016437	N									
MORTARA INSTRUMENT, INC.	RGH	RHAB TREADMILL	Replacement	C0016438	N									
FOLLETT LLC	RGH	EDU - ICE MAKER/WATER DISPENSER	Replacement	C0016439	N									
ERBE USA INCORPORATED	MMH	ENDOSCOPY ACP SYSTEM	Replacement	C0016440	N									
ERBE USA INCORPORATED	RGH	ENDOSCOPY ACP SYSTEM	Replacement	C0016441	N									
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N									
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N									

Exhibit A

Capital Investment Report
Paid Capital
FY 2017

													********** PAYMENT AMOUNT **********		
Vendor	Entity	Item	Purpose	PO #	FundingType	October	November	December	January	February	March	Total	April	May	
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N										
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N										
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N										
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N										
W.B. MASON CO INC	WAT	CHOW RESIDENT ROOM FURNITURE	Renovation	C0016447	N										
W.B. MASON CO INC	MMH	BARIATRIC FURNITURE	Replacement	C0016448	N										
SHI INTERNAIONAL CORP	WAT	CISCO CATALYST - WAT COMPUTER ACCE	Replacement	C0016449	N									$2,247	
JKS SYSTEMS, LLC	WAT	IT WIRING AND CABLE INSTALL	Replacement	C0016450	N										
W.B. MASON CO INC	MMH	PHYSICIAN LOUNGE FURNITURE	Replacement	C0016454	N										
SCOTTCARE CORPORATION	MMH	VERSA CARE TELEMETRY MONITORING SY	Replacement	C0016455	N									$45,628	
CDW GOVERNMENT INC.	MMH	PT MIGRATION TO MEDITECH	Replacement	C0016456	N										
CDW GOVERNMENT INC.	MMH	PT MIGRATION TO MEDITECH	Replacement	C0016456	N										
SHI INTERNAIONAL CORP	MMH	HP745-PT MIGRATION TO MEDITECH	Replacement	C0016457	N									$25,014	
JKS SYSTEMS, LLC	MMH	REHAB ACCESS POINTS	Replacement	C0016458	N										
W.B. MASON CO INC	RGH	ED TASK CHAIRS (10)	Replacement	C0016460	N										
EHR INTEGRATION	ECMP	PATIENT ADT INTERFACE	Replacement	C0016463	N								$5,625		
EHR INTEGRATION SERVICES, LLC	ECMP	ED transition to ECMP Billing	Replacement	C0016463	N										
EHR INTEGRATION SERVICES, LLC	ECMP	ED transition to ECMP Billing	Replacement	C0016463	N										
EHR INTEGRATION SERVICES, LLC	ECMP	ED transition to ECMP Billing	Replacement	C0016463	N										
IATRIC SYSTEMS	MMH	ED TRANSITION TO ECMP BILLING	Replacement	C0016464	N										
JKS SYSTEMS, LLC	MMH	IT CABLING - 44 HAYNES	Replacement	C0016466	N										
MOREDIRECT, INC.	MMH	CRC HARDWARE	Replacement	C0016467	N										
MID-SOUTH TELECOM LLC	MMH	CRC PHONES	Replacement	C0016469	N										
AMPRONIX, INC.	MMH	MEDICAL VIDEO RECORDER	Replacement	C0016470	N										
MOREDIRECT, INC.	MMH	LAPTOP INVENTORY (20)	Replacement	C0016471	N										
MOREDIRECT, INC.	MMH	LAPTOP INVENTORY (20)	Replacement	C0016471	N										
FLAGSHIP NETWORKS, INC	MMH	MCAFEE FOR LAPTOPS (20)	Replacement	C0016472	N										
MCKESSON MEDICAL SURGICAL INC.	ECMP	INFECTIOUS DISEASE WALL UNITS	Replacement	C0016475	N										
EAGLE RIVET ROOF SERVICE CORP.	RGH	CHOW PLAN OF CORRECTION ROOF	Replacement	C0016476	N										
EAGLE RIVET ROOF SERVICE CORP.	RGH	CHOW PLAN OF CORRECTION ROOF	Replacement	C0016476	N										
EAGLE RIVET ROOF SERVICE CORP.	RGH	CHOW PLAN OF CORRECTION ROOF	Replacement	C0016476	N										
PHILIPS HEALTHCARE	RGH	CHOW PLAN OF CORRECTION ROOF	Replacement	C0016477	N										
HOLOGIC LIMITED PARTNERSHIP	MMH	MYOSURE HYSTEROSCOPE	Replacement	C0016478	N										
CLASSIC RESTAURANT SUPPLY	MMH	ICE MACHINE	Replacement	C0016479	N										
INTERIOR CONCEPTS	RGH	CORRIDOR DOOR REPLACEMENT	Replacement	C0016482	N										
INTERIOR CONCEPTS	RGH	CORRIDOR DOOR REPLACEMENT	Replacement	C0016482	N										
MCPHEE ELECTRICAL LTD	RGH	ICU Transformer Replacement	Replacement	C0016486	N										
SHI INTERNATIONAL CORP.	MMH	MED EDU HARDDRIVES AND BATTERIES	Replacement	C0016488	N										
SHI INTERNATIONAL CORP.	MMH	MED EDU HARDDRIVES AND BATTERIES	Replacement	C0016488	N										
SHI INTERNATIONAL CORP.	MMH	LAB DOCUMENT SCANNER	Replacement	C0016489	N										
CONNECTICUT BUSINESS SYSTEMS, LLC	RGH	PRINTER/SCANNER	Replacement	C0016490	N										
CONNECTICUT BUSINESS SYSTEMS, LLC	MMH	PRINTER	Replacement	C0016491	N										
MCKESSON MEDICAL-SURGICAL	WAT	TUB	Replacement	C0016492	N										
SMITH & NEPHEW ENDOSCOPY DIV.	MMH	SHOULDER POSITIONER	Replacement	C0016496	N										
SMITH & NEPHEW ENDOSCOPY DIV.	MMH	SHOULDER POSITIONER	Replacement	C0016496	N										
JKS SYSTEMS, LLC	RGH	WIRING - GI, CARDIO & OR	Replacement	C0016497	N										
SIEMENS MEDICAL SOLUTIONS USA, INC.	MMH	PACS UPGRADE	Replacement	C0016498	N										
HELMER SCIENTIFIC	MMH	LAB REFRIGERATOR	Replacement	C0016500	N										
GE HEALTHCARE IITS USA CORP	MMH	FBC EXPANSION -PROJECT	Replacement	C016281B	N	$3,845						$3,845			
MERRY X-RAY CHEMICAL CORP	MMH	VASCULAR- PROJECT	Replacement	C016312V	N	$652						$652			
CHIMENET, INC.	RGH	IDF UPGRADE/NETWORK REDESIGN	Replacement	C016376A	N				$2,400			$2,400			
CHIMENET, INC.	RGH	IDF UPGRADE/NETWORK REDESIGN	Replacement	C016376A	N					$4,111		$4,111			
MOREDIRECT INC	RGH	COMPUTER CABLES	Replacement	C016376G	N		$1,403					$1,403			
DC CONSULTING SERVICE LLC	ECMP	SOFTWARE	Replacement	C016382B	N	$990						$990			
JKS SYSTEMS, LLC	ECMP	COMPUTER SCANNER	Replacement	C016385A/E	N	$412						$412			
FLAGSHIP NETWORKS, INC	ECMP	LICENSE FEE	Replacement	C016385D	N			$950				$950			
MCKESSON MEDICAL SURGICAL	ECMP	BARIATRIC SCALE	Replacement	C016385F	N	$1,550						$1,550			
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJ	Renovation	C016395A	N	$2,000						$2,000			
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJ	Renovation	C016395A	N	$3,950						$3,950			
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJ	Renovation	C016395A	N	$3,570						$3,570			
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJ	Renovation	C016395A	N				$2,380			$2,380			
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	Renovation	C016396A	N	$1,250						$1,250			
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	Renovation	C016396A	N	$6,275						$6,275			
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	Renovation	C016396A	N	$3,525						$3,525			
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	Renovation	C016396A	N				$2,350			$2,350			
MOSER PILON NELSON	MMH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409A	N						$45,100	$45,100			

Exhibit A

Capital Investment Report
Paid Capital
FY 2017

Vendor	Entity	Item	Purpose	PO #	FundingType	October	November	December	January	February	March	Total	April	May
						**********	**********	**********	**********	**********	PAYMENT AMOUNT	**********	**********	**********
MOSER PILON NELSON	MMH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409A	N									
MOSER PILON NELSON	MMH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409A	N									
MOSER PILON NELSON	MMH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409A	N									
STANDARD BUILDERS, INC.	RGH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409B	N									
IRVING D. MOY	RGH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409L	N									
IRVING D. MOY	RGH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409L	N									
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410A	N						$165,635	$165,635		
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410A	N								$10,000	
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410A	N									$55,250
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410A	N									
STANDARD BUILDERS, INC.	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410B	N									
STANDARD BUILDERS, INC.	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410B	N									
ABATEMENT PLUS, LLC	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410T	N									
ABATEMENT PLUS, LLC	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410T	N									
ALL-PHASE ENTERPRISES, INC.	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410U	N									
HORAK PAINTING CONTRACTORS	RGH	RGH GROUND FLOOR CORRIDOR PAINTIN	Renovation	C016480C	N									
HORAK PAINTING CONTRACTORS	RGH	RGH GROUND FLOOR CORRIDOR PAINTIN	Renovation	C016480C	N									
CARPETWORKS LLC	MMH	PHARMACY ENGINEERING -PROJECT	Replacement	C15875HH	N		$670					$670		
PRO-TECH	WAT	FIRE BLOCKING	Replacement		N					$6,391		$6,391		
CTGI	MMH	LAB - GI COMPUTER INTERFACE	Replacement		N						$17,670	$17,670		
						$29,238	**$138,254**	**$6,771**	**$123,219**	**$84,979**	**$283,336**	**$665,798**	**$70,273**	**$208,818**
		Financing (Debt, Lease)			F	**$413**	**$17,073**	**$5,821**	**$116,089**	**$70,357**	**$0**	**$209,753**	**$0**	**$0**
		New FY 2017 Spending (Operations)			N	**$28,825**	**$121,181**	**$950**	**$7,131**	**$14,622**	**$283,336**	**$456,045**	**$70,273**	**$208,818**
		TOTAL				**$29,238**	**$138,254**	**$6,771**	**$123,219**	**$84,979**	**$283,336**	**$665,798**	**$70,273**	**$208,818**

Michael D. Veillette, Chief Financial Officer, Prospect ECHN, Inc.

Exhibit B

Prospect ECHN, Inc.
FY2017 Approved Capital Expenditures

Vendor Name	Facility	Item Description	Amount	Purpose	Notes
Otis Elevator	MMH	Elevator Sheave Replacement	35,255.00	Repair	
Connection, JKS Systems	ECHN	Voice Mail System Replacement	76,866.48	Replacement	
Omnicell, Inc.	MMH/RGH	Omnicell Dispensing System	1,306,013.10	Replacement	
Connection, JKS Systems	WAT	Wireless Network Expansion	15,721.32	New, Expansion	
GermFree	RGH	Germfree VF-4USP Compounding Aseptic Isolator	16,015.55	Replacement	
Steris Corporation	MMH	Sterilizer Centry Color Display Upgrade	10,949.80	Replacement	
Steris Corporation	MMH	Steris Manifold Racks and Carts (4)	16,647.94	Replacement	
Owens and Minor	MMH		1,692.29	Replacement	
Hill-Rom	MMH	Sleeper Chairs (2)	4,804.04	Replacement	
Praxair	MMH	Nitrous Oxide Delivery System (2)	11,147.61	New, Expansion	
Standard Builders, Inc.	RGH	Renovations for Adult Behavioral Health Unit	4,172,153.04	Replacement	Renovations in process to expand adult behavioral health capacity with 24 beds, completion expected December 2017
Standard Builders, Inc.	MMH	Renovations for Geropsychiatry Unit	818,129.28	Replacement	Renovations underway to provide separate program spaces for adolescent and geriatric patient populations, completion targeted for December 2017
Standard Builders, Inc.	MMH	BHU Safety Renovations	344,700.00	Replacement	In process, with replacement of acoustic ceilings with drywall, targeted completion by December 2017
Flagship Networks	ECHN	Citrix Licenses	9,635.40	New, Expansion	
SHI	MMH/RGH	iPods - Communications Services	4,721.74	New, Expansion	
Karl Storz	MMH	Ureteroscope	19,949.77	Replacement	
Carpetworks, LLC	RGH	Replacement Flooring - Lithotripsy Room	5,157.98	Replacement	
Carpetworks, LLC	RGH	Replacement Flooring - RGH Waiting Rooms	21,042.41	Replacement	
Carpetworks, LLC	MMH	Replacement Flooring - MMH Waiting Rooms	5,429.17	Replacement	
Hill Rom Company	RGH	Mattresses (35)	20,136.63	Replacement	
Prestige Medical Imaging	RGH	Portable X-Ray Unit	148,786.65	Replacement	
Intoximeters, Inc.	MMH	Breath Alcohol Tester	590.23	Replacement	
Teleflex Medical	MMH	Laparoscopic Tray	4,624.20	Replacement	
Integra Life Sciences	MMH	Surgical Headlights	19,662.41	Replacement	
Trumpf Medical	MMH	Trumpf OR Table Extension	903.98	New, Expansion	
Aesculap, Inc.	MMH	Orthopedic Large Bone Tray	1,628.15	Replacement	
WB Mason Company, Inc.	MMH	Waiting Rooms & Maternity Education Room Furniture	27,586.13	Replacement	
WB Mason Company, Inc.	RGH	Waiting Rooms & Nurse Lounge Furniture	15,862.10	Replacement	
WB Mason Company, Inc.	RGH	ED Waiting Room Flooring Replacement	13,033.19	Replacement	
CDW/SHI/Flagship	ECMP	Laptops, PCs	7,711.19	New, Expansion	
SHI	MMH/RGH	iPods for Secure Texting	11,022.88	New, Expansion	
Precision Computer Services, Inc.	ECHN	UCS Chassis & Blade Servers	50,885.35	New, Expansion	
Connection/CHIMENET	ECHN	Network Security Firewall	31,980.56	New, Expansion	
All Phase Construction Enterprises, Inc.	WAT	CHOW Renovations	517,966.35	Replacement	

Exhibit B

Prospect ECHN, Inc.
FY2017 Approved Capital Expenditures

WB Mason Company, Inc.	WAT	CHOW Furniture	240,877.43	Replacement	
Eagle Rivet Roofing	RGH	Roof Replacements (3)	152,075.18	Replacement	
CDW/Flagship/SHI/JKS	MMH/RGH	EMR Hardware	41,404.32	Replacement	
Carpetworks, LLC	MMH	2 East Patient Room Flooring	42,534.68	Replacement	
Carpetworks, LLC	MMH	1 East Corridor & Patient Room Flooring	72,647.69	Replacement	
ERBE USA Incorporated	MMH/RGH	ERBE Argon Plasma Coagulation Units (6)	233,965.32	Replacement	
Motara Instruments	MMH/RGH	Treadmills (4)	23,502.91	Replacement	
WB Mason Company, Inc.	MMH/RGH	Bariatric Furniture	25,845.18	Replacement	
Olympus American, Inc.	RGH	Tracheal & Rhino-Laryngoscopes	12,579.55	Replacement	
Follet	RGH	Ice Machine	2,553.15	Replacement	
SHI/JKS/CDW	WAT	PCs	4,678.94	Replacement	
PCP	ECMP	Practice Acquisition	273,200.00	New, Expansion	
WB Mason	RGH	Task Chairs (10)	3,126.69	Replacement	
WB Mason	MMH	Physician Lounge Furniture	5,899.23	Replacement	
ScottCare	MMH	VersaCare Telemetry Monitoring System	48,482.84	Replacement	
Meditech, CareFusion	MMH/RGH	Omnicell Interfaces	87,100.65	Replacement	
Iatric Systems, EHR Integration Services	MMH/RGH	ED Billing Interfaces	19,304.00	New, Expansion	
Connection, Flagship Networks, JKS Systems	CRC	Laptops for new hires	17,754.90	New, Expansion	
Mid-South Telecom LLC, SHI	CRC	Telephones for new hires	1,226.36	New, Expansion	
Connection, Flagship Networks	ECHN	Laptops for Inventory	23,327.82	Replacement	
Carpetworks, LLC	RGH	ICU Flooring Replacement	14,585.90	Replacement	
McKesson	ECMP	Exam Room Diagnostics Wall Units (2)	1,778.85	Replacement	
Mid-South Telecom LLC	ECMP	Telephone Headsets	1,312.95	Replacement	
Ampronix	MMH	HD Medical Video Recorder	4,241.24	Replacement	
Philips Healthcare	ECMP	Stress System, EKG Machine	26,302.80	Replacement	
Carpetworks, LLC Horak Painting, Abatement Plus	RGH	Ground Floor Renovations	92,683.04	Replacement	
Interior Concepts	RGH	Corridor Door Replacements	30,179.75	Replacement	
Classic Restaurant Supply	MMH	Ice cube machines (2)	4,730.43	Replacement	
Hologic	MMH	Hysteroscope & instrument tray	6,907.43	Replacement	
Hovertech International Air Supply & Storage Cart	MMH	HoverMatt Patient Transport System	1,447.42	New, Expansion	
CDW	MMH	3 Laptops	3,203.26	New, Expansion	
SHI	MMH	9 computer laptop hard drives & batteries	1,289.85	New, Expansion	
CBS	RGH	Printer/Scanner	1,302.79	New, Expansion	
Smith & Nephew	RGH	Shoulder positioner	4,439.05	New, Expansion	
Carpetworks, LLC	MMH	Vinyl flooring, ASC	11,858.03	Replacement	
Accurate Doors	RGH	Exterior doors (3)	12,740.73	Replacement	
SHI	MMH	Document scanner	944.12	New, Expansion	
K.M. Medical, Inc.	MMH	Lead aprons	7,174.22	Replacement	
K.M. Medical, Inc.	RGH	Lead aprons	2,080.21	Replacement	

Exhibit B

Prospect ECHN, Inc.
FY2017 Approved Capital Expenditures

JKS Systems	RGH	Data cabling	1,372.39	New, Expansion	
McPhee Electric	RGH	Transformer	48,921.00	Replacement	
McKesson	WAT	Tub with lift	12,102.63	Replacement	
Direct Supply	WAT	Hoyer Lifts with scales	4,852.80	New, Expansion	
Direct Supply	WAT	Vital Signs Monitors with stands	11,293.08	Replacement	
CBS	MMH	Printer	1,544.20	New, Expansion	
Siemens	ECHN	PACs System Upgrade	153,207.26	Replacement	
Karl Storz	MMH	Difficult Airways Carts (Two)	76,337.86	New, Expansion	
Olympus	MMH	Vacuum Curettage System	7,269.77	Replacement	
WB Mason	MMH	Office Chairs	8,975.94	Replacement	
Carpetworks, LLC	RGH	Bissell 2 Corridor Flooring Replacement	22,375.24	Replacement	
Carpetworks, LLC	MMH	Sleep Center Carpet Replacement	14,288.05	Replacement	
Helmer	MMH	Laboratory Refrigerator	5,503.46	Replacement	
Meditech	ECHN	Patient Portal	233,863.65	Replacement	
Smiths Medical	RGH	Infuser	10,004.08	New, Expansion	
W.B. Mason	MMH	Office Chairs	4,702.35	Replacement	
JKS Systems	ECHN	Cable data runs for wireless networks	2,677.30	New, Expansion	
Security 101	RGH	CCTV Replacement for Sterile Processing Facility	16,595.05	Replacement	
Eastcoast Paving Services	RGH	Service Drive and East Parking Lot Paving	73,010.00	Replacement	
Hartford Sprinkler Company	MMH	Garage Standpipe Replacement	17,600.93	Replacement	
Security 101	RGH	RGH Security Video Infrastructure	34,486.94	Replacement	
KTW Group	MMH	Surgical Case Carts	28,269.73	Replacement	
Stryker	RGH	Psychiatric Beds	76,959.65	Replacement	
Encore Fire Protection	RGH	Additional Sprinklers	29,964.11	New, Expansion	
Wells Johnson Company	MMH	Plastic Surgery Infiltration Pump	2,793.69	Replacement	
Stryker	MMH	Makoplasty Total Knee Application	297,780.00	New, Expansion	
Silktown Roofing, Inc.	MMH	CHOW POC Roof Replacements	1,326,920.97	Replacement	
All Phase Enterprises	MMH	Paving and Concrete Work	136,071.40	Replacement	
TPC Associatess, Inc	MMH	Hugs Infant Protection System	94,055.94	Replacement	
Alcon Laboratories	MMH	Alcon Constellation Retina Vitrectomy Machine	99,543.60	Replacement	
Electrical Wholesalers, Inc.	MMH	Replacement Exit Signs	14,632.91	Replacement	
Mindray	MMH/RGH	18 Anesthesia Machines	711,946.79	Replacement	
			$ 12,909,623.60		

Exhibit C
Prospect Manchester Hospital, Prospect Rockville Hospital and Prospect ECHN
Report 175 - Operating Expenses by Category
Comparison: October 2016 - March 2017 and April 2017 - September 2017

		October 2016 - March 2017			April 2017 - September 2017			Variance		
Line	Operating Expense by Category	MMH	RGH	ECHN	MMH	RGH	ECHN	MMH	RGH	ECHN
A	Salaries & Wages	$39,112,524	$14,071,000	$53,183,524	$37,836,794	$13,359,480	$51,196,274	($1,275,730)	($711,520)	($1,987,250)
B	Fringe Benefits	$13,822,026	$5,117,453	$18,939,479	$7,537,643	$3,238,088	$10,775,730	($6,284,383)	($1,879,365)	($8,163,749)
C	Contractual Labor Fees	$5,029,260	$2,271,227	$7,300,487	$6,638,425	$3,290,725	$9,929,150	$1,609,165	$1,019,498	$2,628,663
D	Medical Supplies & Phamaceutical Cost	$13,471,362	$3,913,060	$17,384,422	$13,316,492	$2,360,289	$15,676,781	($154,870)	($1,552,771)	($1,707,641)
E	Depreciation & Amortization	$3,536,666	$1,478,850	$5,015,516	$3,364,656	$1,452,043	$4,816,699	($172,010)	($26,807)	($198,817)
F	Bad Debts	$0	$0	$0	$0	$0	$0	$0	$0	$0
G	Interest Expense	$3,634,528	$1,075,070	$4,709,598	$3,598,889	$1,087,538	$4,686,428	($35,639)	$12,468	($23,171)
H	Malpractice Insurance Cost	$1,290,472	$504,808	$1,795,280	$153,148	$272,714	$425,862	($1,137,324)	($232,094)	($1,369,418)
I	Utilities	$1,380,083	$665,214	$2,045,297	$1,363,160	$628,562	$1,991,722	($16,922)	($36,652)	($53,574)
J	Business Expense	$13,597,193	$5,644,173	$19,241,366	$15,554,280	$5,874,021	$21,428,301	$1,957,087	$229,848	$2,186,935
K	Other Operating Expenses	-	-	-	-	-	-	$0	$0	$0
	Total Operating Expenses - All Expense Categories	$94,874,114	$34,740,855	$129,614,969	$89,363,489	$31,563,458	$120,926,947	($5,510,625)	($3,177,396)	($8,688,022)

Exhibit D - Effect of Cost Savings on Clinical Quality of Care

The clinical □uality of care at Manchester Memorial Hospital (MMH) and Rockville General Hospital (RGH) has improved over the past year as evidenced in the key □uality metrics charts below. This is attributed to the strong culture of safety that continues at the hospitals. The daily safety huddle, safety moments to begin every meeting and the continued education on HRO Safety culture to all staff and physicians are examples of the safety culture fully supported by the hospitals' senior leadership.

Manchester Memorial Hospital

Quality Metric	2016	2017	Change
Overall Infection Rate	0.8□	0.6□	-0.2□
Surgical Site Infection Rate	0.7□	0.4□	-0.3□
Colorectal SSI Rate	8.3□	7.1□	-1.2□
Abd Hysterectomy SSIs	1	1	0
Total Hip and □nee Infections	3	0	-3
C-Section Infections	13	0	-13
Handwashing Compliance Rate	48.0□	95.0□	47.0□
C-diffle Rate	0.7□	0.4□	-0.3□
CLABSIS, ICU	2	1	-1
CAUTIs, ICU	0	0	0
CAUTIs, Non - ICU	3	2	-1
Ventilator Ac□uired Events	13.7□	9.0□	-4.7□
Readmission Rates	9.2□	6.6□	-2.6□
Penalty Rates (readmissions)	1.05□	0.51□	-0.54□

Rockville General Hospital

Quality Metric	2016	2017	Change
Overall Infection Rate	0.8□	0.7□	-0.1□
Surgical Site Infection Rate□	0.3□	0.5□	0.2□
Colorectal SSI Rate	0	0	0
Abd Hysterectomy SSIs	0	0	0
Total Hip and □nee Infections	n□a	n□a	n□a
C-Section Infections	n□a	n□a	n□a
Handwashing Compliance Rate	78.0□	91.0□	13.0□
C-diffle Rate	0.9□	0.3□	-0.6□
CLABSIS, ICU	2	0	-2
CAUTIs, ICU	0	1	1
CAUTIs, Non - ICU	0	0	0
Ventilator Ac□uired Events	23.1□	15.2□	-7.9□
Readmission Rates	11.4□	10.6□	-0.8□
Penalty Rates (readmission)	1.83□	0.72□	-1.11□

□The overall number of SSIs is down from 5 in 2016 to 4 in 2017. Denominator decreased making the rate higher.

Exhibit D - Effect of Cost Savings on Clinical Quality of Care

In addition, positions have been added to the Quality and Safety department. A full-time and a part-time Quality Manager have been added as well as a Clinical Educator (shared between ECHN and Waterbury Hospital). As important, The PMH Chief Quality Officer sponsors monthly □uality calls and is available for □uestions and advice. The Regional Vice President for Quality and Safety works directly with the hospitals on □uality projects and initiatives and is also a valuable resource. The recent PMH Mock Survey is an example of a value added service by PMH to prepare our hospitals for the upcoming TJC surveys next year.

As evidenced by the key □uality metrics, added positions and available regional and corporate resources, the clinical □uality of care at MMH and RGH has been strengthened over the past year. Leadership at the local, regional and national levels has empowered the hospitals to continue to advance the culture of safety.

EXHIBIT E

PROSPECT ECHN, INC.		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 300 - PARENT CORPORATION CONSOLIDATED BALANCE SHEET INFORMATION		
(1)	(2)	(3)
		SEPT 2017
LINE	DESCRIPTION	ACTUAL
I.	**ASSETS**	
A.	**Current Assets:**	
1	Cash and Cash Equivalents	$4,194,382
2	Short Term Investments	
3	Accounts Receivable (Less: Allowance for Doubtful Accounts)	$40,804,492
4	Current Assets Whose Use is Limited for Current Liabilities	
5	Due From Affiliates	$7,637,864
6	Due From Third Party Payers	
7	Inventories of Supplies	$6,054,400
8	Prepaid Expenses	$4,140,461
9	Other Current Assets	$2,435,581
	Total Current Assets	**$65,267,180**
B.	**Noncurrent Assets Whose Use is Limited:**	
1	Held by Trustee	$0
2	Board Designated for Capital Acquisition	
3	Funds Held in Escrow	
4	Other Noncurrent Assets Whose Use is Limited	
	Total Noncurrent Assets Whose Use is Limited:	**$0**
5	Interest in Net Assets of Foundation	
6	Long Term Investments	$13,734,336
7	Other Noncurrent Assets	$9,430,650
C.	**Net Fixed Assets:**	
1	Property, Plant and Equipment	$328,929,302
2	Less: Accumulated Depreciation	$250,110,586
	Less: Purchase Adjustment	$18,316,556
	Property, Plant and Equipment, Net	**$60,502,160**
3	Construction in Progress	$1,687,933
	Total Net Fixed Assets	**$62,190,093**
	Total Assets	**$150,622,259**

EXHIBIT E

PROSPECT ECHN, INC.		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 300 - PARENT CORPORATION CONSOLIDATED BALANCE SHEET INFORMATION		
(1)	(2)	(3)
		SEPT 2017
LINE	DESCRIPTION	ACTUAL
II.	**LIABILITIES AND NET ASSETS**	
A.	**Current Liabilities:**	
1	Accounts Payable and Accrued Expenses	$22,013,628
2	Salaries, Wages and Payroll Taxes	$5,641,078
3	Due To Third Party Payers	$2,192,261
4	Due To Affiliates	$1,793,691
5	Current Portion of Long Term Debt	$0
6	Current Portion of Notes Payable	$2,599,963
7	Other Current Liabilities	$10,280,642
	Total Current Liabilities	**$44,521,263**
B.	**Long Term Debt:**	
1	Bonds Payable (Net of Current Portion)	
2	Notes Payable (Net of Current Portion)	$8,929,268
	Total Long Term Debt	**$8,929,268**
3	Accrued Pension Liability	$66,866,795
4	Other Long Term Liabilities	$15,376,744
	Total Long Term Liabilities	**$91,172,807**
5	Interest in Net Assets of Affiliates or Joint Ventures	
C.	**Net Assets:**	
1	Net Assets or Equity	$14,928,189
2	Temporarily Restricted Net Assets	
3	Permanently Restricted Net Assets	
	Total Net Assets	**$14,928,189**
	Total Liabilities and Net Assets	**$150,622,259**

EXHIBIT E

PROSPECT ECHN, INC.				
FISCAL YEAR 2017				
REPORT 350 - PARENT CORPORATION CONSOLIDATED STATEMENT OF OPERATIONS INFORMATION				
(1)	(2)	(3)	(4)	
		OCT-MAR	APR-SEP	YTD SEPT 17
LINE	DESCRIPTION	ACTUAL	ACTUAL	ACTUAL
A.	**Operating Revenue:**			
1	Total Gross Patient Revenue	$497,056,059	495,473,693	$992,529,752
2	Less: Allowances	$341,478,789	340,297,357	$681,776,146
3	Less: Charity Care	$1,281,566	1,403,978	$2,685,544
4	Less: Other Deductions	$0	-	$0
	Total Net Patient Revenue	**$154,295,704**	**$153,772,358**	**$308,068,062**
5	Provision for Bad Debts	$3,835,978	3,823,267	$7,659,245
	Net Patient Service Revenue less provision for bad debts	**$150,459,726**	**$149,949,091**	**$300,408,817**
6	Other Operating Revenue	$10,793,602	13,395,083	$24,188,685
7	Net Assets Released from Restrictions	$0	-	$0
	Total Operating Revenue	**$161,253,328**	**$163,344,174**	**$324,597,502**
B.	**Operating Expenses:**			
1	Salaries and Wages	$73,885,912	74,572,521	$148,458,433
2	Fringe Benefits	$23,050,448	15,221,280	$38,271,728
3	Physicians Fees	$8,053,331	10,257,207	$18,310,538
4	Supplies and Drugs	$18,371,771	16,671,870	$35,043,641
5	Depreciation and Amortization	$5,698,189	5,209,480	$10,907,669
6	Bad Debts	$0	-	$0
7	Interest Expense	$4,729,540	4,703,035	$9,432,575
8	Malpractice Insurance Cost	$1,774,010	1,303,960	$3,077,970
9	Other Operating Expenses	$29,049,379	30,215,848	$59,265,227
	Total Operating Expenses	**$164,612,580**	**$158,155,201**	**$322,767,781**
	Income/(Loss) From Operations	**($3,359,252)**	**$5,188,973**	**$1,829,721**
C.	**Non-Operating Revenue:**			
1	Income from Investments	$0	-	$0
2	Gifts, Contributions and Donations	$0	-	$0
3	Other Non-Operating Gains/(Losses)	$2,913,137	1,063,254	$3,976,391
	Total Non-Operating Revenue	**$2,913,137**	**$1,063,254**	**$3,976,391**
	Excess/(Deficiency) of Revenue Over Expenses (Before Other Adjustments)	**($446,115)**	**$6,252,227**	**$5,806,112**
	Other Adjustments:			
	Unrealized Gains/(Losses)	$0	-	$0
	All Other Adjustments	$0	-	$0
	Total Other Adjustments	**$0**	**$0**	**$0**
	Excess/(Deficiency) of Revenue Over Expenses	**($446,115)**	**$6,252,227**	**$5,806,112**

PROSPECT MANCHESTER HOSPITAL		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 100 - HOSPITAL BALANCE SHEET INFORMATION		
(1)	(2)	(3)
		SEPT 2017
LINE	DESCRIPTION	ACTUAL
I.	**ASSETS**	
A.	**Current Assets:**	
1	Cash and Cash Equivalents	$187,195
2	Short Term Investments	$0
3	Accounts Receivable (Less: Allowance for Doubtful Accounts)	$25,353,520
4	Current Assets Whose Use is Limited for Current Liabilities	$0
5	Due From Affiliates	$28,172,147
6	Due From Third Party Payers	$0
7	Inventories of Supplies	$4,543,626
8	Prepaid Expenses	$1,169,286
9	Other Current Assets	$51,857
	Total Current Assets	**$59,477,631**
B.	**Noncurrent Assets Whose Use is Limited:**	
1	Held by Trustee	$0
2	Board Designated for Capital Acquisition	$0
3	Funds Held in Escrow	$0
4	Other Noncurrent Assets Whose Use is Limited	$0
	Total Noncurrent Assets Whose Use is Limited:	**$0**
5	Interest in Net Assets of Foundation	$0
6	Long Term Investments	$3,794,969
7	Other Noncurrent Assets	$3,029,736
C.	**Net Fixed Assets:**	
1	Property, Plant and Equipment	$206,836,787
2	Less: Accumulated Depreciation	$160,975,889
	Less: Purchase Adjustment	$487,696
	Property, Plant and Equipment, Net	**$45,373,202**
3	Construction in Progress	$683,673
	Total Net Fixed Assets	**$46,056,875**
	Total Assets	**$112,359,211**

EXHIBIT E

PROSPECT MANCHESTER HOSPITAL		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 100 - HOSPITAL BALANCE SHEET INFORMATION		
(1)	(2)	(3)
		SEPT 2017
LINE	DESCRIPTION	ACTUAL
II.	**LIABILITIES AND NET ASSETS**	
A.	**Current Liabilities:**	
1	Accounts Payable and Accrued Expenses	$14,932,883
2	Salaries, Wages and Payroll Taxes	$2,694,055
3	Due To Third Party Payers	$788,545
4	Due To Affiliates	$10,122,005
5	Current Portion of Bonds	$0
6	Current Portion of Notes Payable	$2,120,518
7	Other Current Liabilities	$82,105
	Total Current Liabilities	**$30,740,111**
B.	**Long Term Debt:**	
1	Bonds Payable (Net of Current Portion)	$0
2	Notes Payable (Net of Current Portion)	$3,954,712
	Total Long Term Debt	**$3,954,712**
3	Accrued Pension Liability	$52,162,410
4	Other Long Term Liabilities	$11,309,575
	Total Long Term Liabilities	**$67,426,697**
5	Interest in Net Assets of Affiliates or Joint Ventures	$0
C.	**Net Assets:**	
1	Unrestricted Net Assets or Equity	$14,192,403
2	Temporarily Restricted Net Assets	$0
3	Permanently Restricted Net Assets	$0
	Total Net Assets	**$14,192,403**
	Total Liabilities and Net Assets	**$112,359,211**

EXHIBIT E

PROSPECT MANCHESTER HOSPITAL					
FISCAL YEAR 2017					
REPORT 150 - HOSPITAL STATEMENT OF OPERATIONS INFORMATION					
(1)	(2)	(3)		(4)	
LINE	DESCRIPTION	OCT-MAR ACTUAL		APR-SEP ACTUAL	YTD SEPT 17 ACTUAL
A.	**Operating Revenue:**				
1	Total Gross Patient Revenue	$336,306,535		341,770,277	$678,076,812
2	Less: Allowances	$240,249,012		245,237,735	$485,486,747
3	Less: Charity Care	$897,095		891,350	$1,788,445
4	Less: Other Deductions	$0		-	$0
	Total Net Patient Revenue	**$95,160,428**		**$95,641,192**	**$190,801,620**
5	Provision for Bad Debts	$2,267,527		2,331,749	$4,599,276
	Net Patient Service Revenue less provision for bad debts	**$92,892,901**		**$93,309,443**	**$186,202,344**
6	Other Operating Revenue	$4,641,099		4,411,751	$9,052,850
7	Net Assets Released from Restrictions	($1,983)		609	($1,374)
	Total Operating Revenue	**$97,532,017**		**$97,721,803**	**$195,253,820**
B.	**Operating Expenses:**				
1	Salaries and Wages	$39,112,524		37,836,793	$76,949,317
2	Fringe Benefits	$13,822,026		7,537,643	$21,359,669
3	Physicians Fees	$5,029,260		6,638,425	$11,667,685
4	Supplies and Drugs	$13,471,362		13,316,493	$26,787,855
5	Depreciation and Amortization	$3,536,666		3,364,656	$6,901,322
6	Bad Debts	$0		-	$0
7	Interest Expense	$3,634,528		3,598,890	$7,233,418
8	Malpractice Insurance Cost	$1,290,472		153,148	$1,443,620
9	Other Operating Expenses	$14,977,276		16,917,441	$31,894,717
	Total Operating Expenses	**$94,874,114**		**$89,363,489**	**$184,237,603**
	Income/(Loss) From Operations	**$2,657,903**		**$8,358,314**	**$11,016,217**
C.	**Non-Operating Revenue:**				
1	Income from Investments	$0		-	$0
2	Gifts, Contributions and Donations	$0		-	$0
3	Other Non-Operating Gains/(Losses)	$2,252,032		790,912	$3,042,944
	Total Non-Operating Revenue	**$2,252,032**		**$790,912**	**$3,042,944**
	Excess/(Deficiency) of Revenue Over Expenses (Before Other Adjustments)	**$4,909,935**		**$9,149,226**	**$14,059,161**
	Other Adjustments:				
	Unrealized Gains/(Losses)	$0		-	$0
	All Other Adjustments	$0		-	$0
	Total Other Adjustments	**$0**		-	$0
	Excess/(Deficiency) of Revenue Over Expenses	**$4,909,935**		**$9,149,226**	**$14,059,161**

EXHIBIT E

PROSPECT ROCKVILLE HOSPITAL		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 100 - HOSPITAL BALANCE SHEET INFORMATION		
(1)	(2)	(3)
LINE	DESCRIPTION	SEP 2017 ACTUAL
I.	**ASSETS**	
A.	**Current Assets:**	
1	Cash and Cash Equivalents	$1,037
2	Short Term Investments	$0
3	Accounts Receivable (Less: Allowance for Doubtful Accounts)	$7,440,504
4	Current Assets Whose Use is Limited for Current Liabilities	$0
5	Due From Affiliates	$2,070,993
6	Due From Third Party Payers	$0
7	Inventories of Supplies	$1,220,807
8	Prepaid Expenses	$469,984
9	Other Current Assets	$283,071
	Total Current Assets	**$11,486,396**
B.	**Noncurrent Assets Whose Use is Limited:**	
1	Held by Trustee	$0
2	Board Designated for Capital Acquisition	$0
3	Funds Held in Escrow	$0
4	Other Noncurrent Assets Whose Use is Limited	$0
	Total Noncurrent Assets Whose Use is Limited:	**$0**
5	Interest in Net Assets of Foundation	$0
6	Long Term Investments	$3,352,337
7	Other Noncurrent Assets	$218,639
C.	**Net Fixed Assets:**	
1	Property, Plant and Equipment	$92,922,999
2	Less: Accumulated Depreciation	$70,435,459
	Less: Purchase Adjustment	$13,867,063
	Property, Plant and Equipment, Net	**$8,620,477**
3	Construction in Progress	$1,004,260
	Total Net Fixed Assets	**$9,624,737**
	Total Assets	**$24,682,109**

EXHIBIT E

PROSPECT ROCKVILLE HOSPITAL		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 100 - HOSPITAL BALANCE SHEET INFORMATION		
(1)	(2)	(3)
LINE	DESCRIPTION	SEP 2017 ACTUAL
II.	**LIABILITIES AND NET ASSETS**	
A.	**Current Liabilities:**	
1	Accounts Payable and Accrued Expenses	$3,442,840
2	Salaries, Wages and Payroll Taxes	$538,322
3	Due To Third Party Payers	$639,008
4	Due To Affiliates	$4,246,725
5	Current Portion of Bonds	$0
6	Current Portion of Notes Payable	$159,691
7	Other Current Liabilities	($5,069)
	Total Current Liabilities	**$9,021,517**
B.	**Long Term Debt:**	
1	Bonds Payable (Net of Current Portion)	$0
2	Notes Payable (Net of Current Portion)	$445,778
	Total Long Term Debt	**$445,778**
3	Accrued Pension Liability	$14,704,385
4	Other Long Term Liabilities	$3,626,284
	Total Long Term Liabilities	**$18,776,447**
5	Interest in Net Assets of Affiliates or Joint Ventures	$0
C.	**Net Assets:**	
1	Unrestricted Net Assets or Equity	($3,115,855)
2	Temporarily Restricted Net Assets	$0
3	Permanently Restricted Net Assets	$0
	Total Net Assets	**($3,115,855)**
	Total Liabilities and Net Assets	**$24,682,109**

EXHIBIT E

PROSPECT ROCKVILLE HOSPITAL					
FISCAL YEAR 2017					
REPORT 150 - HOSPITAL STATEMENT OF OPERATIONS INFORMATION					
(1)	(2)	(3)		(4)	
		OCT-MAR		APR-SEP	YTD SEPT 17
LINE	DESCRIPTION	ACTUAL		ACTUAL	ACTUAL
A.	**Operating Revenue:**				
1	Total Gross Patient Revenue	$117,512,312		111,285,475	$228,797,787
2	Less: Allowances	$85,243,699		79,722,557	$164,966,256
3	Less: Charity Care	$384,471		512,628	$897,099
4	Less: Other Deductions	$0		$0	$0
	Total Net Patient Revenue	**$31,884,142**		**$31,050,290**	**$62,934,432**
5	Provision for Bad Debts	$1,204,542		878,752	$2,083,294
	Net Patient Service Revenue less provision for bad debts	**$30,679,600**		**$30,171,538**	**$60,851,138**
6	Other Operating Revenue	$725,658		677,221	$1,402,879
7	Net Assets Released from Restrictions	$0		-	$0
	Total Operating Revenue	**$31,405,258**		**$30,848,759**	**$62,254,017**
B.	**Operating Expenses:**				
1	Salaries and Wages	$14,071,000		13,359,480	$27,430,480
2	Fringe Benefits	$5,117,453		3,238,087	$8,355,540
3	Physicians Fees	$2,271,227		3,290,725	$5,561,952
4	Supplies and Drugs	$3,913,060		2,360,289	$6,273,348
5	Depreciation and Amortization	$1,478,850		1,452,043	$2,930,893
6	Bad Debts	$0		-	$0
7	Interest Expense	$1,075,070		1,087,539	$2,162,609
8	Malpractice Insurance Cost	$504,808		272,714	$777,522
9	Other Operating Expenses	$6,309,386		6,502,582	$12,811,969
	Total Operating Expenses	**$34,740,854**		**$31,563,459**	**$66,304,313**
	Income/(Loss) From Operations	**($3,335,596)**		**($714,700)**	**($4,050,296)**
C.	**Non-Operating Revenue:**				
1	Income from Investments	$0		-	$0
2	Gifts, Contributions and Donations	$0		-	$0
3	Other Non-Operating Gains/(Losses)	$661,105		273,337	$934,442
	Total Non-Operating Revenue	**$661,105**		**$273,337**	**$934,442**
	Excess/(Deficiency) of Revenue Over Expenses (Before Other Adjustments)	**($2,674,491)**		**($441,363)**	**($3,115,854)**
	Other Adjustments:				
	Unrealized Gains/(Losses)	$0			
	All Other Adjustments	$0			
	Total Other Adjustments	**$0**		**$0**	**$0**
	Excess/(Deficiency) of Revenue Over Expenses	**($2,674,491)**		**($441,363)**	**($3,115,854)**

EXHIBIT F

PROSPECT ECHN, INC.

FISCAL YEAR 2017

		30	31	30	31	31	30	212	243	273	304	335	365
		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$82,691,702	$88,343,824	$83,439,485	$76,823,377	$82,825,517	$81,349,780	$579,747,769	$668,091,593	$751,531,078	$828,354,455	$911,179,972	$992,529,752
	Total Allowances	($56,884,573)	($62,418,710)	($57,386,457)	($52,059,374)	($57,273,245)	($55,678,974)	($399,644,930)	($462,063,640)	($519,450,097)	($571,509,471)	($628,782,716)	($684,461,690)
	Bad Debt	($609,259)	($621,247)	($625,192)	($627,115)	$110,367	($1,450,823)	($4,445,236)	($5,066,483)	($5,691,675)	($6,318,790)	($6,208,423)	($7,659,246)
	Net Patient Revenue	$25,197,870	$25,303,867	$25,427,836	$24,136,888	$25,662,639	$24,219,983	$175,657,603	$200,961,470	$226,389,306	$250,526,194	$276,188,833	$300,408,816
	Other Operating Revenue	1,790,192	1,749,148	2,534,456	2,571,286	2,228,382	2,521,619	$12,583,796	$14,332,944	$16,867,400	$19,438,686	$21,667,068	$24,188,687
	Total Operating Revenue	$26,988,062	$27,053,015	$27,962,292	$26,708,174	$27,891,021	$26,741,602	$188,241,399	$215,294,414	$243,256,706	$269,964,880	$297,855,901	$324,597,503
	Total Operating Expenses	27,089,663	27,705,300	27,511,370	27,697,629	27,727,440	20,423,791	$191,702,251	$219,407,551	$246,918,921	$274,616,550	$302,343,990	$322,767,781
	Income/(Loss) From Operations	($101,601)	($652,285)	$450,922	($989,455)	$163,581	$6,317,811	($3,460,852)	($4,113,137)	($3,662,215)	($4,651,670)	($4,488,089)	$1,829,722
	Total Non-Operating Revenue	491,654	488,324	437,838	452,013	512,535	(1,319,110)	$3,404,791	$3,893,115	$4,330,953	$4,782,966	$5,295,501	$3,976,391
	Excess/(Deficiency) of Revenue Over Expenses	$390,053	($163,961)	$888,760	($537,442)	$676,116	$4,998,701	($56,061)	($220,022)	$668,738	$131,296	$807,412	$5,806,113
A	**Operating Performance**												
1	**Operating Margin**	**-0.37%**	**-2.37%**	**1.59%**	**-3.64%**	**0.58%**	**24.85%**	**-1.81%**	**-1.88%**	**-1.48%**	**-1.69%**	**-1.48%**	**0.56%**
2	**Non-Operating Margin**	**1.79%**	**1.77%**	**1.54%**	**1.66%**	**1.80%**	**-5.19%**	**1.78%**	**1.78%**	**1.75%**	**1.74%**	**1.75%**	**1.21%**
3	**Total Margin**	**1.42%**	**-0.60%**	**3.13%**	**-1.98%**	**2.38%**	**19.66%**	**-0.03%**	**-0.10%**	**0.27%**	**0.05%**	**0.27%**	**1.77%**
4	**Bad Debt as % of Gross Revenue**	**0.74%**	**0.70%**	**0.75%**	**0.82%**	**-0.13%**	**1.78%**	**0.77%**	**0.76%**	**0.76%**	**0.76%**	**0.68%**	**0.77%**
	Income/(Loss) From Operations	($101,601)	($652,285)	$450,922	($989,455)	$163,581	$6,317,811	($3,460,852)	($4,113,137)	($3,662,215)	($4,651,670)	($4,488,089)	$1,829,722
	Total Operating Revenue	$26,988,062	$27,053,015	$27,962,292	$26,708,174	$27,891,021	$26,741,602	$188,241,399	$215,294,414	$243,256,706	$269,964,880	$297,855,901	$324,597,503
	Total Non-Operating Revenue	$491,654	$488,324	$437,838	$452,013	$512,535	($1,319,110)	$3,404,791	$3,893,115	$4,330,953	$4,782,966	$5,295,501	$3,976,391
	Total Revenue	$27,479,716	$27,541,339	$28,400,130	$27,160,187	$28,403,556	$25,422,492	$191,646,190	$219,187,529	$247,587,659	$274,747,846	$303,151,402	$328,573,894
	Excess/(Deficiency) of Revenue Over Expenses	$390,053	($163,961)	$888,760	($537,442)	$676,116	$4,998,701	($56,061)	($220,022)	$668,738	$131,296	$807,412	$5,806,113
	Unrealized gain/(loss) in investments (self-insurance fu	($16,938)	$35,621	$22,301	$28,283	$33,560	$50,419	$8,951,891	$8,987,512	$9,009,813	$9,038,096	$9,071,656	$9,122,076
	Unrestricted Net Assets	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189
	Total Net Assets	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189

EXHIBIT F

PROSPECT ECHN, INC.

FISCAL YEAR 2017

		30	31	30	31	31	30	212	243	273	304	335	365
		MTD						YTD					
	DESCRIPTION	APRIL FY 2017	MAY FY 2017	JUNE FY 2017	JULY FY 2017	AUGUST FY 2017	SEPTEMBER FY 2017	APRIL FY 2017	MAY FY 2017	JUNE FY 2017	JULY FY 2017	AUGUST FY 2017	SEPTEMBER FY 2017
	Total Gross Revenue	$82,691,702	$88,343,824	$83,439,485	$76,823,377	$82,825,517	$81,349,780	$579,747,769	$668,091,593	$751,531,078	$828,354,455	$911,179,972	$992,529,752
	Total Allowances	($56,884,573)	($62,418,710)	($57,386,457)	($52,059,374)	($57,273,245)	($55,678,974)	($399,644,930)	($462,063,640)	($519,450,097)	($571,509,471)	($628,782,716)	($684,461,690)
B.	**Liquidity**												
1	**Current Ratio**	**1.40**	**1.59**	**1.51**	**1.44**	**1.47**	**1.47**	**1.40**	**1.59**	**1.51**	**1.44**	**1.47**	**1.47**
	Total Current Assets	$56,328,390	$60,703,755	$70,504,415	$71,818,936	$69,714,185	$65,267,180	$56,328,390	$60,703,755	$70,504,415	$71,818,936	$69,714,185	$65,267,180
	Total Current Liabilities	$40,275,522	$38,067,856	$46,537,992	$49,827,911	$47,301,237	$44,521,263	$40,275,522	$38,067,856	$46,537,992	$49,827,911	$47,301,237	$44,521,263
2	**Days Cash on Hand**	**9**	**11**	**12**	**15**	**14**	**6**	**9**	**11**	**12**	**15**	**14**	**5**
	Cash and Cash Equivalents	$7,587,205	$9,775,808	$10,647,848	$12,779,817	$12,532,259	$4,194,385	$7,587,205	$9,775,808	$10,647,848	$12,779,817	$12,532,259	$4,194,385
	Short Term Investments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Cash and Short Term Investments	$7,587,205	$9,775,808	$10,647,848	$12,779,817	$12,532,259	$4,194,385	$7,587,205	$9,775,808	$10,647,848	$12,779,817	$12,532,259	$4,194,385
	Total Operating Expenses	$27,089,663	$27,705,300	$27,511,370	$27,697,629	$27,727,440	$20,423,791	$191,702,251	$219,407,551	$246,918,921	$274,616,550	$302,343,990	$322,767,781
	Depreciation Expense	$776,073	$888,311	$883,274	$887,385	$890,575	$883,868	$6,474,264	$7,362,575	$8,245,849	$9,133,234	$10,023,809	$10,907,677
	Operating Expenses less Depreciation Expense	$26,313,590	$26,816,989	$26,628,096	$26,810,244	$26,836,865	$19,539,923	$185,227,987	$212,044,976	$238,673,072	$265,483,316	$292,320,181	$311,860,104
3	**Days in Net Acounts Receivables**	**42**	**47**	**41**	**47**	**48**	**48**	**43**	**46**	**42**	**44**	**49**	**47**
	Net Patient Accounts Receivable	$40,969,091	$40,878,585	$37,820,022	$41,140,424	$42,155,215	$40,842,344	$ 40,969,091	$ 40,878,585	$ 37,820,022	$ 41,140,424	$ 42,155,215	$ 40,842,344
	Due From Third Party Payers	$0	$0	$300,000	$0	$0	$0	$ -	$ -	$ 300,000	$ -	$ -	$ -
	Due To Third Party Payers	$5,691,145	$2,606,185	$3,696,877	$4,493,912	$2,045,166	$2,192,261	$ 5,691,145	$ 2,606,185	$ 3,696,877	$ 4,493,912	$ 2,045,166	$ 2,192,261
	Total Net Patient Accounts Receivable and Third Party Payer Activity	$ 35,277,946	$ 38,272,400	$ 34,423,146	$ 36,646,513	$ 40,110,049	$ 38,650,083	$ 35,277,946	$ 38,272,400	$ 34,423,146	$ 36,646,513	$ 40,110,049	$ 38,650,083
	Total Net Patient Revenue	$25,197,870	$25,303,867	$25,427,836	$24,136,888	$25,662,639	$24,219,983	$175,657,603	$200,961,470	$226,389,306	$250,526,194	$276,188,833	$300,408,816
4	**Average Payment Period**	**46**	**44**	**52**	**58**	**55**	**68**	**46**	**44**	**53**	**57**	**54**	**52**
18	Total Current Liabilities	$40,275,522	$38,067,856	$46,537,992	$49,827,911	$47,301,237	$44,521,263	$40,275,522	$38,067,856	$46,537,992	$49,827,911	$47,301,237	$44,521,263
19	Total Operating Expenses	$27,089,663	$27,705,300	$27,511,370	$27,697,629	$27,727,440	$20,423,791	$191,702,251	$219,407,551	$246,918,921	$274,616,550	$302,343,990	$322,767,781
20	Depreciation Expense	$776,073	$888,311	$883,274	$887,385	$890,575	$883,868	$6,474,264	$7,362,575	$8,245,849	$9,133,234	$10,023,809	$10,907,677
20	Total Operating Expenses less Depreciation Expense	$26,313,590	$26,816,989	$26,628,096	$26,810,244	$26,836,865	$19,539,923	$185,227,987	$212,044,976	$238,673,072	$265,483,316	$292,320,181	$311,860,104

EXHIBIT F

PROSPECT ECHN, INC.

FISCAL YEAR 2017

		30	31	30	31	31	30	212	243	273	304	335	365
		MTD						YTD					
	DESCRIPTION	APRIL FY 2017	MAY FY 2017	JUNE FY 2017	JULY FY 2017	AUGUST FY 2017	SEPTEMBER FY 2017	APRIL FY 2017	MAY FY 2017	JUNE FY 2017	JULY FY 2017	AUGUST FY 2017	SEPTEMBER FY 2017
	Total Gross Revenue	$82,691,702	$88,343,824	$83,439,485	$76,823,377	$82,825,517	$81,349,780	$579,747,769	$668,091,593	$751,531,078	$828,354,455	$911,179,972	$992,529,752
	Total Allowances	($56,884,573)	($62,418,710)	($57,386,457)	($52,059,374)	($57,273,245)	($55,678,974)	($399,644,930)	($462,063,640)	($519,450,097)	($571,509,471)	($628,782,716)	($684,461,690)
C.	**Leverage and Capital Structure**												
1	**Long-term Debt to Equity**	**1.1**	**1.1**	**1.0**	**1.0**	**0.9**	**0.6**	**1.1**	**1.1**	**1.0**	**1.0**	**0.9**	**0.6**
2	**Long Term Debt to Capitalization Ratio**	**53.1**	**52.9**	**49.2**	**50.0**	**47.7**	**37.4**	**53.1**	**52.9**	**49.2**	**50.0**	**47.7**	**37.4**
	Total Long Term Debt	$10,088,319	$9,859,330	$9,364,527	$9,179,342	$9,011,701	$8,929,268	$10,088,319	$9,859,330	$9,364,527	$9,179,342	$9,011,701	$8,929,268
	Total Net Assets	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189
	Total Long Term Debt and Total Net Assets	$18,984,149	$18,626,820	$19,043,079	$18,348,735	$18,890,770	$23,857,458	$18,984,149	$18,626,820	$19,043,079	$18,348,735	$18,890,770	$23,857,458
3	**Unrestricted Cash to Total Debt Ratio**	**2.3**	**1.5**	**3.2**	**0.6**	**2.8**	**11.0**	**12.7**	**14.9**	**15.9**	**15.7**	**19.2**	**31.3**
	Excess/(Deficiency) of Revenues Over Expenses	$390,053	($163,961)	$888,760	($537,442)	$676,116	$4,998,701	($56,061)	($220,022)	$668,738	$131,296	$807,412	$5,806,113
	Depreciation Expense	$776,073	$888,311	$883,274	$887,385	$890,575	$883,868	$6,474,264	$7,362,575	$8,245,849	$9,133,234	$10,023,809	$10,907,677
	Excess of Revenues Over Expenses and Depreciation Expense	$1,166,126	$724,350	$1,772,034	$349,943	$1,566,691	$5,882,569	$6,418,203	$7,142,553	$8,914,587	$9,264,530	$10,831,221	$16,713,790
	Total Current Liabilities	$40,275,522	$38,067,856	$46,537,992	$49,827,911	$47,301,237	$44,521,263	$40,275,522	$38,067,856	$46,537,992	$49,827,911	$47,301,237	$44,521,263
	Total Long Term Debt	$10,088,319	$9,859,330	$9,364,527	$9,179,342	$9,011,701	$8,929,268	$10,088,319	$9,859,330	$9,364,527	$9,179,342	$9,011,701	$8,929,268
	Total Current Liabilities and Total Long Term Debt	$50,363,840	$47,927,186	$55,902,519	$59,007,254	$56,312,938	$53,450,531	$50,363,840	$47,927,186	$55,902,519	$59,007,254	$56,312,938	$53,450,531
4	**Times Interest Earned**	**1.9**	**1.3**	**2.7**	**0.9**	**2.3**	**10.2**	**1.5**	**1.5**	**1.6**	**1.6**	**1.6**	**2.4**
5	**Debt Service Coverage Ratio**	**1.91**	**1.37**	**2.33**	**1.11**	**2.19**	**6.61**	**1.60**	**1.57**	**1.66**	**1.61**	**1.66**	**2.05**
	Excess Revenues over Expenses	$390,053	($163,961)	$888,760	($537,442)	$676,116	$4,998,701	($56,061)	($220,022)	$668,738	$131,296	$807,412	$5,806,113
	Interest Expense	$792,670	$780,201	$777,187	$783,649	$783,748	$785,576	$5,522,216	$6,302,417	$7,079,604	$7,863,253	$8,647,001	$9,432,577
	Depreciation and Amortization Expense	$776,073	$888,311	$883,274	$887,385	$890,575	$883,868	$6,474,264	$7,362,575	$8,245,849	$9,133,234	$10,023,809	$10,907,677
	Principal Payments	$233,006	$315,493	$318,361	$237,392	$289,829	$223,349	$1,935,491	$2,250,985	$2,569,346	$2,806,738	$3,096,567	$3,319,916
6	**Equity Financing Ratio**	**6.2**	**6.0**	**6.3**	**5.9**	**6.4**	**9.9**	**14.4**	**20.3**	**25.4**	**30.9**	**37.6**	**48.5**
	Total Net Assets	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189	$20,659,447	$29,426,937	$39,105,488	$48,274,881	$58,153,950	$73,082,139
	Total Assets	$143,387,283	$144,991,947	$154,202,809	$156,382,644	$154,740,289	$150,622,259	$143,387,283	$144,991,947	$154,202,809	$156,382,644	$154,740,289	$150,622,259
D.	**Additional Statistics**												
1	**Income from Operations**	**-$101,601**	**-$652,285**	**$450,922**	**-$989,455**	**$163,581**	**$6,317,811**	**-$3,460,852**	**-$4,113,137**	**-$3,662,215**	**-$4,651,670**	**-$4,488,089**	**$1,829,722**
2	**Revenue Over/(Under) Expense**	**$390,053**	**-$163,961**	**$888,760**	**-$537,442**	**$676,116**	**$4,998,701**	**-$56,061**	**-$220,022**	**$668,738**	**$131,296**	**$807,412**	**$5,806,113**
3	**EBITDA**	**$1,467,142**	**$1,016,227**	**$2,111,383**	**$681,579**	**$1,837,904**	**$7,987,255**	**$8,535,628**	**$9,551,855**	**$11,663,238**	**$12,344,817**	**$14,182,721**	**$22,169,976**
4	**Cash from Operations**	**$25,688,679**	**$25,874,040**	**$27,883,504**	**$22,741,347**	**$24,391,189**	**$24,805,434**	**$165,709,624**	**$191,583,664**	**$219,467,168**	**$242,208,515**	**$266,599,704**	**$291,405,138**
5	**Cash and Cash Equivalents**	**$7,587,205**	**$9,775,808**	**$10,647,848**	**$12,779,817**	**$12,532,259**	**$4,194,385**	**$7,587,205**	**$9,775,808**	**$10,647,848**	**$12,779,817**	**$12,532,259**	**$4,194,385**
6	**Net Working Capital**	**$16,052,868**	**$22,635,898**	**$23,966,424**	**$21,991,024**	**$22,412,948**	**$20,745,917**	**$16,052,868**	**$22,635,898**	**$23,966,424**	**$21,991,024**	**$22,412,948**	**$20,745,917**
7	**Unrestricted Assets**	**$8,895,830**	**$8,767,490**	**$9,678,551**	**$9,169,392**	**$9,879,069**	**$14,928,189**	**$8,895,830**	**$8,767,490**	**$9,678,551**	**$9,169,392**	**$9,879,069**	**$14,928,189**
8	**Credit Ratings (S&P, FITCH, and Moody's)**												

Exhibit F

PROSPECT MANCHESTER HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$57,190,419	$62,011,421	$58,249,543	$52,240,481	$57,175,197	$54,903,217	$393,496,956	$455,508,377	$513,757,920	$565,998,401	$623,173,598	$678,076,815
	Total Allowances	($40,954,136)	($45,678,815)	($41,865,212)	($37,385,278)	($41,360,126)	($38,885,518)	($282,100,244)	($327,779,059)	($369,644,271)	($407,029,549)	($448,389,675)	($487,275,193)
	Bad Debt	($366,630)	($395,964)	($370,710)	($384,566)	$331,334	($1,145,213)	($2,634,156)	($3,030,120)	($3,400,830)	($3,785,396)	($3,454,062)	($4,599,275)
	Net Patient Revenue	$15,869,653	$15,936,642	$16,013,621	$14,470,637	$16,146,405	$14,872,486	$108,762,556	$124,699,198	$140,712,819	$155,183,456	$171,329,861	$186,202,347
	Other Operating Revenue	745,670	766,440	808,675	713,984	547,239	830,354	$5,384,786	$6,151,226	$6,959,901	$7,673,885	$8,221,124	$9,051,478
	Total Operating Revenue	$16,615,323	$16,703,082	$16,822,296	$15,184,621	$16,693,644	$15,702,840	$114,147,342	$130,850,424	$147,672,720	$162,857,341	$179,550,985	$195,253,825
	Total Operating Expenses	16,096,345	16,438,914	16,017,749	15,617,281	15,705,227	9,487,981	$110,970,458	$127,409,372	$143,427,121	$159,044,402	$174,749,629	$184,237,610
	Income/(Loss) From Operations	$518,978	$264,168	$804,547	($432,660)	$988,417	$6,214,859	$3,176,884	$3,441,052	$4,245,599	$3,812,939	$4,801,356	$11,016,215
	Total Non-Operating Revenue	378,027	370,736	345,041	334,323	387,641	(1,024,856)	$2,630,059	$3,000,795	$3,345,836	$3,680,159	$4,067,800	$3,042,944
	Excess/(Deficiency) of Revenue Over Expenses	$897,005	$634,904	$1,149,588	($98,337)	$1,376,058	$5,190,003	$5,806,943	$6,441,847	$7,591,435	$7,493,098	$8,869,156	$14,059,159
A	**Operating Performance**												
1	**Operating Margin**	**3.05%**	**1.55%**	**4.69%**	**-2.79%**	**5.79%**	**42.34%**	**2.72%**	**2.57%**	**2.81%**	**2.29%**	**2.61%**	**5.56%**
2	**Non-Operating Margin**	**2.22%**	**2.17%**	**2.01%**	**2.15%**	**2.27%**	**-6.98%**	**2.25%**	**2.24%**	**2.22%**	**2.21%**	**2.22%**	**1.53%**
3	**Total Margin**	**5.28%**	**3.72%**	**6.70%**	**-0.63%**	**8.06%**	**35.36%**	**4.97%**	**4.81%**	**5.03%**	**4.50%**	**4.83%**	**7.09%**
4	**Bad Debt as % of Gross Revenue**	**0.64%**	**0.64%**	**0.64%**	**0.74%**	**-0.58%**	**2.09%**	**0.67%**	**0.67%**	**0.66%**	**0.67%**	**0.55%**	**0.68%**
	Income/(Loss) From Operations	$518,978	$264,168	$804,547	($432,660)	$988,417	$6,214,859	$3,176,884	$3,441,052	$4,245,599	$3,812,939	$4,801,356	$11,016,215
	Total Operating Revenue	$16,615,323	$16,703,082	$16,822,296	$15,184,621	$16,693,644	$15,702,840	$114,147,342	$130,850,424	$147,672,720	$162,857,341	$179,550,985	$195,253,825
	Total Non-Operating Revenue	$378,027	$370,736	$345,041	$334,323	$387,641	($1,024,856)	$2,630,059	$3,000,795	$3,345,836	$3,680,159	$4,067,800	$3,042,944
	Total Revenue	$16,993,350	$17,073,818	$17,167,337	$15,518,944	$17,081,285	$14,677,984	$116,777,401	$133,851,219	$151,018,556	$166,537,500	$183,618,785	$198,296,769
	Excess/(Deficiency) of Revenue Over Expenses	$897,005	$634,904	$1,149,588	($98,337)	$1,376,058	$5,190,003	$5,806,943	$6,441,847	$7,591,435	$7,493,098	$8,869,156	$14,059,159
	Unrealized gain/(loss) in investments (self-insurance fu	$18,683	$0	$22,301	$0	$33,560	$20,203	$57,176	$57,176	$79,477	$79,477	$113,038	$133,241
	Unrestricted Net Assets	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400
	Total Net Assets	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400

Exhibit F

PROSPECT MANCHESTER HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
B.	**Liquidity**												
1	**Current Ratio**	**1.96**	**2.03**	**2.15**	**2.11**	**2.24**	**1.93**	**1.96**	**2.03**	**2.15**	**2.11**	**2.24**	**1.93**
	Total Current Assets	$48,008,847	$49,489,861	$49,864,591	$50,732,656	$51,123,418	$59,477,631	$48,008,847	$49,489,861	$49,864,591	$50,732,656	$51,123,418	$59,477,631
	Total Current Liabilities	$24,478,757	$24,388,664	$23,153,525	$24,059,719	$22,853,391	$30,740,111	$24,478,757	$24,388,664	$23,153,525	$24,059,719	$22,853,391	$30,740,111
2	**Days Cash on Hand**	**15**	**1**	**2**	**6**	**3**	**1**	**15**	**1**	**2**	**6**	**3**	**0**
	Cash and Cash Equivalents	$7,587,205	$550,675	$774,588	$2,859,986	$1,463,164	$187,195	$7,587,205	$550,675	$774,588	$2,859,986	$1,463,164	$187,195
	Short Term Investments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Cash and Short Term Investments	$7,587,205	$550,675	$774,588	$2,859,986	$1,463,164	$187,195	$7,587,205	$550,675	$774,588	$2,859,986	$1,463,164	$187,195
	Total Operating Expenses	$16,096,345	$16,438,914	$16,017,749	$15,617,281	$15,705,227	$9,487,981	$110,970,458	$127,409,372	$143,427,121	$159,044,402	$174,749,629	$184,237,610
	Depreciation Expense	$546,096	$555,303	$553,598	$553,085	$572,219	$584,357	$4,082,763	$4,638,066	$5,191,664	$5,744,749	$6,316,968	$6,901,325
	Operating Expenses less Depreciation Expense	$15,550,249	$15,883,611	$15,464,151	$15,064,196	$15,133,008	$8,903,624	$106,887,695	$122,771,306	$138,235,457	$153,299,653	$168,432,661	$177,336,285
3	**Days in Net Acounts Receivables**	**43**	**48**	**42**	**50**	**50**	**50**	**44**	**49**	**44**	**46**	**50**	**48**
	Net Patient Accounts Receivable	$25,969,460	$26,085,719	$24,651,032	$25,717,306	$26,523,669	$25,353,520	$25,969,460	$26,085,719	$24,651,032	$25,717,306	$26,523,669	$25,353,520
	Due From Third Party Payers	$0	$0	$300,000	$0	$0	$0	$0	$0	$300,000	$0	$0	$0
	Due To Third Party Payers	$3,449,589	$1,160,093	$2,423,677	$2,378,427	$725,111	$788,545	$3,449,589	$1,160,093	$2,423,677	$2,378,427	$725,111	$788,545
	Total Net Patient Accounts Receivable and Third Party Payer Activity	$ 22,519,871	$ 24,925,627	$ 22,527,356	$ 23,338,878	$ 25,798,558	$ 24,564,975	$ 22,519,871	$ 24,925,627	$ 22,527,356	$ 23,338,878	$ 25,798,558	$ 24,564,975
	Total Net Patient Revenue	$15,869,653	$15,936,642	$16,013,621	$14,470,637	$16,146,405	$14,872,486	$108,762,556	$124,699,198	$140,712,819	$155,183,456	$171,329,861	$186,202,347
4	**Average Payment Period**	**49**	**48**	**46**	**50**	**47**	**107**	**7**	**6**	**5**	**5**	**4**	**5**
18	Total Current Liabilities	$24,478,757	$24,388,664	$23,153,525	$24,059,719	$22,853,391	$30,740,111	$24,478,757	$24,388,664	$23,153,525	$24,059,719	$22,853,391	$30,740,111
19	Total Operating Expenses	$16,096,345	$16,438,914	$16,017,749	$15,617,281	$15,705,227	$9,487,981	$110,970,458	$127,409,372	$143,427,121	$159,044,402	$174,749,629	$184,237,610
20	Depreciation Expense	$546,096	$555,303	$553,598	$553,085	$572,219	$584,357	$4,082,763	$4,638,066	$5,191,664	$5,744,749	$6,316,968	$6,901,325
20	Total Operating Expenses less Depreciation Expense	$15,550,249	$15,883,611	$15,464,151	$15,064,196	$15,133,008	$8,903,624	$106,887,695	$122,771,306	$138,235,457	$153,299,653	$168,432,661	$177,336,285

Exhibit F

PROSPECT MANCHESTER HOSPITAL, INC.

FISCAL YEAR 2017

	DESCRIPTION	MTD APRIL FY 2017	MTD MAY FY 2017	MTD JUNE FY 2017	MTD JULY FY 2017	MTD AUGUST FY 2017	MTD SEPTEMBER FY 2017	YTD APRIL FY 2017	YTD MAY FY 2017	YTD JUNE FY 2017	YTD JULY FY 2017	YTD AUGUST FY 2017	YTD SEPTEMBER FY 2017
C.	**Leverage and Capital Structure**												
1	**Long-term Debt to Equity**	**0.8**	**0.7**	**0.6**	**0.6**	**0.4**	**0.3**	**0.8**	**0.7**	**0.6**	**0.6**	**0.4**	**0.3**
2	**Long Term Debt to Capitalization Ratio**	**45.9**	**42.3**	**36.2**	**35.7**	**30.8**	**21.8**	**45.9**	**42.3**	**36.2**	**35.7**	**30.8**	**21.8**
	Total Long Term Debt	$4,966,683	$4,764,776	$4,351,659	$4,204,097	$4,003,180	$3,954,712	$4,966,683	$4,764,776	$4,351,659	$4,204,097	$4,003,180	$3,954,712
	Total Net Assets	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400
	Total Long Term Debt and Total Net Assets	$10,830,802	$11,263,799	$12,022,571	$11,776,673	$12,985,374	$18,147,112	$10,830,802	$11,263,799	$12,022,571	$11,776,673	$12,985,374	$18,147,112
3	**Unrestricted Cash to Total Debt Ratio**	**4.9**	**4.1**	**6.2**	**1.6**	**7.3**	**16.6**	**33.6**	**38.0**	**46.5**	**46.8**	**56.5**	**60.4**
	Excess/(Deficiency) of Revenues Over Expenses	$897,005	$634,904	$1,149,588	($98,337)	$1,376,058	$5,190,003	$5,806,943	$6,441,847	$7,591,435	$7,493,098	$8,869,156	$14,059,159
	Depreciation Expense	$546,096	$555,303	$553,598	$553,085	$572,219	$584,357	$4,082,763	$4,638,066	$5,191,664	$5,744,749	$6,316,968	$6,901,325
	Excess of Revenues Over Expenses and Depreciation Expense	$1,443,101	$1,190,207	$1,703,186	$454,748	$1,948,277	$5,774,360	$9,889,706	$11,079,913	$12,783,099	$13,237,847	$15,186,124	$20,960,484
	Total Current Liabilities	$24,478,757	$24,388,664	$23,153,525	$24,059,719	$22,853,391	$30,740,111	$24,478,757	$24,388,664	$23,153,525	$24,059,719	$22,853,391	$30,740,111
	Total Long Term Debt	$4,966,683	$4,764,776	$4,351,659	$4,204,097	$4,003,180	$3,954,712	$4,966,683	$4,764,776	$4,351,659	$4,204,097	$4,003,180	$3,954,712
	Total Current Liabilities and Total Long Term Debt	$29,445,441	$29,153,440	$27,505,184	$28,263,817	$26,856,571	$34,694,823	$29,445,441	$29,153,440	$27,505,184	$28,263,817	$26,856,571	$34,694,823
4	**Times Interest Earned**	**2.8**	**2.4**	**3.3**	**1.2**	**3.6**	**12.3**	**2.7**	**2.7**	**2.7**	**2.6**	**2.7**	**3.5**
5	**Debt Service Coverage Ratio**	**2.63**	**2.13**	**2.72**	**1.32**	**3.00**	**8.22**	**2.50**	**2.45**	**2.48**	**2.37**	**2.43**	**2.89**
	Excess Revenues over Expenses	$897,005	$634,904	$1,149,588	($98,337)	$1,376,058	$5,190,003	$5,806,943	$6,441,847	$7,591,435	$7,493,098	$8,869,156	$14,059,159
	Interest Expense	$607,372	$602,553	$590,261	$599,511	$599,331	$599,863	$4,241,900	$4,844,453	$5,434,714	$6,034,225	$6,633,556	$7,233,419
	Depreciation and Amortization Expense	$546,096	$555,303	$553,598	$553,085	$572,219	$584,357	$4,082,763	$4,638,066	$5,191,664	$5,744,749	$6,316,968	$6,901,325
	Principal Payments	$173,192	$238,695	$252,309	$196,199	$249,995	$175,524	$1,417,283	$1,655,978	$1,908,286	$2,104,485	$2,354,480	$2,530,004
6	**Equity Financing Ratio**	**5.8**	**6.3**	**7.5**	**7.3**	**8.7**	**12.6**	**5.8**	**6.3**	**7.5**	**7.3**	**8.7**	**12.6**
	Total Net Assets	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400
	Total Assets	$101,817,940	$103,109,815	$102,909,184	$103,332,665	$103,591,068	$112,359,211	$101,817,940	$103,109,815	$102,909,184	$103,332,665	$103,591,068	$112,359,211
D.	**Additional Statistics**												
1	**Income from Operations**	**$518,978**	**$264,168**	**$804,547**	**-$432,660**	**$988,417**	**$6,214,859**	**$3,176,884**	**$3,441,052**	**$4,245,599**	**$3,812,939**	**$4,801,356**	**$11,016,215**
2	**Revenue Over/(Under) Expense**	**$897,005**	**$634,904**	**$1,149,588**	**-$98,337**	**$1,376,058**	**$5,190,003**	**$5,806,943**	**$6,441,847**	**$7,591,435**	**$7,493,098**	**$8,869,156**	**$14,059,159**
3	**EBITDA**	**$1,672,446**	**$1,422,024**	**$1,948,406**	**$719,936**	**$2,159,967**	**$7,399,079**	**$11,501,547**	**$12,923,571**	**$14,871,977**	**$15,591,913**	**$17,751,880**	**$25,150,959**
4	**Cash from Operations**	**$15,454,486**	**$16,195,163**	**$17,253,860**	**$14,428,071**	**$15,247,673**	**$14,882,399**	**$100,288,965**	**$116,484,128**	**$133,737,988**	**$148,166,059**	**$163,413,732**	**$178,296,131**
5	**Cash and Cash Equivalents**	**$7,587,205**	**$550,675**	**$774,588**	**$2,859,986**	**$1,463,164**	**$187,195**	**$7,587,205**	**$550,675**	**$774,588**	**$2,859,986**	**$1,463,164**	**$187,195**
6	**Net Working Capital**	**$23,530,090**	**$25,101,197**	**$26,711,066**	**$26,672,937**	**$28,270,027**	**$28,737,520**	**$23,530,090**	**$25,101,197**	**$26,711,066**	**$26,672,937**	**$28,270,027**	**$28,737,520**
7	**Unrestricted Assets**	**$5,864,119**	**$6,499,023**	**$7,670,912**	**$7,572,575**	**$8,982,194**	**$14,192,400**	**$5,864,119**	**$6,499,023**	**$7,670,912**	**$7,572,575**	**$8,982,194**	**$14,192,400**
8	**Credit Ratings (S&P, FITCH, and Moody's)**												

Exhibit F

PROSPECT ROCKVILLE HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$18,412,122	$19,283,549	$18,192,153	$17,776,249	$18,737,703	$18,883,700	$135,924,439	$155,207,988	$173,400,141	$191,176,390	$209,914,093	$228,797,793
	Total Allowances	($13,324,074)	($14,212,013)	($12,970,581)	($12,320,032)	($13,538,658)	($13,869,828)	($98,952,244)	($113,164,257)	($126,134,838)	($138,454,870)	($151,993,528)	($165,863,356)
	Bad Debt	($181,373)	($154,116)	($154,815)	($140,382)	($128,800)	($119,266)	($1,385,915)	($1,540,031)	($1,694,846)	($1,835,228)	($1,964,028)	($2,083,294)
	Net Patient Revenue	$4,906,675	$4,917,420	$5,066,757	$5,315,835	$5,070,245	$4,894,606	$35,586,280	$40,503,700	$45,570,457	$50,886,292	$55,956,537	$60,851,143
	Other Operating Revenue	126,677	116,504	102,205	151,945	45,589	134,301	$852,334	$968,838	$1,071,043	$1,222,988	$1,268,577	$1,402,878
	Total Operating Revenue	$5,033,352	$5,033,924	$5,168,962	$5,467,780	$5,115,834	$5,028,907	$36,438,614	$41,472,538	$46,641,500	$52,109,280	$57,225,114	$62,254,021
	Total Operating Expenses	5,344,727	5,519,967	5,325,730	5,641,034	5,389,931	4,342,076	$40,085,586	$45,605,553	$50,931,283	$56,572,317	$61,962,248	$66,304,324
	Income/(Loss) From Operations	($311,375)	($486,043)	($156,768)	($173,254)	($274,097)	$686,831	($3,646,972)	($4,133,015)	($4,289,783)	($4,463,037)	($4,737,134)	($4,050,303)
	Total Non-Operating Revenue	113,627	117,588	93,371	118,113	124,907	(294,267)	$774,732	$892,320	$985,691	$1,103,804	$1,228,711	$934,444
	Excess/(Deficiency) of Revenue Over Expenses	($197,748)	($368,455)	($63,397)	($55,141)	($149,190)	$392,564	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
A	**Operating Performance**												
1	**Operating Margin**	**-6.05%**	**-9.43%**	**-2.98%**	**-3.10%**	**-5.23%**	**14.51%**	**-9.80%**	**-9.76%**	**-9.01%**	**-8.39%**	**-8.10%**	**-6.41%**
2	**Non-Operating Margin**	**2.21%**	**2.28%**	**1.77%**	**2.11%**	**2.38%**	**-6.22%**	**2.08%**	**2.11%**	**2.07%**	**2.07%**	**2.10%**	**1.48%**
3	**Total Margin**	**-3.84%**	**-7.15%**	**-1.20%**	**-0.99%**	**-2.85%**	**8.29%**	**-7.72%**	**-7.65%**	**-6.94%**	**-6.31%**	**-6.00%**	**-4.93%**
4	**Bad Debt as % of Gross Revenue**	**0.99%**	**0.80%**	**0.85%**	**0.79%**	**0.69%**	**0.63%**	**1.02%**	**0.99%**	**0.98%**	**0.96%**	**0.94%**	**0.91%**
	Income/(Loss) From Operations	($311,375)	($486,043)	($156,768)	($173,254)	($274,097)	$686,831	($3,646,972)	($4,133,015)	($4,289,783)	($4,463,037)	($4,737,134)	($4,050,303)
	Total Operating Revenue	$5,033,352	$5,033,924	$5,168,962	$5,467,780	$5,115,834	$5,028,907	$36,438,614	$41,472,538	$46,641,500	$52,109,280	$57,225,114	$62,254,021
	Total Non-Operating Revenue	$113,627	$117,588	$93,371	$118,113	$124,907	($294,267)	$774,732	$892,320	$985,691	$1,103,804	$1,228,711	$934,444
	Total Revenue	$5,146,979	$5,151,512	$5,262,333	$5,585,893	$5,240,741	$4,734,640	$37,213,346	$42,364,858	$47,627,191	$53,213,084	$58,453,825	$63,188,465
	Excess/(Deficiency) of Revenue Over Expenses	($197,748)	($368,455)	($63,397)	($55,141)	($149,190)	$392,564	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Unrestricted Net Assets	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Total Net Assets	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)

Exhibit F

PROSPECT ROCKVILLE HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$18,412,122	$19,283,549	$18,192,153	$17,776,249	$18,737,703	$18,883,700	$135,924,439	$155,207,988	$173,400,141	$191,176,390	$209,914,093	$228,797,793
	Total Allowances	($13,324,074)	($14,212,013)	($12,970,581)	($12,320,032)	($13,538,658)	($13,869,828)	($98,952,244)	($113,164,257)	($126,134,838)	($138,454,870)	($151,993,528)	($165,863,356)
B.	**Liquidity**												
1	**Current Ratio**	**1.63**	**1.64**	**1.68**	**1.59**	**1.57**	**1.27**	**1.63**	**1.64**	**1.68**	**1.59**	**1.57**	**1.27**
	Total Current Assets	$11,619,188	$11,353,838	$11,279,435	$11,589,385	$10,987,353	$11,486,396	$11,619,188	$11,353,838	$11,279,435	$11,589,385	$10,987,353	$11,486,396
	Total Current Liabilities	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517
2	**Days Cash on Hand**	**(0)**	**1**	**1**	**7**	**2**	**0**	**(7)**	**(6)**	**(5)**	**2**	**4**	**4**
	Cash and Cash Equivalents	($80,010)	$154,797	$161,436	$1,262,686	$264,212	$1,037	($80,010)	$154,797	$161,436	$1,262,686	$264,212	$1,037
	Short Term Investments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Cash and Short Term Investments	($80,010)	$154,797	$161,436	$1,262,686	$264,212	$1,037	($1,219,752)	($1,064,955)	($903,519)	$359,167	$623,378	$624,415
	Total Operating Expenses	$5,344,727	$5,519,967	$5,325,730	$5,641,034	$5,389,931	$4,342,076	$40,085,586	$45,605,553	$50,931,283	$56,572,317	$61,962,248	$66,304,324
	Depreciation Expense	$235,173	$236,738	$234,266	$239,210	$239,431	$267,226	$1,714,023	$1,950,761	$2,185,027	$2,424,237	$2,663,668	$2,930,894
	Operating Expenses less Depreciation Expense	$5,109,554	$5,283,229	$5,091,464	$5,401,824	$5,150,500	$4,074,850	$38,371,563	$43,654,792	$48,746,256	$54,148,080	$59,298,580	$63,373,430
3	**Days in Net Acounts Receivables**	**35**	**40**	**34**	**36**	**45**	**42**	**340**	**381**	**415**	**450**	**495**	**537**
	Net Patient Accounts Receivable	$7,219,864	$7,161,273	$6,826,652	$7,476,334	$7,943,900	$7,440,504	$63,335,019	$70,496,293	$77,322,944	$84,799,278	$92,743,178	$100,183,682
	Due From Third Party Payers	$ -	$ -	$ -	$ -	$ -	$ -	$0	$0	$0	$0	$0	$0
	Due To Third Party Payers	$1,539,548	$748,252	$1,042,444	$1,370,929	$576,026	$639,008	$6,297,082	$7,045,334	$8,087,779	$9,458,708	$10,034,733	$10,673,741
	Total Net Patient Accounts Receivable and Third Party Payer Activity	$ 5,680,317	$ 6,413,022	$ 5,784,207	$ 6,105,405	$ 7,367,874	$ 6,801,496	$57,037,937	$63,450,958	$69,235,166	$75,340,571	$82,708,445	$89,509,941
	Total Net Patient Revenue	$4,906,675	$4,917,420	$5,066,757	$5,315,835	$5,070,245	$4,894,606	$35,586,280	$40,503,700	$45,570,457	$50,886,292	$55,956,537	$60,851,143
4	**Average Payment Period**	**42**	**41**	**39**	**42**	**42**	**66**	**39**	**39**	**38**	**41**	**39**	**52**
18	Total Current Liabilities	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517
19	Total Operating Expenses	$5,344,727	$5,519,967	$5,325,730	$5,641,034	$5,389,931	$4,342,076	$40,085,586	$45,605,553	$50,931,283	$56,572,317	$61,962,248	$66,304,324
20	Depreciation Expense	$235,173	$236,738	$234,266	$239,210	$239,431	$267,226	$1,714,023	$1,950,761	$2,185,027	$2,424,237	$2,663,668	$2,930,894
20	Total Operating Expenses less Depreciation Expense	$5,109,554	$5,283,229	$5,091,464	$5,401,824	$5,150,500	$4,074,850	$38,371,563	$43,654,792	$48,746,256	$54,148,080	$59,298,580	$63,373,430

Exhibit F

PROSPECT ROCKVILLE HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$18,412,122	$19,283,549	$18,192,153	$17,776,249	$18,737,703	$18,883,700	$135,924,439	$155,207,988	$173,400,141	$191,176,390	$209,914,093	$228,797,793
	Total Allowances	($13,324,074)	($14,212,013)	($12,970,581)	($12,320,032)	($13,538,658)	($13,869,828)	($98,952,244)	($113,164,257)	($126,134,838)	($138,454,870)	($151,993,528)	($165,863,356)
C.	**Leverage and Capital Structure**												
1	**Long-term Debt to Equity**	**(0.2)**	**(0.2)**	**(0.1)**	**(0.1)**	**(0.1)**	**(0.1)**	**(0.2)**	**(0.2)**	**(0.1)**	**(0.1)**	**(0.1)**	**(0.1)**
2	**Long Term Debt to Capitalization Ratio**	**(22.4)**	**(18.8)**	**(16.9)**	**(16.2)**	**(14.9)**	**(16.7)**	**(22.4)**	**(18.8)**	**(16.9)**	**(16.2)**	**(14.9)**	**(16.7)**
	Total Long Term Debt	$524,837	$513,744	$478,241	$467,411	$456,288	$445,778	$524,837	$513,744	$478,241	$467,411	$456,288	$445,778
	Total Net Assets	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Total Long Term Debt and Total Net Assets	($2,347,403)	($2,726,951)	($2,825,851)	($2,891,821)	($3,052,135)	($2,670,081)	($2,347,403)	($2,726,951)	($2,825,851)	($2,891,821)	($3,052,135)	($2,670,081)
3	**Unrestricted Cash to Total Debt Ratio**	**0.5**	**(1.8)**	**2.4**	**2.4**	**1.2**	**7.0**	**(15.1)**	**(17.3)**	**(15.6)**	**(12.0)**	**(11.3)**	**(2.0)**
	Excess/(Deficiency) of Revenues Over Expenses	($197,748)	($368,455)	($63,397)	($55,141)	($149,190)	$392,564	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Depreciation Expense	$235,173	$236,738	$234,266	$239,210	$239,431	$267,226	$1,714,023	$1,950,761	$2,185,027	$2,424,237	$2,663,668	$2,930,894
	Excess of Revenues Over Expenses and Depreciation Expense	$37,425	($131,717)	$170,869	$184,069	$90,241	$659,790	($1,158,217)	($1,289,934)	($1,119,065)	($934,996)	($844,755)	($184,965)
	Total Current Liabilities	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517
	Total Long Term Debt	$524,837	$513,744	$478,241	$467,411	$456,288	$445,778	$524,837	$513,744	$478,241	$467,411	$456,288	$445,778
	Total Current Liabilities and Total Long Term Debt	$7,671,431	$7,435,842	$7,178,700	$7,762,544	$7,442,820	$9,467,295	$7,671,431	$7,435,842	$7,178,700	$7,762,544	$7,442,820	$9,467,295
4	**Times Interest Earned**	**0.6**	**(0.4)**	**1.4**	**1.4**	**0.8**	**6.2**	**(0.5)**	**(0.5)**	**(0.3)**	**(0.1)**	**(0.0)**	**0.5**
5	**Debt Service Coverage Ratio**	**1.14**	**0.24**	**1.71**	**1.90**	**1.41**	**4.21**	**0.07**	**0.09**	**0.28**	**0.43**	**0.52**	**0.83**
	Excess Revenues over Expenses	($197,748)	($368,455)	($63,397)	($55,141)	($149,190)	$392,564	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Interest Expense	$179,836	$178,095	$183,771	$180,638	$182,856	$182,343	$1,254,906	$1,433,001	$1,616,772	$1,797,410	$1,980,266	$2,162,609
	Depreciation and Amortization Expense	$235,173	$236,738	$234,266	$239,210	$239,431	$267,226	$1,714,023	$1,950,761	$2,185,027	$2,424,237	$2,663,668	$2,930,894
	Principal Payments	$10,676	$18,740	$23,021	$10,829	$11,124	$17,686	$138,172	$156,912	$179,933	$190,762	$201,886	$219,572
6	**Equity Financing Ratio**	**(11.5)**	**(13.2)**	**(13.6)**	**(13.6)**	**(14.5)**	**(12.6)**	**(11.5)**	**(13.2)**	**(13.6)**	**(13.6)**	**(14.5)**	**(12.6)**
	Total Net Assets	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Total Assets	$24,871,148	$24,523,819	$24,242,243	$24,630,841	$24,236,389	$24,682,109	$24,871,148	$24,523,819	$24,242,243	$24,630,841	$24,236,389	$24,682,109
D.	**Additional Statistics**												
1	**Income from Operations**	**-$311,375**	**-$486,043**	**-$156,768**	**-$173,254**	**-$274,097**	**$686,831**	**-$3,646,972**	**-$4,133,015**	**-$4,289,783**	**-$4,463,037**	**-$4,737,134**	**-$4,050,303**
2	**Revenue Over/(Under) Expense**	**-$197,748**	**-$368,455**	**-$63,397**	**-$55,141**	**-$149,190**	**$392,564**	**-$2,872,240**	**-$3,240,695**	**-$3,304,092**	**-$3,359,233**	**-$3,508,423**	**-$3,115,859**
3	**EBITDA**	**$103,634**	**-$71,210**	**$261,269**	**$246,594**	**$148,190**	**$1,136,400**	**-$678,043**	**-$749,253**	**-$487,984**	**-$241,390**	**-$93,200**	**$1,043,200**
4	**Cash from Operations**	**$5,957,007**	**$5,208,157**	**$5,560,291**	**$4,928,006**	**$4,883,110**	**$5,239,344**	**$5,957,007**	**$5,208,157**	**$5,560,291**	**$4,928,006**	**$4,883,110**	**$5,239,344**
5	**Cash and Cash Equivalents**	**-$80,010**	**$154,797**	**$161,436**	**$1,262,686**	**$264,212**	**$1,037**	**-$80,010**	**$154,797**	**$161,436**	**$1,262,686**	**$264,212**	**$1,037**
6	**Net Working Capital**	**$4,472,594**	**$4,431,740**	**$4,578,975**	**$4,294,252**	**$4,000,821**	**$2,464,879**	**$4,472,594**	**$4,431,740**	**$4,578,975**	**$4,294,252**	**$4,000,821**	**$2,464,879**
7	**Unrestricted Assets**	**-$2,872,240**	**-$3,240,695**	**-$3,304,092**	**-$3,359,233**	**-$3,508,423**	**-$3,115,859**	**-$2,872,240**	**-$3,240,695**	**-$3,304,092**	**-$3,359,233**	**-$3,508,423**	**-$3,115,859**
8	**Credit Ratings (S&P, FITCH, and Moody's)**												

User, OHCA

From: Cotto, Carmen
Sent: Wednesday, December 27, 2017 3:30 PM
To: Dennis P. McConville (dmcconville@echn.org) (dmcconville@echn.org)
Cc: Roberts, Karen; User, OHCA; 'colleen713.smith@gmail.com'
Subject: FW: 15-32016-486-CON
Attachments: Letter to Yvonne Addo, OHCA re DN 15-32016-486-CON 12 15 17 Final.pdf

Good afternoon Dennis,

In reference to the attached documents, please also provide us with the same documents in Excel format, as applicable. In particular, those related to capital commitment investment, cost savings and quarterly financial measures.
As you might already know, Excel format makes it easier to filter and analyzed data. It will be very helpful to us to receive them in this format.

Thank you in advance for your assistance.
Carmen

Carmen Cotto, MBA
Associate Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, CT 06134
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From: Mcconville, Dennis P [mailto:dmcconville@echn.org]
Sent: Friday, December 15, 2017 10:19 AM
To: User, OHCA
Cc: Martone, Kim; Roberts, Karen; Colleen Smith; Ellen J. Shin (ellen.shin@prospectmedical.com); Tichy, Joyce A (Legal Department); Collins, Michael; Garrison DeLee (garrison.delee@prospectmedical.com); Frank.Saidara; Von.Crockett; Basile, Mary C; Veillette, Michael
Subject: 15-32016-486-CON

The attached letter is submitted as required for condition number eight (8), condition number nine (9) and condition number ten (10) contained in the Final Decision for Docket Number: 15-32016-486-CON, the Transfer of Assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.

Dennis P. McConville

Senior Vice President
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
(860) 268-4591 (cell)
dmcconville@echn.org



"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

Eastern Connecticut Health Network
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December 15, 2017

VIA EMAIL DELIVERY

Deputy Commissioner Yvonne Addo
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS 13HCA
P.O. Box 340308
Hartford, CT 06134

Re: **Docket Number: 15-32016-486**

Project Title: **Transfer of assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.**

Dear Ms. Addo:

This letter is submitted in accordance with the Order for the above referenced Certificate of Need Final Decision, specifically Condition Number Eight (8), Condition Number Nine (9) and Condition Number Ten (10) regarding the transfer of assets of Eastern Connecticut Health Network, Inc. (ECHN) to Prospect Medical Holdings, Inc. (PMH).

Condition Number Eight (8) requires that on a semi-annual basis until the capital commitment is satisfied, PMH shall submit to OHCA a report on the capital investments ("Capital Investment Report") it has made in the New MMH, New RGH and their affiliates from the 75 million Commitment Amount. Please find the Capital Investment Report for Fiscal Year 2017 labeled as Exhibit A which includes payment dates, amounts and sources of funding. In addition, please find Exhibit B which includes all capital purchases for Fiscal Year 2017 that have been made or approved with purchase orders issued. The timeframes for the roll out of capital projects are also noted.

Condition Number Nine (9) requires that PMH provide a report for New ECHN, New MMH and New RGH on a semi-annual basis with the following information:

a. The cost saving totals achieved in the following Operating Expense Categories for New ECHN, New MMH and New RGH: Salaries and Wages, Fringe Benefits, Contractual Labor Fees, Medical Supplies and Pharmaceutical Costs, Depreciation and Amortization, Interest Expense, Malpractice Expense, Utilities, Business

Expenses, and other Operating Expenses. The categories shall be consistent with the major operating expense categories (Categories A, B, C, D, E, G, H, I, J, and) which are in use at the time of reporting in the OHCA Hospital Reporting System ("HRS") Report 175 or successor report. The semi-annual submission shall also contain narratives describing:

1. The major cost savings achieved for each expense category for the semi-annual period; and

2. The effect of cost savings on the clinical uality of care.

b. A Consolidated Balance Sheet, Statements of Operations, and Statements of Cash Flows for New ECHN, New MMH and New RGH. The format shall be consistent with that which is in use at the time of reporting in OHCA's HRS Reports 100/150, 300 350 or successor reports.

For Condition Number Nine (9.a.), please find Exhibit C which shows the expenses by category using the form of HRS Report 175 for the period of April 1, 2017 through September 30, 2017 as compared to the first half of Fiscal Year 2017, October 1, 2016 through March 31, 2017. Exhibit D contains information relating to the clinical uality of care provided at New MMH and New RGH this past year.

For Condition Number Nine (9.b.), please find Exhibit E using the form of HRS Reports 100 150 and 300 350 which includes the Consolidated Balance Sheet, Statements of Operations, and Statements of Cash Flows for New ECHN, New MMH and New RGH

Condition Number Ten (10) re uires that on a semi-annual basis, PMH provide a report for New ECHN, New MMH and New RGH with the following financial measurements indicators showing current month and year-to-date data and comparable prior year period data for New ECHN, New MMH and New RGH respectively :

Financial Measurement/Indicators

A. Operating Performance

1. Operating Margin
2. Non-Operating Margin
3. Total Margin

B. Liquidity

1. Current Ratio
2. Days Cash on Hand
3. Days in Net Accounts Receivables
4. Average Payment Period

C. Leverage and Capital Structure

1. Long-term Debt to E uity
2. Long-term Debt to Capitali ation
3. Unrestricted Cash to Debt

4. Times Interest Earned Ratio
5. Debt Service Coverage Ratio
6. E□uity Financing Ratio

D. <u>Additional Statistics</u>

1. Income from Operations
2. Revenue Over (Under) Expense
3. Cash from Operations
4. Cash and Cash E□uivalents
5. Net Working Capital
6. Free Cash Flow (and the elements used in the calculation)
7. Unrestricted Assets□Retained Earnings
8. Bad Debt as □ of Gross Revenue
9. Credit Ratings (S&P, FITCH, or Moody's)

Please find Exhibit F for the periods beginning on October 1, 2016 through March 31, 2017 and April 1, 2017 through September 30, 2017 showing current month and year to date measurements as re□uired for Condition Ten (10). Future reports will compare the data to the comparable period for the prior year.

If you have any □uestions or need anything further, please feel free to contact me at (860) 533-3429.

Very truly yours,

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network

Enclosures:

Exhibit A- Condition Number Eight (8) - Capital Investment Report
Exhibit B – Condition Number Eight (8) – Fiscal Year 2017 Approved Capital Expenditures
Exhibit C – Condition Number Nine (9.a) - Expenses by Category
Exhibit D – Condition Number Nine (9.a) – Effect of Cost Savings on Clinical Quality of Care
Exhibit E – Condition Number Nine (9.b.) - Consolidated Balance Sheets, Statements of Operations, and Statements of Cash Flows for New ECHN, New MMH and New RGH
Exhibit F – Condition Number Ten (10) - Current Month and Year to Date Measurements

cc: imberly R. Martone, Director of Operations, Office of Health Care Access, Connecticut Department of Public Health
aren Roberts, Principal Health Care Analyst, Office of Health Care Access, Connecticut Department of Public Health
Colleen Smith, Nursing Consultant Partners, LLC
Ellen J. Shin, General Counsel, Prospect Medical Holdings, Inc.
Joyce A. Tichy, Senior Vice President and General Counsel, ECHN
Michael Collins, CEO, ECHN
Von Crocket, Senior Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Frank Saidara, Vice President, Corporate Development, Prospect Medical Holdings, Inc.
Garrison De Lee, Assistant General Counsel, Prospect Medical Holdings, Inc.

Exhibit A

Capital Investment Report
Paid Capital
FY 2017

Vendor	Entity	Item	Purpose	PO #	FundingType	October	November	December	January	February	March	Total	April	May
												********PAYMENT AMOUNT********		
MOREDIRECT INC	MMH	SECURITY SYSTEM UPGRADE	Replacement	C0016389	F			$3,227				$3,227		
ADVANCE SECURITY INTERGATION LLC	MMH	ACCESS CONTROL UPGRADE	Replacement	C0016390	F				$81,206			$81,206		
SECURITY 101	MMH	ACCESS CONTROL UPGRADE	Replacement	C0016390	F									
W.B. MASON COMPANY, INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C016300P	F					$1,813		$1,813		
RAINTECH SOUND & COMMUNICATION, INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C016300R	F		$13,278					$13,278		
STRYKER SALES CORPORATION	RGH	WALDEN EATING DISORDER UNIT	Renovation	C01630AU	F					$68,544		$68,544		
GE MEDICAL SYSTEMS INFORMATION	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300AV	F			$2,594				$2,594		
GRAYBAR ELECTRIC CO INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BB	F		$237					$237		
SHI INTERNAIONAL CORP	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BC	F		$1,881					$1,881		
SHI INTERNAIONAL CORP	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BC	F		$155					$155		
SOMA TECHNOLOGY, INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BD	F		$695					$695		
TRI-ANIM HEALTH SERVICES	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BG	F	$413						$413		
TRI-ANIM HEALTH SERVICES	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BG	F		$826					$826		
RAINTECH SOUND & COMMUNICATION, INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BH	F				$34,882			$34,882		
MODERN MECHANICAL SERVICES, INC	MMH	WATER TOWER TANKS	Replacement	C0016345	N		$90,487					$90,487		
ALL-PHASE ENTERPRISES INC	MMH	GENERATOR FLUE STACK	Replacement	C0016364	N		$9,430					$9,430		
SMITHS MEDICAL ASD INC	MMH	TEMP CHECK	Replacement	C0016379	N	$807						$807		
HILL-ROM	MMH	STRETCHER MATTRESSES (7)	Replacement	C0016388	N		$3,644					$3,644		
HILL-ROM	MMH	STRETCHER MATTRESSES (6)	Replacement	C0016393	N		$2,818					$2,818		
SCALES INDUSTRIAL TECHOLOGIES, LLC	MMH	QUINCY OILESS COMPRESSOR	Replacement	C0016394	N		$12,730					$12,730		
SCALES INDUSTRIAL TECHOLOGIES, LLC	MMH	QUINCY OILESS COMPRESSOR	Replacement	C0016394	N					$1,663		$1,663		
SAFEWARE, INC.	RGH	GAS ALERT DETECTOR	Replacement	C0016398	N					$195		$195		
SAFEWARE, INC.	RGH	GAS ALERT DETECTOR	Replacement	C0016398	N					$2,264		$2,264		
SAFEWARE, INC.	RGH	GAS ALERT DETECTOR	Replacement	C0016398	N								$2,458	
MOREDIRECT INC	WAT	IT - CISCO CATALYST	Replacement	C0016401	N								$10,884	
MOREDIRECT, INC.	RGH	IT - CISCO CATALYST	Replacement	C0016401	N									
JKS SYSTEMS, LLC	WAT	WOODLAKE CABLE RUNS	Replacement	C0016402	N								$5,241	
PRAXAIR DISTRIBUTION, INC	MMH	FBC - NITRONOX E STAND PACKAGE	Replacement	C0016403	N						$11,230	$11,230		
STERIS CORP	MMH	CENTURY STERILIZER COLOR DISPLAY	Replacement	C0016404	N									$10,29
STERIS CORP	MMH	SPD - 3 LEVEL MANIFOLD RACK	Replacement	C0016405	N						$13,662	$13,662		
GERMFREE LABORATORIES, INC	RGH	PHARMACY COMPOUNDING ISOLATOR	Replacement	C0016406	N									
OWENS & MINOR	MMH	DIGITAL SCALE WITH HANDRAILS	Replacement	C0016407	N								$1,606	
HILL-ROM	MMH	CLUB SLEEPER/MATRESS (MATERNITY)	Replacement	C0016408	N									$4,51
CARPETWORKS	MMH	NUCLEAR MED FLOORING	Replacement	C0016413	N						$5,429	$5,429		
CARPETWORKS	RGH	FLOORING - BIII, HOSPICE ICU WAITING RO	Replacement	C0016414	N						$19,452	$19,452		
CARPETWORKS LLC	RGH	FLOORING - BIII, HOSPICE ICU WAITING RO	Replacement	C0016414	N									
CARPETWORKS LLC	RGH	FLOORING - BIII, HOSPICE ICU WAITING RO	Replacement	C0016414	N									
CARPETWORKS	RGH	FLOORING - LITHOTRIPSY	Replacement	C0016415	N						$5,158	$5,158		
HILL ROM COMPANY INCORPORATED	RGH	MATTRESS REPLACEMENT	Replacement	C0016416	N									
KARL STORZ ENDOSCOPY AMERICA, INC.	MMH	VIDEO URETEROSCOPE	Replacement	C0016417	N									
INTOXIMETERS INC	MMH	INTOXIMETER SENSOR	Replacement	C0016418	N								$555	
FLAGSHIP NETWORKS, INC	MMH	CITRIX EDUCATION LICENSING	Replacement	C0016420	N									
SHI INTERNAIONAL CORP	MMH	IPAD AIR ACCESSORIES	Replacement	C0016421	N								$249	
SHI INTERNAIONAL CORP	MMH	APPLE IPAD AIR/ACCESSORIES (5)	Replacement	C0016421	N									$4,05
TRUMPF MEDICAL SYSTEMS	MMH	FOOT SUPPORT, ROTATABLE	Replacement	C0016422	N									$85
W.B. MASON CO INC	MMH	MATERNITY WAITING ROOM FURNITURE	Replacement	C0016425	N									
CDW GOVERNMENT INC	ECMP	HP PROBOOK WITH ACCESSORIES (4)	Replacement	C0016426	N									$4,41
TELEFLEX MEDICAL INCORPORATED	MMH	SURGICAL TOOLS	Replacement	C0016427	N								$3,279	
AESCULAP	MMH	SURGICAL TOOLS	Replacement	C0016428	N								$1,531	
INTERA LIFESCIENCES	MMH	LED HEADLIGHT (3)	Replacement	C0016429	N								$18,479	
SHI INTERNAIONAL CORP	MMH	APPLE IPOD TOUCH (50)	Replacement	C0016430	N								$10,365	
MOREDIRECT, INC.	MMH	FIREWALL REPLACEMENT	Replacement	C0016433	N									
MOREDIRECT, INC.	MMH	FIREWALL REPLACEMENT	Replacement	C0016433	N									
MOREDIRECT, INC.	MMH	FIREWALL REPLACEMENT	Replacement	C0016433	N									
CHIMENET, INC.	MMH	FIREWALL	Replacement	C0016434	N									
PRECISION COMPUTER SERVICES, INC	MMH	IT - CISCO B2000 SERVER/ACCESSORIES	Replacement	C0016435	N									$43,43
PRECISION COMPUTER SERVICES, INC.	MMH	CISCO B200 M4 BLADES/IMPLEMENTATION	Replacement	C0016435	N									
OLYMPUS AMERICA, INC	RGH	PORTABLE RHINO-LARYNGO FIBERSCOPE	Replacement	C0016436	N									$13,11
MORTARA INSTRUMENT, INC.	MMH	CARDIAC REHAB TREADMILL	Replacement	C0016437	N									
MORTARA INSTRUMENT, INC.	RGH	RHAB TREADMILL	Replacement	C0016438	N									
FOLLETT LLC	RGH	EDU - ICE MAKER/WATER DISPENSER	Replacement	C0016439	N									
ERBE USA INCORPORATED	MMH	ENDOSCOPY ACP SYSTEM	Replacement	C0016440	N									
ERBE USA INCORPORATED	RGH	ENDOSCOPY ACP SYSTEM	Replacement	C0016441	N									
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N									
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N									

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													********** PAYMENT AMOUNT **********		
Vendor	Entity	Item	Purpose	PO #	FundingType	October	November	December	January	February	March	Total	April	May	
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N										
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N										
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N										
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N										
W.B. MASON CO INC	WAT	CHOW RESIDENT ROOM FURNITURE	Renovation	C0016447	N										
W.B. MASON CO INC	MMH	BARIATRIC FURNITURE	Replacement	C0016448	N										
SHI INTERNAIONAL CORP	WAT	CISCO CATALYST - WAT COMPUTER ACCE	Replacement	C0016449	N									$2,247	
JKS SYSTEMS, LLC	WAT	IT WIRING AND CABLE INSTALL	Replacement	C0016450	N										
W.B. MASON CO INC	MMH	PHYSICIAN LOUNGE FURNITURE	Replacement	C0016454	N										
SCOTTCARE CORPORATION	MMH	VERSA CARE TELEMETRY MONITORING SY	Replacement	C0016455	N									$45,628	
CDW GOVERNMENT INC.	MMH	PT MIGRATION TO MEDITECH	Replacement	C0016456	N										
CDW GOVERNMENT INC.	MMH	PT MIGRATION TO MEDITECH	Replacement	C0016456	N										
SHI INTERNAIONAL CORP	MMH	HP745-PT MIGRATION TO MEDITECH	Replacement	C0016457	N									$25,014	
JKS SYSTEMS, LLC	MMH	REHAB ACCESS POINTS	Replacement	C0016458	N										
W.B. MASON CO INC	RGH	ED TASK CHAIRS (10)	Replacement	C0016460	N										
EHR INTEGRATION	ECMP	PATIENT ADT INTERFACE	Replacement	C0016463	N								$5,625		
EHR INTEGRATION SERVICES, LLC	ECMP	ED transition to ECMP Billing	Replacement	C0016463	N										
EHR INTEGRATION SERVICES, LLC	ECMP	ED transition to ECMP Billing	Replacement	C0016463	N										
EHR INTEGRATION SERVICES, LLC	ECMP	ED transition to ECMP Billing	Replacement	C0016463	N										
IATRIC SYSTEMS	MMH	ED TRANSITION TO ECMP BILLING	Replacement	C0016464	N										
JKS SYSTEMS, LLC	MMH	IT CABLING - 44 HAYNES	Replacement	C0016466	N										
MOREDIRECT, INC.	MMH	CRC HARDWARE	Replacement	C0016467	N										
MID-SOUTH TELECOM LLC	MMH	CRC PHONES	Replacement	C0016469	N										
AMPRONIX, INC.	MMH	MEDICAL VIDEO RECORDER	Replacement	C0016470	N										
MOREDIRECT, INC.	MMH	LAPTOP INVENTORY (20)	Replacement	C0016471	N										
MOREDIRECT, INC.	MMH	LAPTOP INVENTORY (20)	Replacement	C0016471	N										
FLAGSHIP NETWORKS, INC	MMH	MCAFEE FOR LAPTOPS (20)	Replacement	C0016472	N										
MCKESSON MEDICAL SURGICAL INC.	ECMP	INFECTIOUS DISEASE WALL UNITS	Replacement	C0016475	N										
EAGLE RIVET ROOF SERVICE CORP.	RGH	CHOW PLAN OF CORRECTION ROOF	Replacement	C0016476	N										
EAGLE RIVET ROOF SERVICE CORP.	RGH	CHOW PLAN OF CORRECTION ROOF	Replacement	C0016476	N										
EAGLE RIVET ROOF SERVICE CORP.	RGH	CHOW PLAN OF CORRECTION ROOF	Replacement	C0016476	N										
PHILIPS HEALTHCARE	RGH	CHOW PLAN OF CORRECTION ROOF	Replacement	C0016477	N										
HOLOGIC LIMITED PARTNERSHIP	MMH	MYOSURE HYSTEROSCOPE	Replacement	C0016478	N										
CLASSIC RESTAURANT SUPPLY	MMH	ICE MACHINE	Replacement	C0016479	N										
INTERIOR CONCEPTS	RGH	CORRIDOR DOOR REPLACEMENT	Replacement	C0016482	N										
INTERIOR CONCEPTS	RGH	CORRIDOR DOOR REPLACEMENT	Replacement	C0016482	N										
MCPHEE ELECTRICAL LTD	RGH	ICU Transformer Replacement	Replacement	C0016486	N										
SHI INTERNATIONAL CORP.	MMH	MED EDU HARDDRIVES AND BATTERIES	Replacement	C0016488	N										
SHI INTERNATIONAL CORP.	MMH	MED EDU HARDDRIVES AND BATTERIES	Replacement	C0016488	N										
SHI INTERNATIONAL CORP.	MMH	LAB DOCUMENT SCANNER	Replacement	C0016489	N										
CONNECTICUT BUSINESS SYSTEMS, LLC	RGH	PRINTER/SCANNER	Replacement	C0016490	N										
CONNECTICUT BUSINESS SYSTEMS, LLC	MMH	PRINTER	Replacement	C0016491	N										
MCKESSON MEDICAL-SURGICAL	WAT	TUB	Replacement	C0016492	N										
SMITH & NEPHEW ENDOSCOPY DIV.	MMH	SHOULDER POSITIONER	Replacement	C0016496	N										
SMITH & NEPHEW ENDOSCOPY DIV.	MMH	SHOULDER POSITIONER	Replacement	C0016496	N										
JKS SYSTEMS, LLC	RGH	WIRING - GI, CARDIO & OR	Replacement	C0016497	N										
SIEMENS MEDICAL SOLUTIONS USA, INC.	MMH	PACS UPGRADE	Replacement	C0016498	N										
HELMER SCIENTIFIC	MMH	LAB REFRIGERATOR	Replacement	C0016500	N										
GE HEALTHCARE IITS USA CORP	MMH	FBC EXPANSION -PROJECT	Replacement	C016281B	N	$3,845						$3,845			
MERRY X-RAY CHEMICAL CORP	MMH	VASCULAR- PROJECT	Replacement	C016312V	N	$652						$652			
CHIMENET, INC.	RGH	IDF UPGRADE/NETWORK REDESIGN	Replacement	C016376A	N				$2,400			$2,400			
CHIMENET, INC.	RGH	IDF UPGRADE/NETWORK REDESIGN	Replacement	C016376A	N					$4,111		$4,111			
MOREDIRECT INC	RGH	COMPUTER CABLES	Replacement	C016376G	N		$1,403					$1,403			
DC CONSULTING SERVICE LLC	ECMP	SOFTWARE	Replacement	C016382B	N	$990						$990			
JKS SYSTEMS, LLC	ECMP	COMPUTER SCANNER	Replacement	C016385A/E	N	$412						$412			
FLAGSHIP NETWORKS, INC	ECMP	LICENSE FEE	Replacement	C016385D	N			$950				$950			
MCKESSON MEDICAL SURGICAL	ECMP	BARIATRIC SCALE	Replacement	C016385F	N	$1,550						$1,550			
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJ	Renovation	C016395A	N	$2,000						$2,000			
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJ	Renovation	C016395A	N	$3,950						$3,950			
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJ	Renovation	C016395A	N	$3,570						$3,570			
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJ	Renovation	C016395A	N				$2,380			$2,380			
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	Renovation	C016396A	N	$1,250						$1,250			
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	Renovation	C016396A	N	$6,275						$6,275			
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	Renovation	C016396A	N	$3,525						$3,525			
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	Renovation	C016396A	N				$2,350			$2,350			
MOSER PILON NELSON	MMH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409A	N						$45,100	$45,100			

Exhibit A

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Vendor	Entity	Item	Purpose	PO #	FundingType	October	November	December	January	February	March	Total	April	May
						**********	**********	**********	**********	**********	PAYMENT AMOUNT	**********	**********	**********
MOSER PILON NELSON	MMH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409A	N									
MOSER PILON NELSON	MMH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409A	N									
MOSER PILON NELSON	MMH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409A	N									
STANDARD BUILDERS, INC.	RGH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409B	N									
IRVING D. MOY	RGH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409L	N									
IRVING D. MOY	RGH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409L	N									
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410A	N						$165,635	$165,635		
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410A	N								$10,000	
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410A	N									$55,250
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410A	N									
STANDARD BUILDERS, INC.	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410B	N									
STANDARD BUILDERS, INC.	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410B	N									
ABATEMENT PLUS, LLC	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410T	N									
ABATEMENT PLUS, LLC	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410T	N									
ALL-PHASE ENTERPRISES, INC.	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410U	N									
HORAK PAINTING CONTRACTORS	RGH	RGH GROUND FLOOR CORRIDOR PAINTIN	Renovation	C016480C	N									
HORAK PAINTING CONTRACTORS	RGH	RGH GROUND FLOOR CORRIDOR PAINTIN	Renovation	C016480C	N									
CARPETWORKS LLC	MMH	PHARMACY ENGINEERING -PROJECT	Replacement	C15875HH	N		$670					$670		
PRO-TECH	WAT	FIRE BLOCKING	Replacement		N					$6,391		$6,391		
CTGI	MMH	LAB - GI COMPUTER INTERFACE	Replacement		N						$17,670	$17,670		
						$29,238	**$138,254**	**$6,771**	**$123,219**	**$84,979**	**$283,336**	**$665,798**	**$70,273**	**$208,818**
		Financing (Debt, Lease)			F	**$413**	**$17,073**	**$5,821**	**$116,089**	**$70,357**	**$0**	**$209,753**	**$0**	**$0**
		New FY 2017 Spending (Operations)			N	**$28,825**	**$121,181**	**$950**	**$7,131**	**$14,622**	**$283,336**	**$456,045**	**$70,273**	**$208,818**
		TOTAL				**$29,238**	**$138,254**	**$6,771**	**$123,219**	**$84,979**	**$283,336**	**$665,798**	**$70,273**	**$208,818**

Michael D. Veillette, Chief Financial Officer, Prospect ECHN, Inc.

Exhibit B

Prospect ECHN, Inc.
FY2017 Approved Capital Expenditures

Vendor Name	Facility	Item Description	Amount	Purpose	Notes
Otis Elevator	MMH	Elevator Sheave Replacement	35,255.00	Repair	
Connection, JKS Systems	ECHN	Voice Mail System Replacement	76,866.48	Replacement	
Omnicell, Inc.	MMH/RGH	Omnicell Dispensing System	1,306,013.10	Replacement	
Connection, JKS Systems	WAT	Wireless Network Expansion	15,721.32	New, Expansion	
GermFree	RGH	Germfree VF-4USP Compounding Aseptic Isolator	16,015.55	Replacement	
Steris Corporation	MMH	Sterilizer Centry Color Display Upgrade	10,949.80	Replacement	
Steris Corporation	MMH	Steris Manifold Racks and Carts (4)	16,647.94	Replacement	
Owens and Minor	MMH		1,692.29	Replacement	
Hill-Rom	MMH	Sleeper Chairs (2)	4,804.04	Replacement	
Praxair	MMH	Nitrous Oxide Delivery System (2)	11,147.61	New, Expansion	
Standard Builders, Inc.	RGH	Renovations for Adult Behavioral Health Unit	4,172,153.04	Replacement	Renovations in process to expand adult behavioral health capacity with 24 beds, completion expected December 2017
Standard Builders, Inc.	MMH	Renovations for Geropsychiatry Unit	818,129.28	Replacement	Renovations underway to provide separate program spaces for adolescent and geriatric patient populations, completion targeted for December 2017
Standard Builders, Inc.	MMH	BHU Safety Renovations	344,700.00	Replacement	In process, with replacement of acoustic ceilings with drywall, targeted completion by December 2017
Flagship Networks	ECHN	Citrix Licenses	9,635.40	New, Expansion	
SHI	MMH/RGH	iPods - Communications Services	4,721.74	New, Expansion	
Karl Storz	MMH	Ureteroscope	19,949.77	Replacement	
Carpetworks, LLC	RGH	Replacement Flooring - Lithotripsy Room	5,157.98	Replacement	
Carpetworks, LLC	RGH	Replacement Flooring - RGH Waiting Rooms	21,042.41	Replacement	
Carpetworks, LLC	MMH	Replacement Flooring - MMH Waiting Rooms	5,429.17	Replacement	
Hill Rom Company	RGH	Mattresses (35)	20,136.63	Replacement	
Prestige Medical Imaging	RGH	Portable X-Ray Unit	148,786.65	Replacement	
Intoximeters, Inc.	MMH	Breath Alcohol Tester	590.23	Replacement	
Teleflex Medical	MMH	Laparoscopic Tray	4,624.20	Replacement	
Integra Life Sciences	MMH	Surgical Headlights	19,662.41	Replacement	
Trumpf Medical	MMH	Trumpf OR Table Extension	903.98	New, Expansion	
Aesculap, Inc.	MMH	Orthopedic Large Bone Tray	1,628.15	Replacement	
WB Mason Company, Inc.	MMH	Waiting Rooms & Maternity Education Room Furniture	27,586.13	Replacement	
WB Mason Company, Inc.	RGH	Waiting Rooms & Nurse Lounge Furniture	15,862.10	Replacement	
WB Mason Company, Inc.	RGH	ED Waiting Room Flooring Replacement	13,033.19	Replacement	
CDW/SHI/Flagship	ECMP	Laptops, PCs	7,711.19	New, Expansion	
SHI	MMH/RGH	iPods for Secure Texting	11,022.88	New, Expansion	
Precision Computer Services, Inc.	ECHN	UCS Chassis & Blade Servers	50,885.35	New, Expansion	
Connection/CHIMENET	ECHN	Network Security Firewall	31,980.56	New, Expansion	
All Phase Construction Enterprises, Inc.	WAT	CHOW Renovations	517,966.35	Replacement	

Exhibit B

Prospect ECHN, Inc.
FY2017 Approved Capital Expenditures

WB Mason Company, Inc.	WAT	CHOW Furniture	240,877.43	Replacement	
Eagle Rivet Roofing	RGH	Roof Replacements (3)	152,075.18	Replacement	
CDW/Flagship/SHI/JKS	MMH/RGH	EMR Hardware	41,404.32	Replacement	
Carpetworks, LLC	MMH	2 East Patient Room Flooring	42,534.68	Replacement	
Carpetworks, LLC	MMH	1 East Corridor & Patient Room Flooring	72,647.69	Replacement	
ERBE USA Incorporated	MMH/RGH	ERBE Argon Plasma Coagulation Units (6)	233,965.32	Replacement	
Motara Instruments	MMH/RGH	Treadmills (4)	23,502.91	Replacement	
WB Mason Company, Inc.	MMH/RGH	Bariatric Furniture	25,845.18	Replacement	
Olympus American, Inc.	RGH	Tracheal & Rhino-Laryngoscopes	12,579.55	Replacement	
Follet	RGH	Ice Machine	2,553.15	Replacement	
SHI/JKS/CDW	WAT	PCs	4,678.94	Replacement	
PCP	ECMP	Practice Acquisition	273,200.00	New, Expansion	
WB Mason	RGH	Task Chairs (10)	3,126.69	Replacement	
WB Mason	MMH	Physician Lounge Furniture	5,899.23	Replacement	
ScottCare	MMH	VersaCare Telemetry Monitoring System	48,482.84	Replacement	
Meditech, CareFusion	MMH/RGH	Omnicell Interfaces	87,100.65	Replacement	
Iatric Systems, EHR Integration Services	MMH/RGH	ED Billing Interfaces	19,304.00	New, Expansion	
Connection, Flagship Networks, JKS Systems	CRC	Laptops for new hires	17,754.90	New, Expansion	
Mid-South Telecom LLC, SHI	CRC	Telephones for new hires	1,226.36	New, Expansion	
Connection, Flagship Networks	ECHN	Laptops for Inventory	23,327.82	Replacement	
Carpetworks, LLC	RGH	ICU Flooring Replacement	14,585.90	Replacement	
McKesson	ECMP	Exam Room Diagnostics Wall Units (2)	1,778.85	Replacement	
Mid-South Telecom LLC	ECMP	Telephone Headsets	1,312.95	Replacement	
Ampronix	MMH	HD Medical Video Recorder	4,241.24	Replacement	
Philips Healthcare	ECMP	Stress System, EKG Machine	26,302.80	Replacement	
Carpetworks, LLC Horak Painting, Abatement Plus	RGH	Ground Floor Renovations	92,683.04	Replacement	
Interior Concepts	RGH	Corridor Door Replacements	30,179.75	Replacement	
Classic Restaurant Supply	MMH	Ice cube machines (2)	4,730.43	Replacement	
Hologic	MMH	Hysteroscope & instrument tray	6,907.43	Replacement	
Hovertech International Air Supply & Storage Cart	MMH	HoverMatt Patient Transport System	1,447.42	New, Expansion	
CDW	MMH	3 Laptops	3,203.26	New, Expansion	
SHI	MMH	9 computer laptop hard drives & batteries	1,289.85	New, Expansion	
CBS	RGH	Printer/Scanner	1,302.79	New, Expansion	
Smith & Nephew	RGH	Shoulder positioner	4,439.05	New, Expansion	
Carpetworks, LLC	MMH	Vinyl flooring, ASC	11,858.03	Replacement	
Accurate Doors	RGH	Exterior doors (3)	12,740.73	Replacement	
SHI	MMH	Document scanner	944.12	New, Expansion	
K.M. Medical, Inc.	MMH	Lead aprons	7,174.22	Replacement	
K.M. Medical, Inc.	RGH	Lead aprons	2,080.21	Replacement	

Exhibit B

Prospect ECHN, Inc.
FY2017 Approved Capital Expenditures

JKS Systems	RGH	Data cabling	1,372.39	New, Expansion	
McPhee Electric	RGH	Transformer	48,921.00	Replacement	
McKesson	WAT	Tub with lift	12,102.63	Replacement	
Direct Supply	WAT	Hoyer Lifts with scales	4,852.80	New, Expansion	
Direct Supply	WAT	Vital Signs Monitors with stands	11,293.08	Replacement	
CBS	MMH	Printer	1,544.20	New, Expansion	
Siemens	ECHN	PACs System Upgrade	153,207.26	Replacement	
Karl Storz	MMH	Difficult Airways Carts (Two)	76,337.86	New, Expansion	
Olympus	MMH	Vacuum Curettage System	7,269.77	Replacement	
WB Mason	MMH	Office Chairs	8,975.94	Replacement	
Carpetworks, LLC	RGH	Bissell 2 Corridor Flooring Replacement	22,375.24	Replacement	
Carpetworks, LLC	MMH	Sleep Center Carpet Replacement	14,288.05	Replacement	
Helmer	MMH	Laboratory Refrigerator	5,503.46	Replacement	
Meditech	ECHN	Patient Portal	233,863.65	Replacement	
Smiths Medical	RGH	Infuser	10,004.08	New, Expansion	
W.B. Mason	MMH	Office Chairs	4,702.35	Replacement	
JKS Systems	ECHN	Cable data runs for wireless networks	2,677.30	New, Expansion	
Security 101	RGH	CCTV Replacement for Sterile Processing Facility	16,595.05	Replacement	
Eastcoast Paving Services	RGH	Service Drive and East Parking Lot Paving	73,010.00	Replacement	
Hartford Sprinkler Company	MMH	Garage Standpipe Replacement	17,600.93	Replacement	
Security 101	RGH	RGH Security Video Infrastructure	34,486.94	Replacement	
KTW Group	MMH	Surgical Case Carts	28,269.73	Replacement	
Stryker	RGH	Psychiatric Beds	76,959.65	Replacement	
Encore Fire Protection	RGH	Additional Sprinklers	29,964.11	New, Expansion	
Wells Johnson Company	MMH	Plastic Surgery Infiltration Pump	2,793.69	Replacement	
Stryker	MMH	Makoplasty Total Knee Application	297,780.00	New, Expansion	
Silktown Roofing, Inc.	MMH	CHOW POC Roof Replacements	1,326,920.97	Replacement	
All Phase Enterprises	MMH	Paving and Concrete Work	136,071.40	Replacement	
TPC Associatess, Inc	MMH	Hugs Infant Protection System	94,055.94	Replacement	
Alcon Laboratories	MMH	Alcon Constellation Retina Vitrectomy Machine	99,543.60	Replacement	
Electrical Wholesalers, Inc.	MMH	Replacement Exit Signs	14,632.91	Replacement	
Mindray	MMH/RGH	18 Anesthesia Machines	711,946.79	Replacement	
			$ 12,909,623.60		

Exhibit C
Prospect Manchester Hospital, Prospect Rockville Hospital and Prospect ECHN
Report 175 - Operating Expenses by Category
Comparison: October 2016 - March 2017 and April 2017 - September 2017

		October 2016 - March 2017			April 2017 - September 2017			Variance		
Line	Operating Expense by Category	MMH	RGH	ECHN	MMH	RGH	ECHN	MMH	RGH	ECHN
A	Salaries & Wages	$39,112,524	$14,071,000	$53,183,524	$37,836,794	$13,359,480	$51,196,274	($1,275,730)	($711,520)	($1,987,250)
B	Fringe Benefits	$13,822,026	$5,117,453	$18,939,479	$7,537,643	$3,238,088	$10,775,730	($6,284,383)	($1,879,365)	($8,163,749)
C	Contractual Labor Fees	$5,029,260	$2,271,227	$7,300,487	$6,638,425	$3,290,725	$9,929,150	$1,609,165	$1,019,498	$2,628,663
D	Medical Supplies & Phamaceutical Cost	$13,471,362	$3,913,060	$17,384,422	$13,316,492	$2,360,289	$15,676,781	($154,870)	($1,552,771)	($1,707,641)
E	Depreciation & Amortization	$3,536,666	$1,478,850	$5,015,516	$3,364,656	$1,452,043	$4,816,699	($172,010)	($26,807)	($198,817)
F	Bad Debts	$0	$0	$0	$0	$0	$0	$0	$0	$0
G	Interest Expense	$3,634,528	$1,075,070	$4,709,598	$3,598,889	$1,087,538	$4,686,428	($35,639)	$12,468	($23,171)
H	Malpractice Insurance Cost	$1,290,472	$504,808	$1,795,280	$153,148	$272,714	$425,862	($1,137,324)	($232,094)	($1,369,418)
I	Utilities	$1,380,083	$665,214	$2,045,297	$1,363,160	$628,562	$1,991,722	($16,922)	($36,652)	($53,574)
J	Business Expense	$13,597,193	$5,644,173	$19,241,366	$15,554,280	$5,874,021	$21,428,301	$1,957,087	$229,848	$2,186,935
K	Other Operating Expenses	-	-	-	-	-	-	$0	$0	$0
	Total Operating Expenses - All Expense Categories	$94,874,114	$34,740,855	$129,614,969	$89,363,489	$31,563,458	$120,926,947	($5,510,625)	($3,177,396)	($8,688,022)

Exhibit D - Effect of Cost Savings on Clinical Quality of Care

The clinical □uality of care at Manchester Memorial Hospital (MMH) and Rockville General Hospital (RGH) has improved over the past year as evidenced in the key □uality metrics charts below. This is attributed to the strong culture of safety that continues at the hospitals. The daily safety huddle, safety moments to begin every meeting and the continued education on HRO Safety culture to all staff and physicians are examples of the safety culture fully supported by the hospitals' senior leadership.

Manchester Memorial Hospital

Quality Metric	2016	2017	Change
Overall Infection Rate	0.8□	0.6□	-0.2□
Surgical Site Infection Rate	0.7□	0.4□	-0.3□
Colorectal SSI Rate	8.3□	7.1□	-1.2□
Abd Hysterectomy SSIs	1	1	0
Total Hip and □nee Infections	3	0	-3
C-Section Infections	13	0	-13
Handwashing Compliance Rate	48.0□	95.0□	47.0□
C-diffle Rate	0.7□	0.4□	-0.3□
CLABSIS, ICU	2	1	-1
CAUTIs, ICU	0	0	0
CAUTIs, Non - ICU	3	2	-1
Ventilator Ac□uired Events	13.7□	9.0□	-4.7□
Readmission Rates	9.2□	6.6□	-2.6□
Penalty Rates (readmissions)	1.05□	0.51□	-0.54□

Rockville General Hospital

Quality Metric	2016	2017	Change
Overall Infection Rate	0.8□	0.7□	-0.1□
Surgical Site Infection Rate□	0.3□	0.5□	0.2□
Colorectal SSI Rate	0	0	0
Abd Hysterectomy SSIs	0	0	0
Total Hip and □nee Infections	n□a	n□a	n□a
C-Section Infections	n□a	n□a	n□a
Handwashing Compliance Rate	78.0□	91.0□	13.0□
C-diffle Rate	0.9□	0.3□	-0.6□
CLABSIS, ICU	2	0	-2
CAUTIs, ICU	0	1	1
CAUTIs, Non - ICU	0	0	0
Ventilator Ac□uired Events	23.1□	15.2□	-7.9□
Readmission Rates	11.4□	10.6□	-0.8□
Penalty Rates (readmission)	1.83□	0.72□	-1.11□

□The overall number of SSIs is down from 5 in 2016 to 4 in 2017. Denominator decreased making the rate higher.

Exhibit D - Effect of Cost Savings on Clinical Quality of Care

In addition, positions have been added to the Quality and Safety department. A full-time and a part-time Quality Manager have been added as well as a Clinical Educator (shared between ECHN and Waterbury Hospital). As important, The PMH Chief Quality Officer sponsors monthly □uality calls and is available for □uestions and advice. The Regional Vice President for Quality and Safety works directly with the hospitals on □uality projects and initiatives and is also a valuable resource. The recent PMH Mock Survey is an example of a value added service by PMH to prepare our hospitals for the upcoming TJC surveys next year.

As evidenced by the key □uality metrics, added positions and available regional and corporate resources, the clinical □uality of care at MMH and RGH has been strengthened over the past year. Leadership at the local, regional and national levels has empowered the hospitals to continue to advance the culture of safety.

EXHIBIT E

PROSPECT ECHN, INC.		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 300 - PARENT CORPORATION CONSOLIDATED BALANCE SHEET INFORMATION		
(1)	(2)	(3)
		SEPT 2017
LINE	DESCRIPTION	ACTUAL
I.	**ASSETS**	
A.	**Current Assets:**	
1	Cash and Cash Equivalents	$4,194,382
2	Short Term Investments	
3	Accounts Receivable (Less: Allowance for Doubtful Accounts)	$40,804,492
4	Current Assets Whose Use is Limited for Current Liabilities	
5	Due From Affiliates	$7,637,864
6	Due From Third Party Payers	
7	Inventories of Supplies	$6,054,400
8	Prepaid Expenses	$4,140,461
9	Other Current Assets	$2,435,581
	Total Current Assets	**$65,267,180**
B.	**Noncurrent Assets Whose Use is Limited:**	
1	Held by Trustee	$0
2	Board Designated for Capital Acquisition	
3	Funds Held in Escrow	
4	Other Noncurrent Assets Whose Use is Limited	
	Total Noncurrent Assets Whose Use is Limited:	**$0**
5	Interest in Net Assets of Foundation	
6	Long Term Investments	$13,734,336
7	Other Noncurrent Assets	$9,430,650
C.	**Net Fixed Assets:**	
1	Property, Plant and Equipment	$328,929,302
2	Less: Accumulated Depreciation	$250,110,586
	Less: Purchase Adjustment	$18,316,556
	Property, Plant and Equipment, Net	**$60,502,160**
3	Construction in Progress	$1,687,933
	Total Net Fixed Assets	**$62,190,093**
	Total Assets	**$150,622,259**

EXHIBIT E

PROSPECT ECHN, INC.		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 300 - PARENT CORPORATION CONSOLIDATED BALANCE SHEET INFORMATION		
(1)	(2)	(3)
		SEPT 2017
LINE	DESCRIPTION	ACTUAL
II.	**LIABILITIES AND NET ASSETS**	
A.	**Current Liabilities:**	
1	Accounts Payable and Accrued Expenses	$22,013,628
2	Salaries, Wages and Payroll Taxes	$5,641,078
3	Due To Third Party Payers	$2,192,261
4	Due To Affiliates	$1,793,691
5	Current Portion of Long Term Debt	$0
6	Current Portion of Notes Payable	$2,599,963
7	Other Current Liabilities	$10,280,642
	Total Current Liabilities	**$44,521,263**
B.	**Long Term Debt:**	
1	Bonds Payable (Net of Current Portion)	
2	Notes Payable (Net of Current Portion)	$8,929,268
	Total Long Term Debt	**$8,929,268**
3	Accrued Pension Liability	$66,866,795
4	Other Long Term Liabilities	$15,376,744
	Total Long Term Liabilities	**$91,172,807**
5	Interest in Net Assets of Affiliates or Joint Ventures	
C.	**Net Assets:**	
1	Net Assets or Equity	$14,928,189
2	Temporarily Restricted Net Assets	
3	Permanently Restricted Net Assets	
	Total Net Assets	**$14,928,189**
	Total Liabilities and Net Assets	**$150,622,259**

EXHIBIT E

PROSPECT ECHN, INC.				
FISCAL YEAR 2017				
REPORT 350 - PARENT CORPORATION CONSOLIDATED STATEMENT OF OPERATIONS INFORMATION				
(1)	(2)	(3)	(4)	
		OCT-MAR	APR-SEP	YTD SEPT 17
LINE	DESCRIPTION	ACTUAL	ACTUAL	ACTUAL
A.	**Operating Revenue:**			
1	Total Gross Patient Revenue	$497,056,059	495,473,693	$992,529,752
2	Less: Allowances	$341,478,789	340,297,357	$681,776,146
3	Less: Charity Care	$1,281,566	1,403,978	$2,685,544
4	Less: Other Deductions	$0	-	$0
	Total Net Patient Revenue	**$154,295,704**	**$153,772,358**	**$308,068,062**
5	Provision for Bad Debts	$3,835,978	3,823,267	$7,659,245
	Net Patient Service Revenue less provision for bad debts	**$150,459,726**	**$149,949,091**	**$300,408,817**
6	Other Operating Revenue	$10,793,602	13,395,083	$24,188,685
7	Net Assets Released from Restrictions	$0	-	$0
	Total Operating Revenue	**$161,253,328**	**$163,344,174**	**$324,597,502**
B.	**Operating Expenses:**			
1	Salaries and Wages	$73,885,912	74,572,521	$148,458,433
2	Fringe Benefits	$23,050,448	15,221,280	$38,271,728
3	Physicians Fees	$8,053,331	10,257,207	$18,310,538
4	Supplies and Drugs	$18,371,771	16,671,870	$35,043,641
5	Depreciation and Amortization	$5,698,189	5,209,480	$10,907,669
6	Bad Debts	$0	-	$0
7	Interest Expense	$4,729,540	4,703,035	$9,432,575
8	Malpractice Insurance Cost	$1,774,010	1,303,960	$3,077,970
9	Other Operating Expenses	$29,049,379	30,215,848	$59,265,227
	Total Operating Expenses	**$164,612,580**	**$158,155,201**	**$322,767,781**
	Income/(Loss) From Operations	**($3,359,252)**	**$5,188,973**	**$1,829,721**
C.	**Non-Operating Revenue:**			
1	Income from Investments	$0	-	$0
2	Gifts, Contributions and Donations	$0	-	$0
3	Other Non-Operating Gains/(Losses)	$2,913,137	1,063,254	$3,976,391
	Total Non-Operating Revenue	**$2,913,137**	**$1,063,254**	**$3,976,391**
	Excess/(Deficiency) of Revenue Over Expenses (Before Other Adjustments)	**($446,115)**	**$6,252,227**	**$5,806,112**
	Other Adjustments:			
	Unrealized Gains/(Losses)	$0	-	$0
	All Other Adjustments	$0	-	$0
	Total Other Adjustments	**$0**	**$0**	**$0**
	Excess/(Deficiency) of Revenue Over Expenses	**($446,115)**	**$6,252,227**	**$5,806,112**

PROSPECT MANCHESTER HOSPITAL		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 100 - HOSPITAL BALANCE SHEET INFORMATION		
(1)	(2)	(3)
		SEPT 2017
LINE	DESCRIPTION	ACTUAL
I.	**ASSETS**	
A.	**Current Assets:**	
1	Cash and Cash Equivalents	$187,195
2	Short Term Investments	$0
3	Accounts Receivable (Less: Allowance for Doubtful Accounts)	$25,353,520
4	Current Assets Whose Use is Limited for Current Liabilities	$0
5	Due From Affiliates	$28,172,147
6	Due From Third Party Payers	$0
7	Inventories of Supplies	$4,543,626
8	Prepaid Expenses	$1,169,286
9	Other Current Assets	$51,857
	Total Current Assets	**$59,477,631**
B.	**Noncurrent Assets Whose Use is Limited:**	
1	Held by Trustee	$0
2	Board Designated for Capital Acquisition	$0
3	Funds Held in Escrow	$0
4	Other Noncurrent Assets Whose Use is Limited	$0
	Total Noncurrent Assets Whose Use is Limited:	**$0**
5	Interest in Net Assets of Foundation	$0
6	Long Term Investments	$3,794,969
7	Other Noncurrent Assets	$3,029,736
C.	**Net Fixed Assets:**	
1	Property, Plant and Equipment	$206,836,787
2	Less: Accumulated Depreciation	$160,975,889
	Less: Purchase Adjustment	$487,696
	Property, Plant and Equipment, Net	**$45,373,202**
3	Construction in Progress	$683,673
	Total Net Fixed Assets	**$46,056,875**
	Total Assets	**$112,359,211**

EXHIBIT E

PROSPECT MANCHESTER HOSPITAL		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 100 - HOSPITAL BALANCE SHEET INFORMATION		
(1)	(2)	(3)
		SEPT 2017
LINE	DESCRIPTION	ACTUAL
II.	**LIABILITIES AND NET ASSETS**	
A.	**Current Liabilities:**	
1	Accounts Payable and Accrued Expenses	$14,932,883
2	Salaries, Wages and Payroll Taxes	$2,694,055
3	Due To Third Party Payers	$788,545
4	Due To Affiliates	$10,122,005
5	Current Portion of Bonds	$0
6	Current Portion of Notes Payable	$2,120,518
7	Other Current Liabilities	$82,105
	Total Current Liabilities	**$30,740,111**
B.	**Long Term Debt:**	
1	Bonds Payable (Net of Current Portion)	$0
2	Notes Payable (Net of Current Portion)	$3,954,712
	Total Long Term Debt	**$3,954,712**
3	Accrued Pension Liability	$52,162,410
4	Other Long Term Liabilities	$11,309,575
	Total Long Term Liabilities	**$67,426,697**
5	Interest in Net Assets of Affiliates or Joint Ventures	$0
C.	**Net Assets:**	
1	Unrestricted Net Assets or Equity	$14,192,403
2	Temporarily Restricted Net Assets	$0
3	Permanently Restricted Net Assets	$0
	Total Net Assets	**$14,192,403**
	Total Liabilities and Net Assets	**$112,359,211**

EXHIBIT E

PROSPECT MANCHESTER HOSPITAL					
FISCAL YEAR 2017					
REPORT 150 - HOSPITAL STATEMENT OF OPERATIONS INFORMATION					
(1)	(2)	(3)		(4)	
LINE	DESCRIPTION	OCT-MAR ACTUAL		APR-SEP ACTUAL	YTD SEPT 17 ACTUAL
A.	**Operating Revenue:**				
1	Total Gross Patient Revenue	$336,306,535		341,770,277	$678,076,812
2	Less: Allowances	$240,249,012		245,237,735	$485,486,747
3	Less: Charity Care	$897,095		891,350	$1,788,445
4	Less: Other Deductions	$0		-	$0
	Total Net Patient Revenue	**$95,160,428**		**$95,641,192**	**$190,801,620**
5	Provision for Bad Debts	$2,267,527		2,331,749	$4,599,276
	Net Patient Service Revenue less provision for bad debts	**$92,892,901**		**$93,309,443**	**$186,202,344**
6	Other Operating Revenue	$4,641,099		4,411,751	$9,052,850
7	Net Assets Released from Restrictions	($1,983)		609	($1,374)
	Total Operating Revenue	**$97,532,017**		**$97,721,803**	**$195,253,820**
B.	**Operating Expenses:**				
1	Salaries and Wages	$39,112,524		37,836,793	$76,949,317
2	Fringe Benefits	$13,822,026		7,537,643	$21,359,669
3	Physicians Fees	$5,029,260		6,638,425	$11,667,685
4	Supplies and Drugs	$13,471,362		13,316,493	$26,787,855
5	Depreciation and Amortization	$3,536,666		3,364,656	$6,901,322
6	Bad Debts	$0		-	$0
7	Interest Expense	$3,634,528		3,598,890	$7,233,418
8	Malpractice Insurance Cost	$1,290,472		153,148	$1,443,620
9	Other Operating Expenses	$14,977,276		16,917,441	$31,894,717
	Total Operating Expenses	**$94,874,114**		**$89,363,489**	**$184,237,603**
	Income/(Loss) From Operations	**$2,657,903**		**$8,358,314**	**$11,016,217**
C.	**Non-Operating Revenue:**				
1	Income from Investments	$0		-	$0
2	Gifts, Contributions and Donations	$0		-	$0
3	Other Non-Operating Gains/(Losses)	$2,252,032		790,912	$3,042,944
	Total Non-Operating Revenue	**$2,252,032**		**$790,912**	**$3,042,944**
	Excess/(Deficiency) of Revenue Over Expenses (Before Other Adjustments)	**$4,909,935**		**$9,149,226**	**$14,059,161**
	Other Adjustments:				
	Unrealized Gains/(Losses)	$0		-	$0
	All Other Adjustments	$0		-	$0
	Total Other Adjustments	**$0**		-	$0
	Excess/(Deficiency) of Revenue Over Expenses	**$4,909,935**		**$9,149,226**	**$14,059,161**

EXHIBIT E

PROSPECT ROCKVILLE HOSPITAL		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 100 - HOSPITAL BALANCE SHEET INFORMATION		
(1)	(2)	(3)
LINE	DESCRIPTION	SEP 2017 ACTUAL
I.	**ASSETS**	
A.	**Current Assets:**	
1	Cash and Cash Equivalents	$1,037
2	Short Term Investments	$0
3	Accounts Receivable (Less: Allowance for Doubtful Accounts)	$7,440,504
4	Current Assets Whose Use is Limited for Current Liabilities	$0
5	Due From Affiliates	$2,070,993
6	Due From Third Party Payers	$0
7	Inventories of Supplies	$1,220,807
8	Prepaid Expenses	$469,984
9	Other Current Assets	$283,071
	Total Current Assets	**$11,486,396**
B.	**Noncurrent Assets Whose Use is Limited:**	
1	Held by Trustee	$0
2	Board Designated for Capital Acquisition	$0
3	Funds Held in Escrow	$0
4	Other Noncurrent Assets Whose Use is Limited	$0
	Total Noncurrent Assets Whose Use is Limited:	**$0**
5	Interest in Net Assets of Foundation	$0
6	Long Term Investments	$3,352,337
7	Other Noncurrent Assets	$218,639
C.	**Net Fixed Assets:**	
1	Property, Plant and Equipment	$92,922,999
2	Less: Accumulated Depreciation	$70,435,459
	Less: Purchase Adjustment	$13,867,063
	Property, Plant and Equipment, Net	**$8,620,477**
3	Construction in Progress	$1,004,260
	Total Net Fixed Assets	**$9,624,737**
	Total Assets	**$24,682,109**

EXHIBIT E

PROSPECT ROCKVILLE HOSPITAL		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 100 - HOSPITAL BALANCE SHEET INFORMATION		
(1)	(2)	(3)
LINE	DESCRIPTION	SEP 2017 ACTUAL
II.	**LIABILITIES AND NET ASSETS**	
A.	**Current Liabilities:**	
1	Accounts Payable and Accrued Expenses	$3,442,840
2	Salaries, Wages and Payroll Taxes	$538,322
3	Due To Third Party Payers	$639,008
4	Due To Affiliates	$4,246,725
5	Current Portion of Bonds	$0
6	Current Portion of Notes Payable	$159,691
7	Other Current Liabilities	($5,069)
	Total Current Liabilities	**$9,021,517**
B.	**Long Term Debt:**	
1	Bonds Payable (Net of Current Portion)	$0
2	Notes Payable (Net of Current Portion)	$445,778
	Total Long Term Debt	**$445,778**
3	Accrued Pension Liability	$14,704,385
4	Other Long Term Liabilities	$3,626,284
	Total Long Term Liabilities	**$18,776,447**
5	Interest in Net Assets of Affiliates or Joint Ventures	$0
C.	**Net Assets:**	
1	Unrestricted Net Assets or Equity	($3,115,855)
2	Temporarily Restricted Net Assets	$0
3	Permanently Restricted Net Assets	$0
	Total Net Assets	**($3,115,855)**
	Total Liabilities and Net Assets	**$24,682,109**

EXHIBIT E

PROSPECT ROCKVILLE HOSPITAL					
FISCAL YEAR 2017					
REPORT 150 - HOSPITAL STATEMENT OF OPERATIONS INFORMATION					
(1)	(2)	(3)		(4)	
		OCT-MAR		APR-SEP	YTD SEPT 17
LINE	DESCRIPTION	ACTUAL		ACTUAL	ACTUAL
A.	**Operating Revenue:**				
1	Total Gross Patient Revenue	$117,512,312		111,285,475	$228,797,787
2	Less: Allowances	$85,243,699		79,722,557	$164,966,256
3	Less: Charity Care	$384,471		512,628	$897,099
4	Less: Other Deductions	$0		$0	$0
	Total Net Patient Revenue	**$31,884,142**		**$31,050,290**	**$62,934,432**
5	Provision for Bad Debts	$1,204,542		878,752	$2,083,294
	Net Patient Service Revenue less provision for bad debts	**$30,679,600**		**$30,171,538**	**$60,851,138**
6	Other Operating Revenue	$725,658		677,221	$1,402,879
7	Net Assets Released from Restrictions	$0		-	$0
	Total Operating Revenue	**$31,405,258**		**$30,848,759**	**$62,254,017**
B.	**Operating Expenses:**				
1	Salaries and Wages	$14,071,000		13,359,480	$27,430,480
2	Fringe Benefits	$5,117,453		3,238,087	$8,355,540
3	Physicians Fees	$2,271,227		3,290,725	$5,561,952
4	Supplies and Drugs	$3,913,060		2,360,289	$6,273,348
5	Depreciation and Amortization	$1,478,850		1,452,043	$2,930,893
6	Bad Debts	$0		-	$0
7	Interest Expense	$1,075,070		1,087,539	$2,162,609
8	Malpractice Insurance Cost	$504,808		272,714	$777,522
9	Other Operating Expenses	$6,309,386		6,502,582	$12,811,969
	Total Operating Expenses	**$34,740,854**		**$31,563,459**	**$66,304,313**
	Income/(Loss) From Operations	**($3,335,596)**		**($714,700)**	**($4,050,296)**
C.	**Non-Operating Revenue:**				
1	Income from Investments	$0		-	$0
2	Gifts, Contributions and Donations	$0		-	$0
3	Other Non-Operating Gains/(Losses)	$661,105		273,337	$934,442
	Total Non-Operating Revenue	**$661,105**		**$273,337**	**$934,442**
	Excess/(Deficiency) of Revenue Over Expenses (Before Other Adjustments)	**($2,674,491)**		**($441,363)**	**($3,115,854)**
	Other Adjustments:				
	Unrealized Gains/(Losses)	$0			
	All Other Adjustments	$0			
	Total Other Adjustments	**$0**		**$0**	**$0**
	Excess/(Deficiency) of Revenue Over Expenses	**($2,674,491)**		**($441,363)**	**($3,115,854)**

EXHIBIT F

PROSPECT ECHN, INC.

FISCAL YEAR 2017

		30	31	30	31	31	30	212	243	273	304	335	365
		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$82,691,702	$88,343,824	$83,439,485	$76,823,377	$82,825,517	$81,349,780	$579,747,769	$668,091,593	$751,531,078	$828,354,455	$911,179,972	$992,529,752
	Total Allowances	($56,884,573)	($62,418,710)	($57,386,457)	($52,059,374)	($57,273,245)	($55,678,974)	($399,644,930)	($462,063,640)	($519,450,097)	($571,509,471)	($628,782,716)	($684,461,690)
	Bad Debt	($609,259)	($621,247)	($625,192)	($627,115)	$110,367	($1,450,823)	($4,445,236)	($5,066,483)	($5,691,675)	($6,318,790)	($6,208,423)	($7,659,246)
	Net Patient Revenue	$25,197,870	$25,303,867	$25,427,836	$24,136,888	$25,662,639	$24,219,983	$175,657,603	$200,961,470	$226,389,306	$250,526,194	$276,188,833	$300,408,816
	Other Operating Revenue	1,790,192	1,749,148	2,534,456	2,571,286	2,228,382	2,521,619	$12,583,796	$14,332,944	$16,867,400	$19,438,686	$21,667,068	$24,188,687
	Total Operating Revenue	$26,988,062	$27,053,015	$27,962,292	$26,708,174	$27,891,021	$26,741,602	$188,241,399	$215,294,414	$243,256,706	$269,964,880	$297,855,901	$324,597,503
	Total Operating Expenses	27,089,663	27,705,300	27,511,370	27,697,629	27,727,440	20,423,791	$191,702,251	$219,407,551	$246,918,921	$274,616,550	$302,343,990	$322,767,781
	Income/(Loss) From Operations	($101,601)	($652,285)	$450,922	($989,455)	$163,581	$6,317,811	($3,460,852)	($4,113,137)	($3,662,215)	($4,651,670)	($4,488,089)	$1,829,722
	Total Non-Operating Revenue	491,654	488,324	437,838	452,013	512,535	(1,319,110)	$3,404,791	$3,893,115	$4,330,953	$4,782,966	$5,295,501	$3,976,391
	Excess/(Deficiency) of Revenue Over Expenses	$390,053	($163,961)	$888,760	($537,442)	$676,116	$4,998,701	($56,061)	($220,022)	$668,738	$131,296	$807,412	$5,806,113
A	**Operating Performance**												
1	**Operating Margin**	**-0.37%**	**-2.37%**	**1.59%**	**-3.64%**	**0.58%**	**24.85%**	**-1.81%**	**-1.88%**	**-1.48%**	**-1.69%**	**-1.48%**	**0.56%**
2	**Non-Operating Margin**	**1.79%**	**1.77%**	**1.54%**	**1.66%**	**1.80%**	**-5.19%**	**1.78%**	**1.78%**	**1.75%**	**1.74%**	**1.75%**	**1.21%**
3	**Total Margin**	**1.42%**	**-0.60%**	**3.13%**	**-1.98%**	**2.38%**	**19.66%**	**-0.03%**	**-0.10%**	**0.27%**	**0.05%**	**0.27%**	**1.77%**
4	**Bad Debt as % of Gross Revenue**	**0.74%**	**0.70%**	**0.75%**	**0.82%**	**-0.13%**	**1.78%**	**0.77%**	**0.76%**	**0.76%**	**0.76%**	**0.68%**	**0.77%**
	Income/(Loss) From Operations	($101,601)	($652,285)	$450,922	($989,455)	$163,581	$6,317,811	($3,460,852)	($4,113,137)	($3,662,215)	($4,651,670)	($4,488,089)	$1,829,722
	Total Operating Revenue	$26,988,062	$27,053,015	$27,962,292	$26,708,174	$27,891,021	$26,741,602	$188,241,399	$215,294,414	$243,256,706	$269,964,880	$297,855,901	$324,597,503
	Total Non-Operating Revenue	$491,654	$488,324	$437,838	$452,013	$512,535	($1,319,110)	$3,404,791	$3,893,115	$4,330,953	$4,782,966	$5,295,501	$3,976,391
	Total Revenue	$27,479,716	$27,541,339	$28,400,130	$27,160,187	$28,403,556	$25,422,492	$191,646,190	$219,187,529	$247,587,659	$274,747,846	$303,151,402	$328,573,894
	Excess/(Deficiency) of Revenue Over Expenses	$390,053	($163,961)	$888,760	($537,442)	$676,116	$4,998,701	($56,061)	($220,022)	$668,738	$131,296	$807,412	$5,806,113
	Unrealized gain/(loss) in investments (self-insurance fu	($16,938)	$35,621	$22,301	$28,283	$33,560	$50,419	$8,951,891	$8,987,512	$9,009,813	$9,038,096	$9,071,656	$9,122,076
	Unrestricted Net Assets	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189
	Total Net Assets	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189

EXHIBIT F

PROSPECT ECHN, INC.

FISCAL YEAR 2017

		30	31	30	31	31	30	212	243	273	304	335	365
		MTD						YTD					
	DESCRIPTION	APRIL FY 2017	MAY FY 2017	JUNE FY 2017	JULY FY 2017	AUGUST FY 2017	SEPTEMBER FY 2017	APRIL FY 2017	MAY FY 2017	JUNE FY 2017	JULY FY 2017	AUGUST FY 2017	SEPTEMBER FY 2017
	Total Gross Revenue	$82,691,702	$88,343,824	$83,439,485	$76,823,377	$82,825,517	$81,349,780	$579,747,769	$668,091,593	$751,531,078	$828,354,455	$911,179,972	$992,529,752
	Total Allowances	($56,884,573)	($62,418,710)	($57,386,457)	($52,059,374)	($57,273,245)	($55,678,974)	($399,644,930)	($462,063,640)	($519,450,097)	($571,509,471)	($628,782,716)	($684,461,690)
B.	**Liquidity**												
1	**Current Ratio**	**1.40**	**1.59**	**1.51**	**1.44**	**1.47**	**1.47**	**1.40**	**1.59**	**1.51**	**1.44**	**1.47**	**1.47**
	Total Current Assets	$56,328,390	$60,703,755	$70,504,415	$71,818,936	$69,714,185	$65,267,180	$56,328,390	$60,703,755	$70,504,415	$71,818,936	$69,714,185	$65,267,180
	Total Current Liabilities	$40,275,522	$38,067,856	$46,537,992	$49,827,911	$47,301,237	$44,521,263	$40,275,522	$38,067,856	$46,537,992	$49,827,911	$47,301,237	$44,521,263
2	**Days Cash on Hand**	**9**	**11**	**12**	**15**	**14**	**6**	**9**	**11**	**12**	**15**	**14**	**5**
	Cash and Cash Equivalents	$7,587,205	$9,775,808	$10,647,848	$12,779,817	$12,532,259	$4,194,385	$7,587,205	$9,775,808	$10,647,848	$12,779,817	$12,532,259	$4,194,385
	Short Term Investments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Cash and Short Term Investments	$7,587,205	$9,775,808	$10,647,848	$12,779,817	$12,532,259	$4,194,385	$7,587,205	$9,775,808	$10,647,848	$12,779,817	$12,532,259	$4,194,385
	Total Operating Expenses	$27,089,663	$27,705,300	$27,511,370	$27,697,629	$27,727,440	$20,423,791	$191,702,251	$219,407,551	$246,918,921	$274,616,550	$302,343,990	$322,767,781
	Depreciation Expense	$776,073	$888,311	$883,274	$887,385	$890,575	$883,868	$6,474,264	$7,362,575	$8,245,849	$9,133,234	$10,023,809	$10,907,677
	Operating Expenses less Depreciation Expense	$26,313,590	$26,816,989	$26,628,096	$26,810,244	$26,836,865	$19,539,923	$185,227,987	$212,044,976	$238,673,072	$265,483,316	$292,320,181	$311,860,104
3	**Days in Net Acounts Receivables**	**42**	**47**	**41**	**47**	**48**	**48**	**43**	**46**	**42**	**44**	**49**	**47**
	Net Patient Accounts Receivable	$40,969,091	$40,878,585	$37,820,022	$41,140,424	$42,155,215	$40,842,344	$ 40,969,091	$ 40,878,585	$ 37,820,022	$ 41,140,424	$ 42,155,215	$ 40,842,344
	Due From Third Party Payers	$0	$0	$300,000	$0	$0	$0	$ -	$ -	$ 300,000	$ -	$ -	$ -
	Due To Third Party Payers	$5,691,145	$2,606,185	$3,696,877	$4,493,912	$2,045,166	$2,192,261	$ 5,691,145	$ 2,606,185	$ 3,696,877	$ 4,493,912	$ 2,045,166	$ 2,192,261
	Total Net Patient Accounts Receivable and Third Party Payer Activity	$ 35,277,946	$ 38,272,400	$ 34,423,146	$ 36,646,513	$ 40,110,049	$ 38,650,083	$ 35,277,946	$ 38,272,400	$ 34,423,146	$ 36,646,513	$ 40,110,049	$ 38,650,083
	Total Net Patient Revenue	$25,197,870	$25,303,867	$25,427,836	$24,136,888	$25,662,639	$24,219,983	$175,657,603	$200,961,470	$226,389,306	$250,526,194	$276,188,833	$300,408,816
4	**Average Payment Period**	**46**	**44**	**52**	**58**	**55**	**68**	**46**	**44**	**53**	**57**	**54**	**52**
18	Total Current Liabilities	$40,275,522	$38,067,856	$46,537,992	$49,827,911	$47,301,237	$44,521,263	$40,275,522	$38,067,856	$46,537,992	$49,827,911	$47,301,237	$44,521,263
19	Total Operating Expenses	$27,089,663	$27,705,300	$27,511,370	$27,697,629	$27,727,440	$20,423,791	$191,702,251	$219,407,551	$246,918,921	$274,616,550	$302,343,990	$322,767,781
20	Depreciation Expense	$776,073	$888,311	$883,274	$887,385	$890,575	$883,868	$6,474,264	$7,362,575	$8,245,849	$9,133,234	$10,023,809	$10,907,677
20	Total Operating Expenses less Depreciation Expense	$26,313,590	$26,816,989	$26,628,096	$26,810,244	$26,836,865	$19,539,923	$185,227,987	$212,044,976	$238,673,072	$265,483,316	$292,320,181	$311,860,104

EXHIBIT F

PROSPECT ECHN, INC.

FISCAL YEAR 2017

		30	31	30	31	31	30	212	243	273	304	335	365
		MTD						YTD					
	DESCRIPTION	APRIL FY 2017	MAY FY 2017	JUNE FY 2017	JULY FY 2017	AUGUST FY 2017	SEPTEMBER FY 2017	APRIL FY 2017	MAY FY 2017	JUNE FY 2017	JULY FY 2017	AUGUST FY 2017	SEPTEMBER FY 2017
	Total Gross Revenue	$82,691,702	$88,343,824	$83,439,485	$76,823,377	$82,825,517	$81,349,780	$579,747,769	$668,091,593	$751,531,078	$828,354,455	$911,179,972	$992,529,752
	Total Allowances	($56,884,573)	($62,418,710)	($57,386,457)	($52,059,374)	($57,273,245)	($55,678,974)	($399,644,930)	($462,063,640)	($519,450,097)	($571,509,471)	($628,782,716)	($684,461,690)
C.	**Leverage and Capital Structure**												
1	**Long-term Debt to Equity**	**1.1**	**1.1**	**1.0**	**1.0**	**0.9**	**0.6**	**1.1**	**1.1**	**1.0**	**1.0**	**0.9**	**0.6**
2	**Long Term Debt to Capitalization Ratio**	**53.1**	**52.9**	**49.2**	**50.0**	**47.7**	**37.4**	**53.1**	**52.9**	**49.2**	**50.0**	**47.7**	**37.4**
	Total Long Term Debt	$10,088,319	$9,859,330	$9,364,527	$9,179,342	$9,011,701	$8,929,268	$10,088,319	$9,859,330	$9,364,527	$9,179,342	$9,011,701	$8,929,268
	Total Net Assets	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189
	Total Long Term Debt and Total Net Assets	$18,984,149	$18,626,820	$19,043,079	$18,348,735	$18,890,770	$23,857,458	$18,984,149	$18,626,820	$19,043,079	$18,348,735	$18,890,770	$23,857,458
3	**Unrestricted Cash to Total Debt Ratio**	**2.3**	**1.5**	**3.2**	**0.6**	**2.8**	**11.0**	**12.7**	**14.9**	**15.9**	**15.7**	**19.2**	**31.3**
	Excess/(Deficiency) of Revenues Over Expenses	$390,053	($163,961)	$888,760	($537,442)	$676,116	$4,998,701	($56,061)	($220,022)	$668,738	$131,296	$807,412	$5,806,113
	Depreciation Expense	$776,073	$888,311	$883,274	$887,385	$890,575	$883,868	$6,474,264	$7,362,575	$8,245,849	$9,133,234	$10,023,809	$10,907,677
	Excess of Revenues Over Expenses and Depreciation Expense	$1,166,126	$724,350	$1,772,034	$349,943	$1,566,691	$5,882,569	$6,418,203	$7,142,553	$8,914,587	$9,264,530	$10,831,221	$16,713,790
	Total Current Liabilities	$40,275,522	$38,067,856	$46,537,992	$49,827,911	$47,301,237	$44,521,263	$40,275,522	$38,067,856	$46,537,992	$49,827,911	$47,301,237	$44,521,263
	Total Long Term Debt	$10,088,319	$9,859,330	$9,364,527	$9,179,342	$9,011,701	$8,929,268	$10,088,319	$9,859,330	$9,364,527	$9,179,342	$9,011,701	$8,929,268
	Total Current Liabilities and Total Long Term Debt	$50,363,840	$47,927,186	$55,902,519	$59,007,254	$56,312,938	$53,450,531	$50,363,840	$47,927,186	$55,902,519	$59,007,254	$56,312,938	$53,450,531
4	**Times Interest Earned**	**1.9**	**1.3**	**2.7**	**0.9**	**2.3**	**10.2**	**1.5**	**1.5**	**1.6**	**1.6**	**1.6**	**2.4**
5	**Debt Service Coverage Ratio**	**1.91**	**1.37**	**2.33**	**1.11**	**2.19**	**6.61**	**1.60**	**1.57**	**1.66**	**1.61**	**1.66**	**2.05**
	Excess Revenues over Expenses	$390,053	($163,961)	$888,760	($537,442)	$676,116	$4,998,701	($56,061)	($220,022)	$668,738	$131,296	$807,412	$5,806,113
	Interest Expense	$792,670	$780,201	$777,187	$783,649	$783,748	$785,576	$5,522,216	$6,302,417	$7,079,604	$7,863,253	$8,647,001	$9,432,577
	Depreciation and Amortization Expense	$776,073	$888,311	$883,274	$887,385	$890,575	$883,868	$6,474,264	$7,362,575	$8,245,849	$9,133,234	$10,023,809	$10,907,677
	Principal Payments	$233,006	$315,493	$318,361	$237,392	$289,829	$223,349	$1,935,491	$2,250,985	$2,569,346	$2,806,738	$3,096,567	$3,319,916
6	**Equity Financing Ratio**	**6.2**	**6.0**	**6.3**	**5.9**	**6.4**	**9.9**	**14.4**	**20.3**	**25.4**	**30.9**	**37.6**	**48.5**
	Total Net Assets	$8,895,830	$8,767,490	$9,678,551	$9,169,392	$9,879,069	$14,928,189	$20,659,447	$29,426,937	$39,105,488	$48,274,881	$58,153,950	$73,082,139
	Total Assets	$143,387,283	$144,991,947	$154,202,809	$156,382,644	$154,740,289	$150,622,259	$143,387,283	$144,991,947	$154,202,809	$156,382,644	$154,740,289	$150,622,259
D.	**Additional Statistics**												
1	**Income from Operations**	**-$101,601**	**-$652,285**	**$450,922**	**-$989,455**	**$163,581**	**$6,317,811**	**-$3,460,852**	**-$4,113,137**	**-$3,662,215**	**-$4,651,670**	**-$4,488,089**	**$1,829,722**
2	**Revenue Over/(Under) Expense**	**$390,053**	**-$163,961**	**$888,760**	**-$537,442**	**$676,116**	**$4,998,701**	**-$56,061**	**-$220,022**	**$668,738**	**$131,296**	**$807,412**	**$5,806,113**
3	**EBITDA**	**$1,467,142**	**$1,016,227**	**$2,111,383**	**$681,579**	**$1,837,904**	**$7,987,255**	**$8,535,628**	**$9,551,855**	**$11,663,238**	**$12,344,817**	**$14,182,721**	**$22,169,976**
4	**Cash from Operations**	**$25,688,679**	**$25,874,040**	**$27,883,504**	**$22,741,347**	**$24,391,189**	**$24,805,434**	**$165,709,624**	**$191,583,664**	**$219,467,168**	**$242,208,515**	**$266,599,704**	**$291,405,138**
5	**Cash and Cash Equivalents**	**$7,587,205**	**$9,775,808**	**$10,647,848**	**$12,779,817**	**$12,532,259**	**$4,194,385**	**$7,587,205**	**$9,775,808**	**$10,647,848**	**$12,779,817**	**$12,532,259**	**$4,194,385**
6	**Net Working Capital**	**$16,052,868**	**$22,635,898**	**$23,966,424**	**$21,991,024**	**$22,412,948**	**$20,745,917**	**$16,052,868**	**$22,635,898**	**$23,966,424**	**$21,991,024**	**$22,412,948**	**$20,745,917**
7	**Unrestricted Assets**	**$8,895,830**	**$8,767,490**	**$9,678,551**	**$9,169,392**	**$9,879,069**	**$14,928,189**	**$8,895,830**	**$8,767,490**	**$9,678,551**	**$9,169,392**	**$9,879,069**	**$14,928,189**
8	**Credit Ratings (S&P, FITCH, and Moody's)**												

Exhibit F

PROSPECT MANCHESTER HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$57,190,419	$62,011,421	$58,249,543	$52,240,481	$57,175,197	$54,903,217	$393,496,956	$455,508,377	$513,757,920	$565,998,401	$623,173,598	$678,076,815
	Total Allowances	($40,954,136)	($45,678,815)	($41,865,212)	($37,385,278)	($41,360,126)	($38,885,518)	($282,100,244)	($327,779,059)	($369,644,271)	($407,029,549)	($448,389,675)	($487,275,193)
	Bad Debt	($366,630)	($395,964)	($370,710)	($384,566)	$331,334	($1,145,213)	($2,634,156)	($3,030,120)	($3,400,830)	($3,785,396)	($3,454,062)	($4,599,275)
	Net Patient Revenue	$15,869,653	$15,936,642	$16,013,621	$14,470,637	$16,146,405	$14,872,486	$108,762,556	$124,699,198	$140,712,819	$155,183,456	$171,329,861	$186,202,347
	Other Operating Revenue	745,670	766,440	808,675	713,984	547,239	830,354	$5,384,786	$6,151,226	$6,959,901	$7,673,885	$8,221,124	$9,051,478
	Total Operating Revenue	$16,615,323	$16,703,082	$16,822,296	$15,184,621	$16,693,644	$15,702,840	$114,147,342	$130,850,424	$147,672,720	$162,857,341	$179,550,985	$195,253,825
	Total Operating Expenses	16,096,345	16,438,914	16,017,749	15,617,281	15,705,227	9,487,981	$110,970,458	$127,409,372	$143,427,121	$159,044,402	$174,749,629	$184,237,610
	Income/(Loss) From Operations	$518,978	$264,168	$804,547	($432,660)	$988,417	$6,214,859	$3,176,884	$3,441,052	$4,245,599	$3,812,939	$4,801,356	$11,016,215
	Total Non-Operating Revenue	378,027	370,736	345,041	334,323	387,641	(1,024,856)	$2,630,059	$3,000,795	$3,345,836	$3,680,159	$4,067,800	$3,042,944
	Excess/(Deficiency) of Revenue Over Expenses	$897,005	$634,904	$1,149,588	($98,337)	$1,376,058	$5,190,003	$5,806,943	$6,441,847	$7,591,435	$7,493,098	$8,869,156	$14,059,159
A	**Operating Performance**												
1	**Operating Margin**	**3.05%**	**1.55%**	**4.69%**	**-2.79%**	**5.79%**	**42.34%**	**2.72%**	**2.57%**	**2.81%**	**2.29%**	**2.61%**	**5.56%**
2	**Non-Operating Margin**	**2.22%**	**2.17%**	**2.01%**	**2.15%**	**2.27%**	**-6.98%**	**2.25%**	**2.24%**	**2.22%**	**2.21%**	**2.22%**	**1.53%**
3	**Total Margin**	**5.28%**	**3.72%**	**6.70%**	**-0.63%**	**8.06%**	**35.36%**	**4.97%**	**4.81%**	**5.03%**	**4.50%**	**4.83%**	**7.09%**
4	**Bad Debt as % of Gross Revenue**	**0.64%**	**0.64%**	**0.64%**	**0.74%**	**-0.58%**	**2.09%**	**0.67%**	**0.67%**	**0.66%**	**0.67%**	**0.55%**	**0.68%**
	Income/(Loss) From Operations	$518,978	$264,168	$804,547	($432,660)	$988,417	$6,214,859	$3,176,884	$3,441,052	$4,245,599	$3,812,939	$4,801,356	$11,016,215
	Total Operating Revenue	$16,615,323	$16,703,082	$16,822,296	$15,184,621	$16,693,644	$15,702,840	$114,147,342	$130,850,424	$147,672,720	$162,857,341	$179,550,985	$195,253,825
	Total Non-Operating Revenue	$378,027	$370,736	$345,041	$334,323	$387,641	($1,024,856)	$2,630,059	$3,000,795	$3,345,836	$3,680,159	$4,067,800	$3,042,944
	Total Revenue	$16,993,350	$17,073,818	$17,167,337	$15,518,944	$17,081,285	$14,677,984	$116,777,401	$133,851,219	$151,018,556	$166,537,500	$183,618,785	$198,296,769
	Excess/(Deficiency) of Revenue Over Expenses	$897,005	$634,904	$1,149,588	($98,337)	$1,376,058	$5,190,003	$5,806,943	$6,441,847	$7,591,435	$7,493,098	$8,869,156	$14,059,159
	Unrealized gain/(loss) in investments (self-insurance fu	$18,683	$0	$22,301	$0	$33,560	$20,203	$57,176	$57,176	$79,477	$79,477	$113,038	$133,241
	Unrestricted Net Assets	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400
	Total Net Assets	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400

Exhibit F

PROSPECT MANCHESTER HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
B.	**Liquidity**												
1	**Current Ratio**	**1.96**	**2.03**	**2.15**	**2.11**	**2.24**	**1.93**	**1.96**	**2.03**	**2.15**	**2.11**	**2.24**	**1.93**
	Total Current Assets	$48,008,847	$49,489,861	$49,864,591	$50,732,656	$51,123,418	$59,477,631	$48,008,847	$49,489,861	$49,864,591	$50,732,656	$51,123,418	$59,477,631
	Total Current Liabilities	$24,478,757	$24,388,664	$23,153,525	$24,059,719	$22,853,391	$30,740,111	$24,478,757	$24,388,664	$23,153,525	$24,059,719	$22,853,391	$30,740,111
2	**Days Cash on Hand**	**15**	**1**	**2**	**6**	**3**	**1**	**15**	**1**	**2**	**6**	**3**	**0**
	Cash and Cash Equivalents	$7,587,205	$550,675	$774,588	$2,859,986	$1,463,164	$187,195	$7,587,205	$550,675	$774,588	$2,859,986	$1,463,164	$187,195
	Short Term Investments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Cash and Short Term Investments	$7,587,205	$550,675	$774,588	$2,859,986	$1,463,164	$187,195	$7,587,205	$550,675	$774,588	$2,859,986	$1,463,164	$187,195
	Total Operating Expenses	$16,096,345	$16,438,914	$16,017,749	$15,617,281	$15,705,227	$9,487,981	$110,970,458	$127,409,372	$143,427,121	$159,044,402	$174,749,629	$184,237,610
	Depreciation Expense	$546,096	$555,303	$553,598	$553,085	$572,219	$584,357	$4,082,763	$4,638,066	$5,191,664	$5,744,749	$6,316,968	$6,901,325
	Operating Expenses less Depreciation Expense	$15,550,249	$15,883,611	$15,464,151	$15,064,196	$15,133,008	$8,903,624	$106,887,695	$122,771,306	$138,235,457	$153,299,653	$168,432,661	$177,336,285
3	**Days in Net Acounts Receivables**	**43**	**48**	**42**	**50**	**50**	**50**	**44**	**49**	**44**	**46**	**50**	**48**
	Net Patient Accounts Receivable	$25,969,460	$26,085,719	$24,651,032	$25,717,306	$26,523,669	$25,353,520	$25,969,460	$26,085,719	$24,651,032	$25,717,306	$26,523,669	$25,353,520
	Due From Third Party Payers	$0	$0	$300,000	$0	$0	$0	$0	$0	$300,000	$0	$0	$0
	Due To Third Party Payers	$3,449,589	$1,160,093	$2,423,677	$2,378,427	$725,111	$788,545	$3,449,589	$1,160,093	$2,423,677	$2,378,427	$725,111	$788,545
	Total Net Patient Accounts Receivable and Third Party Payer Activity	$ 22,519,871	$ 24,925,627	$ 22,527,356	$ 23,338,878	$ 25,798,558	$ 24,564,975	$ 22,519,871	$ 24,925,627	$ 22,527,356	$ 23,338,878	$ 25,798,558	$ 24,564,975
	Total Net Patient Revenue	$15,869,653	$15,936,642	$16,013,621	$14,470,637	$16,146,405	$14,872,486	$108,762,556	$124,699,198	$140,712,819	$155,183,456	$171,329,861	$186,202,347
4	**Average Payment Period**	**49**	**48**	**46**	**50**	**47**	**107**	**7**	**6**	**5**	**5**	**4**	**5**
18	Total Current Liabilities	$24,478,757	$24,388,664	$23,153,525	$24,059,719	$22,853,391	$30,740,111	$24,478,757	$24,388,664	$23,153,525	$24,059,719	$22,853,391	$30,740,111
19	Total Operating Expenses	$16,096,345	$16,438,914	$16,017,749	$15,617,281	$15,705,227	$9,487,981	$110,970,458	$127,409,372	$143,427,121	$159,044,402	$174,749,629	$184,237,610
20	Depreciation Expense	$546,096	$555,303	$553,598	$553,085	$572,219	$584,357	$4,082,763	$4,638,066	$5,191,664	$5,744,749	$6,316,968	$6,901,325
20	Total Operating Expenses less Depreciation Expense	$15,550,249	$15,883,611	$15,464,151	$15,064,196	$15,133,008	$8,903,624	$106,887,695	$122,771,306	$138,235,457	$153,299,653	$168,432,661	$177,336,285

Exhibit F

PROSPECT MANCHESTER HOSPITAL, INC.

FISCAL YEAR 2017

	DESCRIPTION	MTD APRIL FY 2017	MTD MAY FY 2017	MTD JUNE FY 2017	MTD JULY FY 2017	MTD AUGUST FY 2017	MTD SEPTEMBER FY 2017	YTD APRIL FY 2017	YTD MAY FY 2017	YTD JUNE FY 2017	YTD JULY FY 2017	YTD AUGUST FY 2017	YTD SEPTEMBER FY 2017
C.	**Leverage and Capital Structure**												
1	**Long-term Debt to Equity**	**0.8**	**0.7**	**0.6**	**0.6**	**0.4**	**0.3**	**0.8**	**0.7**	**0.6**	**0.6**	**0.4**	**0.3**
2	**Long Term Debt to Capitalization Ratio**	**45.9**	**42.3**	**36.2**	**35.7**	**30.8**	**21.8**	**45.9**	**42.3**	**36.2**	**35.7**	**30.8**	**21.8**
	Total Long Term Debt	$4,966,683	$4,764,776	$4,351,659	$4,204,097	$4,003,180	$3,954,712	$4,966,683	$4,764,776	$4,351,659	$4,204,097	$4,003,180	$3,954,712
	Total Net Assets	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400
	Total Long Term Debt and Total Net Assets	$10,830,802	$11,263,799	$12,022,571	$11,776,673	$12,985,374	$18,147,112	$10,830,802	$11,263,799	$12,022,571	$11,776,673	$12,985,374	$18,147,112
3	**Unrestricted Cash to Total Debt Ratio**	**4.9**	**4.1**	**6.2**	**1.6**	**7.3**	**16.6**	**33.6**	**38.0**	**46.5**	**46.8**	**56.5**	**60.4**
	Excess/(Deficiency) of Revenues Over Expenses	$897,005	$634,904	$1,149,588	($98,337)	$1,376,058	$5,190,003	$5,806,943	$6,441,847	$7,591,435	$7,493,098	$8,869,156	$14,059,159
	Depreciation Expense	$546,096	$555,303	$553,598	$553,085	$572,219	$584,357	$4,082,763	$4,638,066	$5,191,664	$5,744,749	$6,316,968	$6,901,325
	Excess of Revenues Over Expenses and Depreciation Expense	$1,443,101	$1,190,207	$1,703,186	$454,748	$1,948,277	$5,774,360	$9,889,706	$11,079,913	$12,783,099	$13,237,847	$15,186,124	$20,960,484
	Total Current Liabilities	$24,478,757	$24,388,664	$23,153,525	$24,059,719	$22,853,391	$30,740,111	$24,478,757	$24,388,664	$23,153,525	$24,059,719	$22,853,391	$30,740,111
	Total Long Term Debt	$4,966,683	$4,764,776	$4,351,659	$4,204,097	$4,003,180	$3,954,712	$4,966,683	$4,764,776	$4,351,659	$4,204,097	$4,003,180	$3,954,712
	Total Current Liabilities and Total Long Term Debt	$29,445,441	$29,153,440	$27,505,184	$28,263,817	$26,856,571	$34,694,823	$29,445,441	$29,153,440	$27,505,184	$28,263,817	$26,856,571	$34,694,823
4	**Times Interest Earned**	**2.8**	**2.4**	**3.3**	**1.2**	**3.6**	**12.3**	**2.7**	**2.7**	**2.7**	**2.6**	**2.7**	**3.5**
5	**Debt Service Coverage Ratio**	**2.63**	**2.13**	**2.72**	**1.32**	**3.00**	**8.22**	**2.50**	**2.45**	**2.48**	**2.37**	**2.43**	**2.89**
	Excess Revenues over Expenses	$897,005	$634,904	$1,149,588	($98,337)	$1,376,058	$5,190,003	$5,806,943	$6,441,847	$7,591,435	$7,493,098	$8,869,156	$14,059,159
	Interest Expense	$607,372	$602,553	$590,261	$599,511	$599,331	$599,863	$4,241,900	$4,844,453	$5,434,714	$6,034,225	$6,633,556	$7,233,419
	Depreciation and Amortization Expense	$546,096	$555,303	$553,598	$553,085	$572,219	$584,357	$4,082,763	$4,638,066	$5,191,664	$5,744,749	$6,316,968	$6,901,325
	Principal Payments	$173,192	$238,695	$252,309	$196,199	$249,995	$175,524	$1,417,283	$1,655,978	$1,908,286	$2,104,485	$2,354,480	$2,530,004
6	**Equity Financing Ratio**	**5.8**	**6.3**	**7.5**	**7.3**	**8.7**	**12.6**	**5.8**	**6.3**	**7.5**	**7.3**	**8.7**	**12.6**
	Total Net Assets	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400	$5,864,119	$6,499,023	$7,670,912	$7,572,575	$8,982,194	$14,192,400
	Total Assets	$101,817,940	$103,109,815	$102,909,184	$103,332,665	$103,591,068	$112,359,211	$101,817,940	$103,109,815	$102,909,184	$103,332,665	$103,591,068	$112,359,211
D.	**Additional Statistics**												
1	**Income from Operations**	**$518,978**	**$264,168**	**$804,547**	**-$432,660**	**$988,417**	**$6,214,859**	**$3,176,884**	**$3,441,052**	**$4,245,599**	**$3,812,939**	**$4,801,356**	**$11,016,215**
2	**Revenue Over/(Under) Expense**	**$897,005**	**$634,904**	**$1,149,588**	**-$98,337**	**$1,376,058**	**$5,190,003**	**$5,806,943**	**$6,441,847**	**$7,591,435**	**$7,493,098**	**$8,869,156**	**$14,059,159**
3	**EBITDA**	**$1,672,446**	**$1,422,024**	**$1,948,406**	**$719,936**	**$2,159,967**	**$7,399,079**	**$11,501,547**	**$12,923,571**	**$14,871,977**	**$15,591,913**	**$17,751,880**	**$25,150,959**
4	**Cash from Operations**	**$15,454,486**	**$16,195,163**	**$17,253,860**	**$14,428,071**	**$15,247,673**	**$14,882,399**	**$100,288,965**	**$116,484,128**	**$133,737,988**	**$148,166,059**	**$163,413,732**	**$178,296,131**
5	**Cash and Cash Equivalents**	**$7,587,205**	**$550,675**	**$774,588**	**$2,859,986**	**$1,463,164**	**$187,195**	**$7,587,205**	**$550,675**	**$774,588**	**$2,859,986**	**$1,463,164**	**$187,195**
6	**Net Working Capital**	**$23,530,090**	**$25,101,197**	**$26,711,066**	**$26,672,937**	**$28,270,027**	**$28,737,520**	**$23,530,090**	**$25,101,197**	**$26,711,066**	**$26,672,937**	**$28,270,027**	**$28,737,520**
7	**Unrestricted Assets**	**$5,864,119**	**$6,499,023**	**$7,670,912**	**$7,572,575**	**$8,982,194**	**$14,192,400**	**$5,864,119**	**$6,499,023**	**$7,670,912**	**$7,572,575**	**$8,982,194**	**$14,192,400**
8	**Credit Ratings (S&P, FITCH, and Moody's)**												

Exhibit F

PROSPECT ROCKVILLE HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$18,412,122	$19,283,549	$18,192,153	$17,776,249	$18,737,703	$18,883,700	$135,924,439	$155,207,988	$173,400,141	$191,176,390	$209,914,093	$228,797,793
	Total Allowances	($13,324,074)	($14,212,013)	($12,970,581)	($12,320,032)	($13,538,658)	($13,869,828)	($98,952,244)	($113,164,257)	($126,134,838)	($138,454,870)	($151,993,528)	($165,863,356)
	Bad Debt	($181,373)	($154,116)	($154,815)	($140,382)	($128,800)	($119,266)	($1,385,915)	($1,540,031)	($1,694,846)	($1,835,228)	($1,964,028)	($2,083,294)
	Net Patient Revenue	$4,906,675	$4,917,420	$5,066,757	$5,315,835	$5,070,245	$4,894,606	$35,586,280	$40,503,700	$45,570,457	$50,886,292	$55,956,537	$60,851,143
	Other Operating Revenue	126,677	116,504	102,205	151,945	45,589	134,301	$852,334	$968,838	$1,071,043	$1,222,988	$1,268,577	$1,402,878
	Total Operating Revenue	$5,033,352	$5,033,924	$5,168,962	$5,467,780	$5,115,834	$5,028,907	$36,438,614	$41,472,538	$46,641,500	$52,109,280	$57,225,114	$62,254,021
	Total Operating Expenses	5,344,727	5,519,967	5,325,730	5,641,034	5,389,931	4,342,076	$40,085,586	$45,605,553	$50,931,283	$56,572,317	$61,962,248	$66,304,324
	Income/(Loss) From Operations	($311,375)	($486,043)	($156,768)	($173,254)	($274,097)	$686,831	($3,646,972)	($4,133,015)	($4,289,783)	($4,463,037)	($4,737,134)	($4,050,303)
	Total Non-Operating Revenue	113,627	117,588	93,371	118,113	124,907	(294,267)	$774,732	$892,320	$985,691	$1,103,804	$1,228,711	$934,444
	Excess/(Deficiency) of Revenue Over Expenses	($197,748)	($368,455)	($63,397)	($55,141)	($149,190)	$392,564	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
A	**Operating Performance**												
1	**Operating Margin**	**-6.05%**	**-9.43%**	**-2.98%**	**-3.10%**	**-5.23%**	**14.51%**	**-9.80%**	**-9.76%**	**-9.01%**	**-8.39%**	**-8.10%**	**-6.41%**
2	**Non-Operating Margin**	**2.21%**	**2.28%**	**1.77%**	**2.11%**	**2.38%**	**-6.22%**	**2.08%**	**2.11%**	**2.07%**	**2.07%**	**2.10%**	**1.48%**
3	**Total Margin**	**-3.84%**	**-7.15%**	**-1.20%**	**-0.99%**	**-2.85%**	**8.29%**	**-7.72%**	**-7.65%**	**-6.94%**	**-6.31%**	**-6.00%**	**-4.93%**
4	**Bad Debt as % of Gross Revenue**	**0.99%**	**0.80%**	**0.85%**	**0.79%**	**0.69%**	**0.63%**	**1.02%**	**0.99%**	**0.98%**	**0.96%**	**0.94%**	**0.91%**
	Income/(Loss) From Operations	($311,375)	($486,043)	($156,768)	($173,254)	($274,097)	$686,831	($3,646,972)	($4,133,015)	($4,289,783)	($4,463,037)	($4,737,134)	($4,050,303)
	Total Operating Revenue	$5,033,352	$5,033,924	$5,168,962	$5,467,780	$5,115,834	$5,028,907	$36,438,614	$41,472,538	$46,641,500	$52,109,280	$57,225,114	$62,254,021
	Total Non-Operating Revenue	$113,627	$117,588	$93,371	$118,113	$124,907	($294,267)	$774,732	$892,320	$985,691	$1,103,804	$1,228,711	$934,444
	Total Revenue	$5,146,979	$5,151,512	$5,262,333	$5,585,893	$5,240,741	$4,734,640	$37,213,346	$42,364,858	$47,627,191	$53,213,084	$58,453,825	$63,188,465
	Excess/(Deficiency) of Revenue Over Expenses	($197,748)	($368,455)	($63,397)	($55,141)	($149,190)	$392,564	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Unrestricted Net Assets	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Total Net Assets	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)

Exhibit F

PROSPECT ROCKVILLE HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$18,412,122	$19,283,549	$18,192,153	$17,776,249	$18,737,703	$18,883,700	$135,924,439	$155,207,988	$173,400,141	$191,176,390	$209,914,093	$228,797,793
	Total Allowances	($13,324,074)	($14,212,013)	($12,970,581)	($12,320,032)	($13,538,658)	($13,869,828)	($98,952,244)	($113,164,257)	($126,134,838)	($138,454,870)	($151,993,528)	($165,863,356)
B.	**Liquidity**												
1	**Current Ratio**	**1.63**	**1.64**	**1.68**	**1.59**	**1.57**	**1.27**	**1.63**	**1.64**	**1.68**	**1.59**	**1.57**	**1.27**
	Total Current Assets	$11,619,188	$11,353,838	$11,279,435	$11,589,385	$10,987,353	$11,486,396	$11,619,188	$11,353,838	$11,279,435	$11,589,385	$10,987,353	$11,486,396
	Total Current Liabilities	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517
2	**Days Cash on Hand**	**(0)**	**1**	**1**	**7**	**2**	**0**	**(7)**	**(6)**	**(5)**	**2**	**4**	**4**
	Cash and Cash Equivalents	($80,010)	$154,797	$161,436	$1,262,686	$264,212	$1,037	($80,010)	$154,797	$161,436	$1,262,686	$264,212	$1,037
	Short Term Investments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Cash and Short Term Investments	($80,010)	$154,797	$161,436	$1,262,686	$264,212	$1,037	($1,219,752)	($1,064,955)	($903,519)	$359,167	$623,378	$624,415
	Total Operating Expenses	$5,344,727	$5,519,967	$5,325,730	$5,641,034	$5,389,931	$4,342,076	$40,085,586	$45,605,553	$50,931,283	$56,572,317	$61,962,248	$66,304,324
	Depreciation Expense	$235,173	$236,738	$234,266	$239,210	$239,431	$267,226	$1,714,023	$1,950,761	$2,185,027	$2,424,237	$2,663,668	$2,930,894
	Operating Expenses less Depreciation Expense	$5,109,554	$5,283,229	$5,091,464	$5,401,824	$5,150,500	$4,074,850	$38,371,563	$43,654,792	$48,746,256	$54,148,080	$59,298,580	$63,373,430
3	**Days in Net Acounts Receivables**	**35**	**40**	**34**	**36**	**45**	**42**	**340**	**381**	**415**	**450**	**495**	**537**
	Net Patient Accounts Receivable	$7,219,864	$7,161,273	$6,826,652	$7,476,334	$7,943,900	$7,440,504	$63,335,019	$70,496,293	$77,322,944	$84,799,278	$92,743,178	$100,183,682
	Due From Third Party Payers	$ -	$ -	$ -	$ -	$ -	$ -	$0	$0	$0	$0	$0	$0
	Due To Third Party Payers	$1,539,548	$748,252	$1,042,444	$1,370,929	$576,026	$639,008	$6,297,082	$7,045,334	$8,087,779	$9,458,708	$10,034,733	$10,673,741
	Total Net Patient Accounts Receivable and Third Party Payer Activity	$ 5,680,317	$ 6,413,022	$ 5,784,207	$ 6,105,405	$ 7,367,874	$ 6,801,496	$57,037,937	$63,450,958	$69,235,166	$75,340,571	$82,708,445	$89,509,941
	Total Net Patient Revenue	$4,906,675	$4,917,420	$5,066,757	$5,315,835	$5,070,245	$4,894,606	$35,586,280	$40,503,700	$45,570,457	$50,886,292	$55,956,537	$60,851,143
4	**Average Payment Period**	**42**	**41**	**39**	**42**	**42**	**66**	**39**	**39**	**38**	**41**	**39**	**52**
18	Total Current Liabilities	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517
19	Total Operating Expenses	$5,344,727	$5,519,967	$5,325,730	$5,641,034	$5,389,931	$4,342,076	$40,085,586	$45,605,553	$50,931,283	$56,572,317	$61,962,248	$66,304,324
20	Depreciation Expense	$235,173	$236,738	$234,266	$239,210	$239,431	$267,226	$1,714,023	$1,950,761	$2,185,027	$2,424,237	$2,663,668	$2,930,894
20	Total Operating Expenses less Depreciation Expense	$5,109,554	$5,283,229	$5,091,464	$5,401,824	$5,150,500	$4,074,850	$38,371,563	$43,654,792	$48,746,256	$54,148,080	$59,298,580	$63,373,430

Exhibit F

PROSPECT ROCKVILLE HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$18,412,122	$19,283,549	$18,192,153	$17,776,249	$18,737,703	$18,883,700	$135,924,439	$155,207,988	$173,400,141	$191,176,390	$209,914,093	$228,797,793
	Total Allowances	($13,324,074)	($14,212,013)	($12,970,581)	($12,320,032)	($13,538,658)	($13,869,828)	($98,952,244)	($113,164,257)	($126,134,838)	($138,454,870)	($151,993,528)	($165,863,356)
C.	**Leverage and Capital Structure**												
1	**Long-term Debt to Equity**	**(0.2)**	**(0.2)**	**(0.1)**	**(0.1)**	**(0.1)**	**(0.1)**	**(0.2)**	**(0.2)**	**(0.1)**	**(0.1)**	**(0.1)**	**(0.1)**
2	**Long Term Debt to Capitalization Ratio**	**(22.4)**	**(18.8)**	**(16.9)**	**(16.2)**	**(14.9)**	**(16.7)**	**(22.4)**	**(18.8)**	**(16.9)**	**(16.2)**	**(14.9)**	**(16.7)**
	Total Long Term Debt	$524,837	$513,744	$478,241	$467,411	$456,288	$445,778	$524,837	$513,744	$478,241	$467,411	$456,288	$445,778
	Total Net Assets	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Total Long Term Debt and Total Net Assets	($2,347,403)	($2,726,951)	($2,825,851)	($2,891,821)	($3,052,135)	($2,670,081)	($2,347,403)	($2,726,951)	($2,825,851)	($2,891,821)	($3,052,135)	($2,670,081)
3	**Unrestricted Cash to Total Debt Ratio**	**0.5**	**(1.8)**	**2.4**	**2.4**	**1.2**	**7.0**	**(15.1)**	**(17.3)**	**(15.6)**	**(12.0)**	**(11.3)**	**(2.0)**
	Excess/(Deficiency) of Revenues Over Expenses	($197,748)	($368,455)	($63,397)	($55,141)	($149,190)	$392,564	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Depreciation Expense	$235,173	$236,738	$234,266	$239,210	$239,431	$267,226	$1,714,023	$1,950,761	$2,185,027	$2,424,237	$2,663,668	$2,930,894
	Excess of Revenues Over Expenses and Depreciation Expense	$37,425	($131,717)	$170,869	$184,069	$90,241	$659,790	($1,158,217)	($1,289,934)	($1,119,065)	($934,996)	($844,755)	($184,965)
	Total Current Liabilities	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517
	Total Long Term Debt	$524,837	$513,744	$478,241	$467,411	$456,288	$445,778	$524,837	$513,744	$478,241	$467,411	$456,288	$445,778
	Total Current Liabilities and Total Long Term Debt	$7,671,431	$7,435,842	$7,178,700	$7,762,544	$7,442,820	$9,467,295	$7,671,431	$7,435,842	$7,178,700	$7,762,544	$7,442,820	$9,467,295
4	**Times Interest Earned**	**0.6**	**(0.4)**	**1.4**	**1.4**	**0.8**	**6.2**	**(0.5)**	**(0.5)**	**(0.3)**	**(0.1)**	**(0.0)**	**0.5**
5	**Debt Service Coverage Ratio**	**1.14**	**0.24**	**1.71**	**1.90**	**1.41**	**4.21**	**0.07**	**0.09**	**0.28**	**0.43**	**0.52**	**0.83**
	Excess Revenues over Expenses	($197,748)	($368,455)	($63,397)	($55,141)	($149,190)	$392,564	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Interest Expense	$179,836	$178,095	$183,771	$180,638	$182,856	$182,343	$1,254,906	$1,433,001	$1,616,772	$1,797,410	$1,980,266	$2,162,609
	Depreciation and Amortization Expense	$235,173	$236,738	$234,266	$239,210	$239,431	$267,226	$1,714,023	$1,950,761	$2,185,027	$2,424,237	$2,663,668	$2,930,894
	Principal Payments	$10,676	$18,740	$23,021	$10,829	$11,124	$17,686	$138,172	$156,912	$179,933	$190,762	$201,886	$219,572
6	**Equity Financing Ratio**	**(11.5)**	**(13.2)**	**(13.6)**	**(13.6)**	**(14.5)**	**(12.6)**	**(11.5)**	**(13.2)**	**(13.6)**	**(13.6)**	**(14.5)**	**(12.6)**
	Total Net Assets	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Total Assets	$24,871,148	$24,523,819	$24,242,243	$24,630,841	$24,236,389	$24,682,109	$24,871,148	$24,523,819	$24,242,243	$24,630,841	$24,236,389	$24,682,109
D.	**Additional Statistics**												
1	**Income from Operations**	**-$311,375**	**-$486,043**	**-$156,768**	**-$173,254**	**-$274,097**	**$686,831**	**-$3,646,972**	**-$4,133,015**	**-$4,289,783**	**-$4,463,037**	**-$4,737,134**	**-$4,050,303**
2	**Revenue Over/(Under) Expense**	**-$197,748**	**-$368,455**	**-$63,397**	**-$55,141**	**-$149,190**	**$392,564**	**-$2,872,240**	**-$3,240,695**	**-$3,304,092**	**-$3,359,233**	**-$3,508,423**	**-$3,115,859**
3	**EBITDA**	**$103,634**	**-$71,210**	**$261,269**	**$246,594**	**$148,190**	**$1,136,400**	**-$678,043**	**-$749,253**	**-$487,984**	**-$241,390**	**-$93,200**	**$1,043,200**
4	**Cash from Operations**	**$5,957,007**	**$5,208,157**	**$5,560,291**	**$4,928,006**	**$4,883,110**	**$5,239,344**	**$5,957,007**	**$5,208,157**	**$5,560,291**	**$4,928,006**	**$4,883,110**	**$5,239,344**
5	**Cash and Cash Equivalents**	**-$80,010**	**$154,797**	**$161,436**	**$1,262,686**	**$264,212**	**$1,037**	**-$80,010**	**$154,797**	**$161,436**	**$1,262,686**	**$264,212**	**$1,037**
6	**Net Working Capital**	**$4,472,594**	**$4,431,740**	**$4,578,975**	**$4,294,252**	**$4,000,821**	**$2,464,879**	**$4,472,594**	**$4,431,740**	**$4,578,975**	**$4,294,252**	**$4,000,821**	**$2,464,879**
7	**Unrestricted Assets**	**-$2,872,240**	**-$3,240,695**	**-$3,304,092**	**-$3,359,233**	**-$3,508,423**	**-$3,115,859**	**-$2,872,240**	**-$3,240,695**	**-$3,304,092**	**-$3,359,233**	**-$3,508,423**	**-$3,115,859**
8	**Credit Ratings (S&P, FITCH, and Moody's)**												

User, OHCA

From: Mcconville, Dennis P <dmcconville@echn.org>
Sent: Wednesday, December 27, 2017 5:35 PM
To: Cotto, Carmen
Cc: Roberts, Karen; User, OHCA; 'colleen713.smith@gmail.com'
Subject: RE: 15-32016-486-CON
Attachments: Exhibit A - Capital Investment Report.xlsx; Exhibit B - Approved Capital Expenditures FY2017.xlsx; Exhibit C - MMH RGH REPORT 175 Oct 16-Mar 17 vs Apr 17 - Sep 17.xlsx; Exhibit E - 9.b. HRS Reports 300 350 100 150 FY2017.xlsx; Exhibit F - 10. CON - Financial Stats Apr17-Sep17.xls

Carmen,

Please find the Excel spreadsheets as requested. As a point of clarification, the financial statements are unaudited.

Dennis

From: Cotto, Carmen [mailto:Carmen.Cotto@ct.gov]
Sent: Wednesday, December 27, 2017 3:30 PM
To: Mcconville, Dennis P
Cc: Roberts, Karen; User, OHCA; 'colleen713.smith@gmail.com'
Subject: FW: 15-32016-486-CON

CAUTION: This email originated outside of ECHN. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good afternoon Dennis,

In reference to the attached documents, please also provide us with the same documents in Excel format, as applicable. In particular, those related to capital commitment investment, cost savings and quarterly financial measures.
As you might already know, Excel format makes it easier to filter and analyzed data. It will be very helpful to us to receive them in this format.

Thank you in advance for your assistance.
Carmen

Carmen Cotto, MBA
Associate Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, CT 06134
P: (860) 418-7039 |F: (860) 418-7053 |E: carmen.cotto@ct.gov

www.ct.gov/dph

From: Mcconville, Dennis P [mailto:dmcconville@echn.org]
Sent: Friday, December 15, 2017 10:19 AM
To: User, OHCA
Cc: Martone, Kim; Roberts, Karen; Colleen Smith; Ellen J. Shin (ellen.shin@prospectmedical.com); Tichy, Joyce A (Legal Department); Collins, Michael; Garrison DeLee (garrison.delee@prospectmedical.com); Frank.Saidara; Von.Crockett; Basile, Mary C; Veillette, Michael
Subject: 15-32016-486-CON

The attached letter is submitted as required for condition number eight (8), condition number nine (9) and condition number ten (10) contained in the Final Decision for Docket Number: 15-32016-486-CON, the Transfer of Assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc.

Dennis P. McConville
Senior Vice President
Eastern Connecticut Health Network, Inc.
(860) 533-3429 (office)
(860) 268-4591 (cell)
dmcconville@echn.org

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you."

Exhibit A

Capital Investment Report
Paid Capital
FY 2017

Vendor	Entity	Item	Purpose	PO #	FundingType	October	November	December	January	February	March	Total	April	May	June	July	August	Sept	Total
						**********						PAYMENT AMOUNT	**********						
MOREDIRECT INC	MMH	SECURITY SYSTEM UPGRADE	Replacement	C0016389	F			$3,227				$3,227							
ADVANCE SECURITY INTERGATION LLC	MMH	ACCESS CONTROL UPGRADE	Replacement	C0016390	F				$81,206			$81,206							
SECURITY 101	MMH	ACCESS CONTROL UPGRADE	Replacement	C0016390	F													$86,363	$86,363
W.B. MASON COMPANY, INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C016300P	F					$1,813		$1,813							
RAINTECH SOUND & COMMUNICATION, INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C016300R	F		$13,278					$13,278							
STRYKER SALES CORPORATION	RGH	WALDEN EATING DISORDER UNIT	Renovation	C01630AU	F					$68,544		$68,544							
GE MEDICAL SYSTEMS INFORMATION	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300AV	F			$2,594				$2,594							
GRAYBAR ELECTRIC CO INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BB	F		$237					$237							
SHI INTERNAIONAL CORP	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BC	F		$1,881					$1,881							
SHI INTERNAIONAL CORP	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BC	F		$155					$155							
SOMA TECHNOLOGY, INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BD	F		$695					$695							
TRI-ANIM HEALTH SERVICES	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BG	F	$413						$413							
TRI-ANIM HEALTH SERVICES	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BG	F		$826					$826							
RAINTECH SOUND & COMMUNICATION, INC.	RGH	WALDEN EATING DISORDER UNIT	Renovation	C16300BH	F				$34,882			$34,882							
MODERN MECHANICAL SERVICES, INC	MMH	WATER TOWER TANKS	Replacement	C0016345	N		$90,487					$90,487							
ALL-PHASE ENTERPRISES INC	MMH	GENERATOR FLUE STACK	Replacement	C0016364	N		$9,430					$9,430							
SMITHS MEDICAL ASD INC	MMH	TEMP CHECK	Replacement	C0016379	N	$807						$807							
HILL-ROM	MMH	STRETCHER MATTRESSES (7)	Replacement	C0016388	N		$3,644					$3,644							
HILL-ROM	MMH	STRETCHER MATTRESSES (6)	Replacement	C0016393	N		$2,818					$2,818							
SCALES INDUSTRIAL TECHOLOGIES, LLC	MMH	QUINCY OILESS COMPRESSOR	Replacement	C0016394	N		$12,730					$12,730							
SCALES INDUSTRIAL TECHOLOGIES, LLC	MMH	QUINCY OILESS COMPRESSOR	Replacement	C0016394	N					$1,663		$1,663							
SAFEWARE, INC.	RGH	GAS ALERT DETECTOR	Replacement	C0016398	N					$195		$195							
SAFEWARE, INC.	RGH	GAS ALERT DETECTOR	Replacement	C0016398	N					$2,264		$2,264							
SAFEWARE, INC.	RGH	GAS ALERT DETECTOR	Replacement	C0016398	N								$2,458						$2,458
MOREDIRECT INC	WAT	IT - CISCO CATALYST	Replacement	C0016401	N								$10,884						$10,884
MOREDIRECT, INC.	RGH	IT - CISCO CATALYST	Replacement	C0016401	N										$313				$313
JKS SYSTEMS, LLC	WAT	WOODLAKE CABLE RUNS	Replacement	C0016402	N								$5,241						$5,241
PRAXAIR DISTRIBUTION, INC	MMH	FBC - NITRONOX E STAND PACKAGE	Replacement	C0016403	N						$11,230	$11,230							$0
STERIS CORP	MMH	CENTURY STERILIZER COLOR DISPLAY	Replacement	C0016404	N									$10,296					$10,296
STERIS CORP	MMH	SPD - 3 LEVEL MANIFOLD RACK	Replacement	C0016405	N						$13,662	$13,662							$0
GERMFREE LABORATORIES, INC	RGH	PHARMACY COMPOUNDING ISOLATOR	Replacement	C0016406	N										$15,059				$15,059
OWENS & MINOR	MMH	DIGITAL SCALE WITH HANDRAILS	Replacement	C0016407	N								$1,606						$1,606
HILL-ROM	MMH	CLUB SLEEPER/MATRESS (MATERNITY)	Replacement	C0016408	N									$4,517					$4,517
CARPETWORKS	MMH	NUCLEAR MED FLOORING	Replacement	C0016413	N						$5,429	$5,429							
CARPETWORKS	RGH	FLOORING - BIII, HOSPICE ICU WAITING RO	Replacement	C0016414	N						$19,452	$19,452							
CARPETWORKS LLC	RGH	FLOORING - BIII, HOSPICE ICU WAITING RO	Replacement	C0016414	N													$2,090	$2,090
CARPETWORKS LLC	RGH	FLOORING - BIII, HOSPICE ICU WAITING RO	Replacement	C0016414	N													$1,912	$1,912
CARPETWORKS	RGH	FLOORING - LITHOTRIPSY	Replacement	C0016415	N						$5,158	$5,158							
HILL ROM COMPANY INCORPORATED	RGH	MATTRESS REPLACEMENT	Replacement	C0016416	N												$20,117		$20,117
KARL STORZ ENDOSCOPY AMERICA, INC.	MMH	VIDEO URETEROSCOPE	Replacement	C0016417	N										$18,818				$18,818
INTOXIMETERS INC	MMH	INTOXIMETER SENSOR	Replacement	C0016418	N								$555						$555
FLAGSHIP NETWORKS, INC	MMH	CITRIX EDUCATION LICENSING	Replacement	C0016420	N										$9,635				$9,635
SHI INTERNAIONAL CORP	MMH	IPAD AIR ACCESSORIES	Replacement	C0016421	N								$249						$249
SHI INTERNAIONAL CORP	MMH	APPLE IPAD AIR/ACCESSORIES (5)	Replacement	C0016421	N									$4,056					$4,056
TRUMPF MEDICAL SYSTEMS	MMH	FOOT SUPPORT, ROTATABLE	Replacement	C0016422	N									$850					$850
W.B. MASON CO INC	MMH	MATERNITY WAITING ROOM FURNITURE	Replacement	C0016425	N												$27,444		$27,444
CDW GOVERNMENT INC	ECMP	HP PROBOOK WITH ACCESSORIES (4)	Replacement	C0016426	N									$4,410					$4,410
TELEFLEX MEDICAL INCORPORATED	MMH	SURGICAL TOOLS	Replacement	C0016427	N								$3,279						$3,279
AESCULAP	MMH	SURGICAL TOOLS	Replacement	C0016428	N								$1,531						$1,531
INTERA LIFESCIENCES	MMH	LED HEADLIGHT (3)	Replacement	C0016429	N								$18,479						$18,479
SHI INTERNAIONAL CORP	MMH	APPLE IPOD TOUCH (50)	Replacement	C0016430	N								$10,365						$10,365
MOREDIRECT, INC.	MMH	FIREWALL REPLACEMENT	Replacement	C0016433	N										$3,184				$3,184
MOREDIRECT, INC.	MMH	FIREWALL REPLACEMENT	Replacement	C0016433	N										$11,149				$11,149
MOREDIRECT, INC.	MMH	FIREWALL REPLACEMENT	Replacement	C0016433	N										$11,267				$11,267
CHIMENET, INC.	MMH	FIREWALL	Replacement	C0016434	N												$6,060		$6,060
PRECISION COMPUTER SERVICES, INC	MMH	IT - CISCO B2000 SERVER/ACCESSORIES	Replacement	C0016435	N									$43,437					$43,437
PRECISION COMPUTER SERVICES, INC.	MMH	CISCO B200 M4 BLADES/IMPLEMENTATION	Replacement	C0016435	N											$4,410			$4,410
OLYMPUS AMERICA, INC	RGH	PORTABLE RHINO-LARYNGO FIBERSCOPE	Replacement	C0016436	N									$13,113					$13,113
MORTARA INSTRUMENT, INC.	MMH	CARDIAC REHAB TREADMILL	Replacement	C0016437	N												$11,098		$11,098
MORTARA INSTRUMENT, INC.	RGH	RHAB TREADMILL	Replacement	C0016438	N										$11,098				$11,098
FOLLETT LLC	RGH	EDU - ICE MAKER/WATER DISPENSER	Replacement	C0016439	N										$3,341				$3,341
ERBE USA INCORPORATED	MMH	ENDOSCOPY ACP SYSTEM	Replacement	C0016440	N										$157,507				$157,507
ERBE USA INCORPORATED	RGH	ENDOSCOPY ACP SYSTEM	Replacement	C0016441	N										$79,191				$79,191
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N										$24,945				$24,945
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N										$6,845				$6,845

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Vendor	Entity	Item	Purpose	PO #	FundingType	October	November	December	January	February	March	Total	April	May	June	July	August	Sept	Total
						**********						PAYMENT AMOUNT	**********						
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N											$94,639			$94,639
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N												$104,552		$104,552
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N													$110,135	$110,135
ALL-PHASE ENTERPRISES, INC.	WAT	CHOW PLAN OF CORRECTION RENO	Renovation	C0016445	N													$84,266	$84,266
W.B. MASON CO INC	WAT	CHOW RESIDENT ROOM FURNITURE	Renovation	C0016447	N										$28,927				$28,927
W.B. MASON CO INC	MMH	BARIATRIC FURNITURE	Replacement	C0016448	N												$25,845		$25,845
SHI INTERNAIONAL CORP	WAT	CISCO CATALYST - WAT COMPUTER ACCE	Replacement	C0016449	N									$2,247					$2,247
JKS SYSTEMS, LLC	WAT	IT WIRING AND CABLE INSTALL	Replacement	C0016450	N										$1,546				$1,546
W.B. MASON CO INC	MMH	PHYSICIAN LOUNGE FURNITURE	Replacement	C0016454	N												$5,890		$5,890
SCOTTCARE CORPORATION	MMH	VERSA CARE TELEMETRY MONITORING SY	Replacement	C0016455	N									$45,628					$45,628
CDW GOVERNMENT INC.	MMH	PT MIGRATION TO MEDITECH	Replacement	C0016456	N											$3,491			$3,491
CDW GOVERNMENT INC.	MMH	PT MIGRATION TO MEDITECH	Replacement	C0016456	N											$363			$363
SHI INTERNAIONAL CORP	MMH	HP745-PT MIGRATION TO MEDITECH	Replacement	C0016457	N									$25,014					$25,014
JKS SYSTEMS, LLC	MMH	REHAB ACCESS POINTS	Replacement	C0016458	N											$2,238			$2,238
W.B. MASON CO INC	RGH	ED TASK CHAIRS (10)	Replacement	C0016460	N											$3,127			$3,127
EHR INTEGRATION	ECMP	PATIENT ADT INTERFACE	Replacement	C0016463	N								$5,625						$5,625
EHR INTEGRATION SERVICES, LLC	ECMP	ED transition to ECMP Billing	Replacement	C0016463	N												$3,000		$3,000
EHR INTEGRATION SERVICES, LLC	ECMP	ED transition to ECMP Billing	Replacement	C0016463	N												$2,813		$2,813
EHR INTEGRATION SERVICES, LLC	ECMP	ED transition to ECMP Billing	Replacement	C0016463	N												$2,813		$2,813
IATRIC SYSTEMS	MMH	ED TRANSITION TO ECMP BILLING	Replacement	C0016464	N											$2,185			$2,185
JKS SYSTEMS, LLC	MMH	IT CABLING - 44 HAYNES	Replacement	C0016466	N											$1,014			$1,014
MOREDIRECT, INC.	MMH	CRC HARDWARE	Replacement	C0016467	N											$15,331			$15,331
MID-SOUTH TELECOM LLC	MMH	CRC PHONES	Replacement	C0016469	N											$936			$936
AMPRONIX, INC.	MMH	MEDICAL VIDEO RECORDER	Replacement	C0016470	N										$3,988				$3,988
MOREDIRECT, INC.	MMH	LAPTOP INVENTORY (20)	Replacement	C0016471	N											$18,362			$18,362
MOREDIRECT, INC.	MMH	LAPTOP INVENTORY (20)	Replacement	C0016471	N											$2,732			$2,732
FLAGSHIP NETWORKS, INC	MMH	MCAFEE FOR LAPTOPS (20)	Replacement	C0016472	N											$2,234			$2,234
MCKESSON MEDICAL SURGICAL INC.	ECMP	INFECTIOUS DISEASE WALL UNITS	Replacement	C0016475	N										$1,673				$1,673
EAGLE RIVET ROOF SERVICE CORP.	RGH	CHOW PLAN OF CORRECTION ROOF	Replacement	C0016476	N												$80,750		$80,750
EAGLE RIVET ROOF SERVICE CORP.	RGH	CHOW PLAN OF CORRECTION ROOF	Replacement	C0016476	N												$26,439		$26,439
EAGLE RIVET ROOF SERVICE CORP.	RGH	CHOW PLAN OF CORRECTION ROOF	Replacement	C0016476	N													$23,750	$23,750
PHILIPS HEALTHCARE	RGH	CHOW PLAN OF CORRECTION ROOF	Replacement	C0016477	N													$13,666	$13,666
HOLOGIC LIMITED PARTNERSHIP	MMH	MYOSURE HYSTEROSCOPE	Replacement	C0016478	N											$6,495			$6,495
CLASSIC RESTAURANT SUPPLY	MMH	ICE MACHINE	Replacement	C0016479	N											$4,730			$4,730
INTERIOR CONCEPTS	RGH	CORRIDOR DOOR REPLACEMENT	Replacement	C0016482	N												$4,730		$4,730
INTERIOR CONCEPTS	RGH	CORRIDOR DOOR REPLACEMENT	Replacement	C0016482	N												$12,435		$12,435
MCPHEE ELECTRICAL LTD	RGH	ICU Transformer Replacement	Replacement	C0016486	N													$12,230	$12,230
SHI INTERNATIONAL CORP.	MMH	MED EDU HARDDRIVES AND BATTERIES	Replacement	C0016488	N												$708		$708
SHI INTERNATIONAL CORP.	MMH	MED EDU HARDDRIVES AND BATTERIES	Replacement	C0016488	N												$506		$506
SHI INTERNATIONAL CORP.	MMH	LAB DOCUMENT SCANNER	Replacement	C0016489	N												$888		$888
CONNECTICUT BUSINESS SYSTEMS, LLC	RGH	PRINTER/SCANNER	Replacement	C0016490	N													$1,303	$1,303
CONNECTICUT BUSINESS SYSTEMS, LLC	MMH	PRINTER	Replacement	C0016491	N													$1,544	$1,544
MCKESSON MEDICAL-SURGICAL	WAT	TUB	Replacement	C0016492	N													$11,380	$11,380
SMITH & NEPHEW ENDOSCOPY DIV.	MMH	SHOULDER POSITIONER	Replacement	C0016496	N												$4,209		$4,209
SMITH & NEPHEW ENDOSCOPY DIV.	MMH	SHOULDER POSITIONER	Replacement	C0016496	N												$5,109		$5,109
JKS SYSTEMS, LLC	RGH	WIRING - GI, CARDIO & OR	Replacement	C0016497	N												$1,290		$1,290
SIEMENS MEDICAL SOLUTIONS USA, INC.	MMH	PACS UPGRADE	Replacement	C0016498	N												$13,152		$13,152
HELMER SCIENTIFIC	MMH	LAB REFRIGERATOR	Replacement	C0016500	N											$5,175			$5,175
GE HEALTHCARE IITS USA CORP	MMH	FBC EXPANSION -PROJECT	Replacement	C016281B	N	$3,845						$3,845							
MERRY X-RAY CHEMICAL CORP	MMH	VASCULAR- PROJECT	Replacement	C016312V	N	$652						$652							
CHIMENET, INC.	RGH	IDF UPGRADE/NETWORK REDESIGN	Replacement	C016376A	N				$2,400			$2,400							
CHIMENET, INC.	RGH	IDF UPGRADE/NETWORK REDESIGN	Replacement	C016376A	N					$4,111		$4,111							
MOREDIRECT INC	RGH	COMPUTER CABLES	Replacement	C016376G	N		$1,403					$1,403							
DC CONSULTING SERVICE LLC	ECMP	SOFTWARE	Replacement	C016382B	N	$990						$990							
JKS SYSTEMS, LLC	ECMP	COMPUTER SCANNER	Replacement	C016385A/E	N	$412						$412							
FLAGSHIP NETWORKS, INC	ECMP	LICENSE FEE	Replacement	C016385D	N			$950				$950							
MCKESSON MEDICAL SURGICAL	ECMP	BARIATRIC SCALE	Replacement	C016385F	N	$1,550						$1,550							
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJ	Renovation	C016395A	N	$2,000						$2,000							
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJ	Renovation	C016395A	N	$3,950						$3,950							
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJ	Renovation	C016395A	N	$3,570						$3,570							
MOSER PILON NELSON	MMH	MMH BARIATRIC INPATIENT ROOMS -PROJ	Renovation	C016395A	N				$2,380			$2,380							
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	Renovation	C016396A	N	$1,250						$1,250							
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	Renovation	C016396A	N	$6,275						$6,275							
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	Renovation	C016396A	N	$3,525						$3,525							
MOSER PILON NELSON	MMH	MMH FLUOROSCOPY ROOM-PROJECT	Renovation	C016396A	N				$2,350			$2,350							
MOSER PILON NELSON	MMH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409A	N						$45,100	$45,100							

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						********** PAYMENT AMOUNT **********														
Vendor	Entity	Item	Purpose	PO #	FundingType	October	November	December	January	February	March	Total	April	May	June	July	August	Sept	Total
MOSER PILON NELSON	MMH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409A	N										$2,500				$2,500
MOSER PILON NELSON	MMH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409A	N										$14,014				$14,014
MOSER PILON NELSON	MMH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409A	N													$1,980	$1,980
STANDARD BUILDERS, INC.	RGH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409B	N												$6,010		$6,010
IRVING D. MOY	RGH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409L	N											$800			$800
IRVING D. MOY	RGH	GEROPSYCHIATRY BH UNIT RENOVATIONS	Renovation	C016409L	N											$200			$200
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410A	N						$165,635	$165,635							$0
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410A	N								$10,000						$10,000
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410A	N									$55,250					$55,250
MOSER PILON NELSON	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410A	N													$26,834	$26,834
STANDARD BUILDERS, INC.	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410B	N												$25,773		$25,773
STANDARD BUILDERS, INC.	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410B	N												$225,982		$225,982
ABATEMENT PLUS, LLC	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410T	N										$4,650				$4,650
ABATEMENT PLUS, LLC	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410T	N												$51,634		$51,634
ALL-PHASE ENTERPRISES, INC.	RGH	ADULT BEHAVIORAL HEALTH UNIT	Renovation	C016410U	N										$29,459				$29,459
HORAK PAINTING CONTRACTORS	RGH	RGH GROUND FLOOR CORRIDOR PAINTIN	Renovation	C016480C	N										$12,177				$12,177
HORAK PAINTING CONTRACTORS	RGH	RGH GROUND FLOOR CORRIDOR PAINTIN	Renovation	C016480C	N													$12,177	$12,177
CARPETWORKS LLC	MMH	PHARMACY ENGINEERING -PROJECT	Replacement	C15875HH	N		$670					$670							
PRO-TECH	WAT	FIRE BLOCKING	Replacement		N					$6,391		$6,391							
CTGI	MMH	LAB - GI COMPUTER INTERFACE	Replacement		N						$17,670	$17,670							
						$29,238	**$138,254**	**$6,771**	**$123,219**	**$84,979**	**$283,336**	**$665,798**	**$70,273**	**$208,818**	**$451,286**	**$168,461**	**$669,245**	**$389,631**	**$1,957,714**
		Financing (Debt, Lease)			**F**	**$413**	**$17,073**	**$5,821**	**$116,089**	**$70,357**	**$0**	**$209,753**	**$0**	**$0**	**$0**	**$0**	**$0**	**$86,363**	**$86,363**
		New FY 2017 Spending (Operations)			**N**	**$28,825**	**$121,181**	**$950**	**$7,131**	**$14,622**	**$283,336**	**$456,045**	**$70,273**	**$208,818**	**$451,286**	**$168,461**	**$669,245**	**$303,268**	**$1,871,351**
		TOTAL				**$29,238**	**$138,254**	**$6,771**	**$123,219**	**$84,979**	**$283,336**	**$665,798**	**$70,273**	**$208,818**	**$451,286**	**$168,461**	**$669,245**	**$389,631**	**$1,957,714**

Michael D. Veillette, Chief Financial Officer, Prospect ECHN, Inc.

Exhibit B

Prospect ECHN, Inc.
FY2017 Approved Capital Expenditures

Vendor Name	Facility	Item Description	Amount	Purpose	Notes
Otis Elevator	MMH	Elevator Sheave Replacement	35,255.00	Repair	
Connection, JKS Systems	ECHN	Voice Mail System Replacement	76,866.48	Replacement	
Omnicell, Inc.	MMH/RGH	Omnicell Dispensing System	1,306,013.10	Replacement	
Connection, JKS Systems	WAT	Wireless Network Expansion	15,721.32	New, Expansion	
GermFree	RGH	Germfree VF-4USP Compounding Aseptic Isolator	16,015.55	Replacement	
Steris Corporation	MMH	Sterilizer Centry Color Display Upgrade	10,949.80	Replacement	
Steris Corporation	MMH	Steris Manifold Racks and Carts (4)	16,647.94	Replacement	
Owens and Minor	MMH		1,692.29	Replacement	
Hill-Rom	MMH	Sleeper Chairs (2)	4,804.04	Replacement	
Praxair	MMH	Nitrous Oxide Delivery System (2)	11,147.61	New, Expansion	
Standard Builders, Inc.	RGH	Renovations for Adult Behavioral Health Unit	4,172,153.04	Replacement	Renovations in process to expand adult behavioral health capacity with 24 beds, completion expected December 2017
Standard Builders, Inc.	MMH	Renovations for Geropsychiatry Unit	818,129.28	Replacement	Renovations underway to provide separate program spaces for adolescent and geriatric patient populations, completion targeted for December 2017
Standard Builders, Inc.	MMH	BHU Safety Renovations	344,700.00	Replacement	In process, with replacement of acoustic ceilings with drywall, targeted completion by December 2017
Flagship Networks	ECHN	Citrix Licenses	9,635.40	New, Expansion	
SHI	MMH/RGH	iPods - Communications Services	4,721.74	New, Expansion	
Karl Storz	MMH	Ureteroscope	19,949.77	Replacement	
Carpetworks, LLC	RGH	Replacement Flooring - Lithotripsy Room	5,157.98	Replacement	
Carpetworks, LLC	RGH	Replacement Flooring - RGH Waiting Rooms	21,042.41	Replacement	
Carpetworks, LLC	MMH	Replacement Flooring - MMH Waiting Rooms	5,429.17	Replacement	
Hill Rom Company	RGH	Mattresses (35)	20,136.63	Replacement	
Prestige Medical Imaging	RGH	Portable X-Ray Unit	148,786.65	Replacement	
Intoximeters, Inc.	MMH	Breath Alcohol Tester	590.23	Replacement	
Teleflex Medical	MMH	Laparoscopic Tray	4,624.20	Replacement	
Integra Life Sciences	MMH	Surgical Headlights	19,662.41	Replacement	
Trumpf Medical	MMH	Trumpf OR Table Extension	903.98	New, Expansion	
Aesculap, Inc.	MMH	Orthopedic Large Bone Tray	1,628.15	Replacement	
WB Mason Company, Inc.	MMH	Waiting Rooms & Maternity Education Room Furniture	27,586.13	Replacement	
WB Mason Company, Inc.	RGH	Waiting Rooms & Nurse Lounge Furniture	15,862.10	Replacement	
WB Mason Company, Inc.	RGH	ED Waiting Room Flooring Replacement	13,033.19	Replacement	
CDW/SHI/Flagship	ECMP	Laptops, PCs	7,711.19	New, Expansion	
SHI	MMH/RGH	iPods for Secure Texting	11,022.88	New, Expansion	
Precision Computer Services, Inc.	ECHN	UCS Chassis & Blade Servers	50,885.35	New, Expansion	
Connection/CHIMENET	ECHN	Network Security Firewall	31,980.56	New, Expansion	
All Phase Construction Enterprises, Inc.	WAT	CHOW Renovations	517,966.35	Replacement	

Exhibit B

Prospect ECHN, Inc.
FY2017 Approved Capital Expenditures

WB Mason Company, Inc.	WAT	CHOW Furniture	240,877.43	Replacement	
Eagle Rivet Roofing	RGH	Roof Replacements (3)	152,075.18	Replacement	
CDW/Flagship/SHI/JKS	MMH/RGH	EMR Hardware	41,404.32	Replacement	
Carpetworks, LLC	MMH	2 East Patient Room Flooring	42,534.68	Replacement	
Carpetworks, LLC	MMH	1 East Corridor & Patient Room Flooring	72,647.69	Replacement	
ERBE USA Incorporated	MMH/RGH	ERBE Argon Plasma Coagulation Units (6)	233,965.32	Replacement	
Motara Instruments	MMH/RGH	Treadmills (4)	23,502.91	Replacement	
WB Mason Company, Inc.	MMH/RGH	Bariatric Furniture	25,845.18	Replacement	
Olympus American, Inc.	RGH	Tracheal & Rhino-Laryngoscopes	12,579.55	Replacement	
Follet	RGH	Ice Machine	2,553.15	Replacement	
SHI/JKS/CDW	WAT	PCs	4,678.94	Replacement	
PCP	ECMP	Practice Acquisition	273,200.00	New, Expansion	
WB Mason	RGH	Task Chairs (10)	3,126.69	Replacement	
WB Mason	MMH	Physician Lounge Furniture	5,899.23	Replacement	
ScottCare	MMH	VersaCare Telemetry Monitoring System	48,482.84	Replacement	
Meditech, CareFusion	MMH/RGH	Omnicell Interfaces	87,100.65	Replacement	
Iatric Systems, EHR Integration Services	MMH/RGH	ED Billing Interfaces	19,304.00	New, Expansion	
Connection, Flagship Networks, JKS Systems	CRC	Laptops for new hires	17,754.90	New, Expansion	
Mid-South Telecom LLC, SHI	CRC	Telephones for new hires	1,226.36	New, Expansion	
Connection, Flagship Networks	ECHN	Laptops for Inventory	23,327.82	Replacement	
Carpetworks, LLC	RGH	ICU Flooring Replacement	14,585.90	Replacement	
McKesson	ECMP	Exam Room Diagnostics Wall Units (2)	1,778.85	Replacement	
Mid-South Telecom LLC	ECMP	Telephone Headsets	1,312.95	Replacement	
Ampronix	MMH	HD Medical Video Recorder	4,241.24	Replacement	
Philips Healthcare	ECMP	Stress System, EKG Machine	26,302.80	Replacement	
Carpetworks, LLC Horak Painting, Abatement Plus	RGH	Ground Floor Renovations	92,683.04	Replacement	
Interior Concepts	RGH	Corridor Door Replacements	30,179.75	Replacement	
Classic Restaurant Supply	MMH	Ice cube machines (2)	4,730.43	Replacement	
Hologic	MMH	Hysteroscope & instrument tray	6,907.43	Replacement	
Hovertech International Air Supply & Storage Cart	MMH	HoverMatt Patient Transport System	1,447.42	New, Expansion	
CDW	MMH	3 Laptops	3,203.26	New, Expansion	
SHI	MMH	9 computer laptop hard drives & batteries	1,289.85	New, Expansion	
CBS	RGH	Printer/Scanner	1,302.79	New, Expansion	
Smith & Nephew	RGH	Shoulder positioner	4,439.05	New, Expansion	
Carpetworks, LLC	MMH	Vinyl flooring, ASC	11,858.03	Replacement	
Accurate Doors	RGH	Exterior doors (3)	12,740.73	Replacement	
SHI	MMH	Document scanner	944.12	New, Expansion	

Exhibit B

Prospect ECHN, Inc.
FY2017 Approved Capital Expenditures

K.M. Medical, Inc.	MMH	Lead aprons	7,174.22	Replacement	
K.M. Medical, Inc.	RGH	Lead aprons	2,080.21	Replacement	
JKS Systems	RGH	Data cabling	1,372.39	New, Expansion	
McPhee Electric	RGH	Transformer	48,921.00	Replacement	
McKesson	WAT	Tub with lift	12,102.63	Replacement	
Direct Supply	WAT	Hoyer Lifts with scales	4,852.80	New, Expansion	
Direct Supply	WAT	Vital Signs Monitors with stands	11,293.08	Replacement	
CBS	MMH	Printer	1,544.20	New, Expansion	
Siemens	ECHN	PACs System Upgrade	153,207.26	Replacement	
Karl Storz	MMH	Difficult Airways Carts (Two)	76,337.86	New, Expansion	
Olympus	MMH	Vacuum Curettage System	7,269.77	Replacement	
WB Mason	MMH	Office Chairs	8,975.94	Replacement	
Carpetworks, LLC	RGH	Bissell 2 Corridor Flooring Replacement	22,375.24	Replacement	
Carpetworks, LLC	MMH	Sleep Center Carpet Replacement	14,288.05	Replacement	
Helmer	MMH	Laboratory Refrigerator	5,503.46	Replacement	
Meditech	ECHN	Patient Portal	233,863.65	Replacement	
Smiths Medical	RGH	Infuser	10,004.08	New, Expansion	
W.B. Mason	MMH	Office Chairs	4,702.35	Replacement	
JKS Systems	ECHN	Cable data runs for wireless networks	2,677.30	New, Expansion	
Security 101	RGH	CCTV Replacement for Sterile Processing Facility	16,595.05	Replacement	
Eastcoast Paving Services	RGH	Service Drive and East Parking Lot Paving	73,010.00	Replacement	
Hartford Sprinkler Company	MMH	Garage Standpipe Replacement	17,600.93	Replacement	
Security 101	RGH	RGH Security Video Infrastructure	34,486.94	Replacement	
KTW Group	MMH	Surgical Case Carts	28,269.73	Replacement	
Stryker	RGH	Psychiatric Beds	76,959.65	Replacement	
Encore Fire Protection	RGH	Additional Sprinklers	29,964.11	New, Expansion	
Wells Johnson Company	MMH	Plastic Surgery Infiltration Pump	2,793.69	Replacement	
Stryker	MMH	Makoplasty Total Knee Application	297,780.00	New, Expansion	
Silktown Roofing, Inc.	MMH	CHOW POC Roof Replacements	1,326,920.97	Replacement	
All Phase Enterprises	MMH	Paving and Concrete Work	136,071.40	Replacement	
TPC Associatess, Inc	MMH	Hugs Infant Protection System	94,055.94	Replacement	
Alcon Laboratories	MMH	Alcon Constellation Retina Vitrectomy Machine	99,543.60	Replacement	
Electrical Wholesalers, Inc.	MMH	Replacement Exit Signs	14,632.91	Replacement	
Mindray	MMH/RGH	18 Anesthesia Machines	711,946.79	Replacement	
			$ 12,909,623.60		

Exhibit C
Prospect Manchester Hospital, Prospect Rockville Hospital and Prospect ECHN
Report 175 - Operating Expenses by Category
Comparison: October 2016 - March 2017 and April 2017 - September 2017

		October 2016 - March 2017			April 2017 - September 2017			Variance		
Line	Operating Expense by Category	MMH	RGH	ECHN	MMH	RGH	ECHN	MMH	RGH	ECHN
A	Salaries & Wages	$39,112,524	$14,071,000	$53,183,524	$37,836,794	$13,359,480	$51,196,274	($1,275,730)	($711,520)	($1,987,250)
B	Fringe Benefits	$13,822,026	$5,117,453	$18,939,479	$7,537,643	$3,238,088	$10,775,730	($6,284,383)	($1,879,365)	($8,163,749)
C	Contractual Labor Fees	$5,029,260	$2,271,227	$7,300,487	$6,638,425	$3,290,725	$9,929,150	$1,609,165	$1,019,498	$2,628,663
D	Medical Supplies & Phamaceutical Cost	$13,471,362	$3,913,060	$17,384,422	$13,316,492	$2,360,289	$15,676,781	($154,870)	($1,552,771)	($1,707,641)
E	Depreciation & Amortization	$3,536,666	$1,478,850	$5,015,516	$3,364,656	$1,452,043	$4,816,699	($172,010)	($26,807)	($198,817)
F	Bad Debts	$0	$0	$0	$0	$0	$0	$0	$0	$0
G	Interest Expense	$3,634,528	$1,075,070	$4,709,598	$3,598,889	$1,087,538	$4,686,428	($35,639)	$12,468	($23,171)
H	Malpractice Insurance Cost	$1,290,472	$504,808	$1,795,280	$153,148	$272,714	$425,862	($1,137,324)	($232,094)	($1,369,418)
I	Utilities	$1,380,083	$665,214	$2,045,297	$1,363,160	$628,562	$1,991,722	($16,922)	($36,652)	($53,574)
J	Business Expense	$13,597,193	$5,644,173	$19,241,366	$15,554,280	$5,874,021	$21,428,301	$1,957,087	$229,848	$2,186,935
K	Other Operating Expenses	-	-	-	-	-	-	$0	$0	$0
	Total Operating Expenses - All Expense Categories	$94,874,114	$34,740,855	$129,614,969	$89,363,489	$31,563,458	$120,926,947	($5,510,625)	($3,177,396)	($8,688,022)

EXHIBIT E

PROSPECT ECHN, INC.		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 300 - PARENT CORPORATION CONSOLIDATED BALANCE SHEET INFORMATION		
(1)	(2)	(3)
		SEPT 2017
LINE	DESCRIPTION	ACTUAL
I.	**ASSETS**	
A.	**Current Assets:**	
1	Cash and Cash Equivalents	$4,194,382
2	Short Term Investments	
3	Accounts Receivable (Less: Allowance for Doubtful Accounts)	$40,804,492
4	Current Assets Whose Use is Limited for Current Liabilities	
5	Due From Affiliates	$7,637,864
6	Due From Third Party Payers	
7	Inventories of Supplies	$6,054,400
8	Prepaid Expenses	$4,140,461
9	Other Current Assets	$2,435,581
	Total Current Assets	**$65,267,180**
B.	**Noncurrent Assets Whose Use is Limited:**	
1	Held by Trustee	$0
2	Board Designated for Capital Acquisition	
3	Funds Held in Escrow	
4	Other Noncurrent Assets Whose Use is Limited	
	Total Noncurrent Assets Whose Use is Limited:	**$0**
5	Interest in Net Assets of Foundation	
6	Long Term Investments	$13,734,336
7	Other Noncurrent Assets	$9,430,650
C.	**Net Fixed Assets:**	
1	Property, Plant and Equipment	$328,929,302
2	Less: Accumulated Depreciation	$250,110,586
	Less: Purchase Adjustment	$18,316,556
	Property, Plant and Equipment, Net	**$60,502,160**
3	Construction in Progress	$1,687,933
	Total Net Fixed Assets	**$62,190,093**
	Total Assets	**$150,622,259**

EXHIBIT E

PROSPECT ECHN, INC.		
AS OF SEPTEMBER 30, 2017		
FISCAL YEAR 2017		
REPORT 300 - PARENT CORPORATION CONSOLIDATED BALANCE SHEET INFORMATION		
(1)	(2)	(3)
		SEPT 2017
LINE	DESCRIPTION	ACTUAL
II.	**LIABILITIES AND NET ASSETS**	
A.	**Current Liabilities:**	
1	Accounts Payable and Accrued Expenses	$22,013,628
2	Salaries, Wages and Payroll Taxes	$5,641,078
3	Due To Third Party Payers	$2,192,261
4	Due To Affiliates	$1,793,691
5	Current Portion of Long Term Debt	$0
6	Current Portion of Notes Payable	$2,599,963
7	Other Current Liabilities	$10,280,642
	Total Current Liabilities	**$44,521,263**
B.	**Long Term Debt:**	
1	Bonds Payable (Net of Current Portion)	
2	Notes Payable (Net of Current Portion)	$8,929,268
	Total Long Term Debt	**$8,929,268**
3	Accrued Pension Liability	$66,866,795
4	Other Long Term Liabilities	$15,376,744
	Total Long Term Liabilities	**$91,172,807**
5	Interest in Net Assets of Affiliates or Joint Ventures	
C.	**Net Assets:**	
1	Net Assets or Equity	$14,928,189
2	Temporarily Restricted Net Assets	
3	Permanently Restricted Net Assets	
	Total Net Assets	**$14,928,189**
	Total Liabilities and Net Assets	**$150,622,259**

PROSPECT ROCKVILLE HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$18,412,122	$19,283,549	$18,192,153	$17,776,249	$18,737,703	$18,883,700	$135,924,439	$155,207,988	$173,400,141	$191,176,390	$209,914,093	$228,797,793
	Total Allowances	($13,324,074)	($14,212,013)	($12,970,581)	($12,320,032)	($13,538,658)	($13,869,828)	($98,952,244)	($113,164,257)	($126,134,838)	($138,454,870)	($151,993,528)	($165,863,356)
	Bad Debt	($181,373)	($154,116)	($154,815)	($140,382)	($128,800)	($119,266)	($1,385,915)	($1,540,031)	($1,694,846)	($1,835,228)	($1,964,028)	($2,083,294)
	Net Patient Revenue	$4,906,675	$4,917,420	$5,066,757	$5,315,835	$5,070,245	$4,894,606	$35,586,280	$40,503,700	$45,570,457	$50,886,292	$55,956,537	$60,851,143
	Other Operating Revenue	126,677	116,504	102,205	151,945	45,589	134,301	$852,334	$968,838	$1,071,043	$1,222,988	$1,268,577	$1,402,878
	Total Operating Revenue	$5,033,352	$5,033,924	$5,168,962	$5,467,780	$5,115,834	$5,028,907	$36,438,614	$41,472,538	$46,641,500	$52,109,280	$57,225,114	$62,254,021
	Total Operating Expenses	5,344,727	5,519,967	5,325,730	5,641,034	5,389,931	4,342,076	$40,085,586	$45,605,553	$50,931,283	$56,572,317	$61,962,248	$66,304,324
	Income/(Loss) From Operations	($311,375)	($486,043)	($156,768)	($173,254)	($274,097)	$686,831	($3,646,972)	($4,133,015)	($4,289,783)	($4,463,037)	($4,737,134)	($4,050,303)
	Total Non-Operating Revenue	113,627	117,588	93,371	118,113	124,907	(294,267)	$774,732	$892,320	$985,691	$1,103,804	$1,228,711	$934,444
	Excess/(Deficiency) of Revenue Over Expenses	($197,748)	($368,455)	($63,397)	($55,141)	($149,190)	$392,564	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
A	**Operating Performance**												
1	**Operating Margin**	**-6.05%**	**-9.43%**	**-2.98%**	**-3.10%**	**-5.23%**	**14.51%**	**-9.80%**	**-9.76%**	**-9.01%**	**-8.39%**	**-8.10%**	**-6.41%**
2	**Non-Operating Margin**	**2.21%**	**2.28%**	**1.77%**	**2.11%**	**2.38%**	**-6.22%**	**2.08%**	**2.11%**	**2.07%**	**2.07%**	**2.10%**	**1.48%**
3	**Total Margin**	**-3.84%**	**-7.15%**	**-1.20%**	**-0.99%**	**-2.85%**	**8.29%**	**-7.72%**	**-7.65%**	**-6.94%**	**-6.31%**	**-6.00%**	**-4.93%**
4	**Bad Debt as % of Gross Revenue**	**0.99%**	**0.80%**	**0.85%**	**0.79%**	**0.69%**	**0.63%**	**1.02%**	**0.99%**	**0.98%**	**0.96%**	**0.94%**	**0.91%**
	Income/(Loss) From Operations	($311,375)	($486,043)	($156,768)	($173,254)	($274,097)	$686,831	($3,646,972)	($4,133,015)	($4,289,783)	($4,463,037)	($4,737,134)	($4,050,303)
	Total Operating Revenue	$5,033,352	$5,033,924	$5,168,962	$5,467,780	$5,115,834	$5,028,907	$36,438,614	$41,472,538	$46,641,500	$52,109,280	$57,225,114	$62,254,021
	Total Non-Operating Revenue	$113,627	$117,588	$93,371	$118,113	$124,907	($294,267)	$774,732	$892,320	$985,691	$1,103,804	$1,228,711	$934,444
	Total Revenue	$5,146,979	$5,151,512	$5,262,333	$5,585,893	$5,240,741	$4,734,640	$37,213,346	$42,364,858	$47,627,191	$53,213,084	$58,453,825	$63,188,465
	Excess/(Deficiency) of Revenue Over Expenses	($197,748)	($368,455)	($63,397)	($55,141)	($149,190)	$392,564	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Unrestricted Net Assets	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Total Net Assets	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)

PROSPECT ROCKVILLE HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$18,412,122	$19,283,549	$18,192,153	$17,776,249	$18,737,703	$18,883,700	$135,924,439	$155,207,988	$173,400,141	$191,176,390	$209,914,093	$228,797,793
	Total Allowances	($13,324,074)	($14,212,013)	($12,970,581)	($12,320,032)	($13,538,658)	($13,869,828)	($98,952,244)	($113,164,257)	($126,134,838)	($138,454,870)	($151,993,528)	($165,863,356)
B.	**Liquidity**												
1	**Current Ratio**	**1.63**	**1.64**	**1.68**	**1.59**	**1.57**	**1.27**	**1.63**	**1.64**	**1.68**	**1.59**	**1.57**	**1.27**
	Total Current Assets	$11,619,188	$11,353,838	$11,279,435	$11,589,385	$10,987,353	$11,486,396	$11,619,188	$11,353,838	$11,279,435	$11,589,385	$10,987,353	$11,486,396
	Total Current Liabilities	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517
2	**Days Cash on Hand**	**(0)**	**1**	**1**	**7**	**2**	**0**	**(7)**	**(6)**	**(5)**	**2**	**4**	**4**
	Cash and Cash Equivalents	($80,010)	$154,797	$161,436	$1,262,686	$264,212	$1,037	($80,010)	$154,797	$161,436	$1,262,686	$264,212	$1,037
	Short Term Investments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Cash and Short Term Investments	($80,010)	$154,797	$161,436	$1,262,686	$264,212	$1,037	($1,219,752)	($1,064,955)	($903,519)	$359,167	$623,378	$624,415
	Total Operating Expenses	$5,344,727	$5,519,967	$5,325,730	$5,641,034	$5,389,931	$4,342,076	$40,085,586	$45,605,553	$50,931,283	$56,572,317	$61,962,248	$66,304,324
	Depreciation Expense	$235,173	$236,738	$234,266	$239,210	$239,431	$267,226	$1,714,023	$1,950,761	$2,185,027	$2,424,237	$2,663,668	$2,930,894
	Operating Expenses less Depreciation Expense	$5,109,554	$5,283,229	$5,091,464	$5,401,824	$5,150,500	$4,074,850	$38,371,563	$43,654,792	$48,746,256	$54,148,080	$59,298,580	$63,373,430
3	**Days in Net Acounts Receivables**	**35**	**40**	**34**	**36**	**45**	**42**	**340**	**381**	**415**	**450**	**495**	**537**
	Net Patient Accounts Receivable	$7,219,864	$7,161,273	$6,826,652	$7,476,334	$7,943,900	$7,440,504	$63,335,019	$70,496,293	$77,322,944	$84,799,278	$92,743,178	$100,183,682
	Due From Third Party Payers	$ -	$ -	$ -	$ -	$ -	$ -	$0	$0	$0	$0	$0	$0
	Due To Third Party Payers	$1,539,548	$748,252	$1,042,444	$1,370,929	$576,026	$639,008	$6,297,082	$7,045,334	$8,087,779	$9,458,708	$10,034,733	$10,673,741
	Total Net Patient Accounts Receivable and Third Party Payer Activity	$ 5,680,317	$ 6,413,022	$ 5,784,207	$ 6,105,405	$ 7,367,874	$ 6,801,496	$57,037,937	$63,450,958	$69,235,166	$75,340,571	$82,708,445	$89,509,941
	Total Net Patient Revenue	$4,906,675	$4,917,420	$5,066,757	$5,315,835	$5,070,245	$4,894,606	$35,586,280	$40,503,700	$45,570,457	$50,886,292	$55,956,537	$60,851,143
4	**Average Payment Period**	**42**	**41**	**39**	**42**	**42**	**66**	**39**	**39**	**38**	**41**	**39**	**52**
18	Total Current Liabilities	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517
19	Total Operating Expenses	$5,344,727	$5,519,967	$5,325,730	$5,641,034	$5,389,931	$4,342,076	$40,085,586	$45,605,553	$50,931,283	$56,572,317	$61,962,248	$66,304,324
20	Depreciation Expense	$235,173	$236,738	$234,266	$239,210	$239,431	$267,226	$1,714,023	$1,950,761	$2,185,027	$2,424,237	$2,663,668	$2,930,894
20	Total Operating Expenses less Depreciation Expense	$5,109,554	$5,283,229	$5,091,464	$5,401,824	$5,150,500	$4,074,850	$38,371,563	$43,654,792	$48,746,256	$54,148,080	$59,298,580	$63,373,430

PROSPECT ROCKVILLE HOSPITAL, INC.

FISCAL YEAR 2017

		MTD						YTD					
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
	DESCRIPTION	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
	Total Gross Revenue	$18,412,122	$19,283,549	$18,192,153	$17,776,249	$18,737,703	$18,883,700	$135,924,439	$155,207,988	$173,400,141	$191,176,390	$209,914,093	$228,797,793
	Total Allowances	($13,324,074)	($14,212,013)	($12,970,581)	($12,320,032)	($13,538,658)	($13,869,828)	($98,952,244)	($113,164,257)	($126,134,838)	($138,454,870)	($151,993,528)	($165,863,356)
C.	**Leverage and Capital Structure**												
1	**Long-term Debt to Equity**	**(0.2)**	**(0.2)**	**(0.1)**	**(0.1)**	**(0.1)**	**(0.1)**	**(0.2)**	**(0.2)**	**(0.1)**	**(0.1)**	**(0.1)**	**(0.1)**
2	**Long Term Debt to Capitalization Ratio**	**(22.4)**	**(18.8)**	**(16.9)**	**(16.2)**	**(14.9)**	**(16.7)**	**(22.4)**	**(18.8)**	**(16.9)**	**(16.2)**	**(14.9)**	**(16.7)**
	Total Long Term Debt	$524,837	$513,744	$478,241	$467,411	$456,288	$445,778	$524,837	$513,744	$478,241	$467,411	$456,288	$445,778
	Total Net Assets	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Total Long Term Debt and Total Net Assets	($2,347,403)	($2,726,951)	($2,825,851)	($2,891,821)	($3,052,135)	($2,670,081)	($2,347,403)	($2,726,951)	($2,825,851)	($2,891,821)	($3,052,135)	($2,670,081)
3	**Unrestricted Cash to Total Debt Ratio**	**0.5**	**(1.8)**	**2.4**	**2.4**	**1.2**	**7.0**	**(15.1)**	**(17.3)**	**(15.6)**	**(12.0)**	**(11.3)**	**(2.0)**
	Excess/(Deficiency) of Revenues Over Expenses	($197,748)	($368,455)	($63,397)	($55,141)	($149,190)	$392,564	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Depreciation Expense	$235,173	$236,738	$234,266	$239,210	$239,431	$267,226	$1,714,023	$1,950,761	$2,185,027	$2,424,237	$2,663,668	$2,930,894
	Excess of Revenues Over Expenses and Depreciation Expense	$37,425	($131,717)	$170,869	$184,069	$90,241	$659,790	($1,158,217)	($1,289,934)	($1,119,065)	($934,996)	($844,755)	($184,965)
	Total Current Liabilities	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517	$7,146,594	$6,922,098	$6,700,460	$7,295,133	$6,986,532	$9,021,517
	Total Long Term Debt	$524,837	$513,744	$478,241	$467,411	$456,288	$445,778	$524,837	$513,744	$478,241	$467,411	$456,288	$445,778
	Total Current Liabilities and Total Long Term Debt	$7,671,431	$7,435,842	$7,178,700	$7,762,544	$7,442,820	$9,467,295	$7,671,431	$7,435,842	$7,178,700	$7,762,544	$7,442,820	$9,467,295
4	**Times Interest Earned**	**0.6**	**(0.4)**	**1.4**	**1.4**	**0.8**	**6.2**	**(0.5)**	**(0.5)**	**(0.3)**	**(0.1)**	**(0.0)**	**0.5**
5	**Debt Service Coverage Ratio**	**1.14**	**0.24**	**1.71**	**1.90**	**1.41**	**4.21**	**0.07**	**0.09**	**0.28**	**0.43**	**0.52**	**0.83**
	Excess Revenues over Expenses	($197,748)	($368,455)	($63,397)	($55,141)	($149,190)	$392,564	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Interest Expense	$179,836	$178,095	$183,771	$180,638	$182,856	$182,343	$1,254,906	$1,433,001	$1,616,772	$1,797,410	$1,980,266	$2,162,609
	Depreciation and Amortization Expense	$235,173	$236,738	$234,266	$239,210	$239,431	$267,226	$1,714,023	$1,950,761	$2,185,027	$2,424,237	$2,663,668	$2,930,894
	Principal Payments	$10,676	$18,740	$23,021	$10,829	$11,124	$17,686	$138,172	$156,912	$179,933	$190,762	$201,886	$219,572
6	**Equity Financing Ratio**	**(11.5)**	**(13.2)**	**(13.6)**	**(13.6)**	**(14.5)**	**(12.6)**	**(11.5)**	**(13.2)**	**(13.6)**	**(13.6)**	**(14.5)**	**(12.6)**
	Total Net Assets	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)	($2,872,240)	($3,240,695)	($3,304,092)	($3,359,233)	($3,508,423)	($3,115,859)
	Total Assets	$24,871,148	$24,523,819	$24,242,243	$24,630,841	$24,236,389	$24,682,109	$24,871,148	$24,523,819	$24,242,243	$24,630,841	$24,236,389	$24,682,109
D.	**Additional Statistics**												
1	**Income from Operations**	**-$311,375**	**-$486,043**	**-$156,768**	**-$173,254**	**-$274,097**	**$686,831**	**-$3,646,972**	**-$4,133,015**	**-$4,289,783**	**-$4,463,037**	**-$4,737,134**	**-$4,050,303**
2	**Revenue Over/(Under) Expense**	**-$197,748**	**-$368,455**	**-$63,397**	**-$55,141**	**-$149,190**	**$392,564**	**-$2,872,240**	**-$3,240,695**	**-$3,304,092**	**-$3,359,233**	**-$3,508,423**	**-$3,115,859**
3	**EBITDA**	**$103,634**	**-$71,210**	**$261,269**	**$246,594**	**$148,190**	**$1,136,400**	**-$678,043**	**-$749,253**	**-$487,984**	**-$241,390**	**-$93,200**	**$1,043,200**
4	**Cash from Operations**	**$5,957,007**	**$5,208,157**	**$5,560,291**	**$4,928,006**	**$4,883,110**	**$5,239,344**	**$5,957,007**	**$5,208,157**	**$5,560,291**	**$4,928,006**	**$4,883,110**	**$5,239,344**
5	**Cash and Cash Equivalents**	**-$80,010**	**$154,797**	**$161,436**	**$1,262,686**	**$264,212**	**$1,037**	**-$80,010**	**$154,797**	**$161,436**	**$1,262,686**	**$264,212**	**$1,037**
6	**Net Working Capital**	**$4,472,594**	**$4,431,740**	**$4,578,975**	**$4,294,252**	**$4,000,821**	**$2,464,879**	**$4,472,594**	**$4,431,740**	**$4,578,975**	**$4,294,252**	**$4,000,821**	**$2,464,879**
7	**Unrestricted Assets**	**-$2,872,240**	**-$3,240,695**	**-$3,304,092**	**-$3,359,233**	**-$3,508,423**	**-$3,115,859**	**-$2,872,240**	**-$3,240,695**	**-$3,304,092**	**-$3,359,233**	**-$3,508,423**	**-$3,115,859**
8	**Credit Ratings (S&P, FITCH, and Moody's)**												

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

December 22, 2017

VIA FEDEX AND EMAIL DELIVERY

Gary Hawes, Assistant Attorney General
Office of the Attorney General
55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120

Steve W. Lazarus, Associate Healthcare Analyst
Office of Health Care Access, Department of Public Health
410 Capitol Avenue
Hartford, CT 06134

Re: Docket No. OAG 15-486-01

Dear Mr. Hawes and Mr. Lazarus:

As required by Condition #4 of the Office of the Attorney General's Final Decision in Docket NO. OAG 15-486-01, Prospect ECHN, Inc. and Legacy ECHN, Inc. respectfully submit the final closing statement agreed upon by the parties as required in the Asset Purchase Agreement dated August 24, 2016.

Please contact Michael Veillette, Chief Financial Officer of Prospect ECHN, Inc. by phone at (860) 533-3404 or via email at mveillette@echn.org if you have any questions or require any additional information.

Very truly yours,

Robert Schwartz, M.D.
President, Legacy ECHN, Inc.

Samuel S. Lee
Chief Executive Office, Prospect Medical Holdings, Inc.

cc: Kimberly Martone, Director of Operations, Department of Public Health Division of Office of Health Care Access
Kevin Hansted, Staff Attorney, Department of Public Health Division of Office of Health Care Access
Perry Zinn Rowthorn, Deputy Attorney General, Office of the Attorney General
Henry Salton, Assistant Attorney General, Office of the Attorney General
Rebecca Matthews, Wiggin and Dana LLP
Joyce Tichy, Eastern Connecticut Health Network, Inc.

Eastern Connecticut Health Network
Final Closing Statement Pursuant to Section 2.05(h)
7/25/2017

I. Net Working Capital True-Up Section 2.05(h)(i)

	Final NWC
Balance Sheet	
Current Assets:	
A/R net	$ 31,004,505
GME (IME/DME) Receivable	$ 89,379
Inventory	$ 5,584,352
Prepaid and Other	$ 3,462,351
Total Current Assets	$ 40,140,587
Current Liabilities	
A/P and Accrued Exp	$ 28,692,014
State Provider Tax	$ 3,092,624
Credit Balances Payable	$ 1,490,617
Other current liabilities	$ 4,326,822
Total Current Liabilities	$ 37,602,077
Exclusions / Adjustments to NWC	
CHIC related Assets and Liabilities	$ 1,687,009
Workers' Compensation Liabilities	$ 569,462
Medical Staff Funds	$ 107,212
Woodlake Resident Trust Fund	$ 40,032
Foundation & Legacy related assets and liabilities	$ (448,297)
Total Adjustments	$ 1,955,418
Final NWC	$ 4,493,928
Target NWC	$ 24,000,000
Final NWC shortfall	$ 19,506,072
Deduction For Estimated NWC Shortfall at Closing	$ 9,281,000
Amount due to (from) Prospect for NWC Shortfall	**$ 10,225,072**

II. Unfunded Pension Liability True-Up Section 2.05(h)(ii) & (v)

Deduction for Pension Liability and Post Retiree Health Plan at Closing	$ 67,800,000
Final Pension Liability and Post Reitree Health Plan	$ 66,901,822
Amount due to (from) Prospect	**$ (898,178)**

III. CHIC Liability and Workers' Comp Liability True-up Section 2.05(iii)

Total Deduction for CHIC Liability and Workers' Compensation Liability at Close	$ 3,336,000
Final CHIC Net Liability	$ 6,832,303
Final Workers' Compensation Net Liability	$ 2,013,157
Total CHIC and Workers' Compensation Liability	$ 8,845,460
Amount Due to (from) Prospect	**$ 5,509,460**
Total Due to (from) Prospect	**$ 14,836,354**

IV. Reduction in Capital Commitment

Reduction in Capital Expenditure Commitment Due to Additional Cash Paid At Closing	$ 12,736,634
Additional Cash PMH Received from ECHN Post Closing available on 9/30/16	$ (455,978)
Additional Reduction in Capital Expenditure Commitment Due to Final Closing Statement	$ 14,836,354
Total Deduction to Capital Expenditure Commitment	**$ 27,117,010**

V. Capital Expenditure Commitement

Capital Expenditure Commitment per APA	$ 75,000,000
Reduction in Capital Expenditure Commitment per APA	$ (27,117,010)
Total Capital Expenditure Commitment Remaning under APA due to adjustment under the APA	**$ 47,882,990**

User, OHCA

From: Roberts, Karen
Sent: Wednesday, January 31, 2018 3:14 PM
To: User, OHCA
Cc: Cotto, Carmen
Subject: FW: Prospect ECHN Docket Number 15-32016_Compliance Material Submission and Condition #16

From: Cotto, Carmen
Sent: Wednesday, January 31, 2018 2:52 PM
To: 'colleen713.smith@gmail.com' <colleen713.smith@gmail.com>
Cc: Martone, Kim <Kimberly.Martone@ct.gov>; Roberts, Karen <Karen.Roberts@ct.gov>
Subject: Prospect ECHN Docket Number 15-32016_Compliance Material Submission and Condition #16

Dear Colleen:

Please address the following in reference to Docket number 15-32016-486:

1) OHCA is requesting that all compliance filings from the hospital staff, first go to you, as the Independent Monitor (IM), and then you file the material with OHCA. This will provide OHCA with verification that you have reviewed the material to determine compliance to the order prior to OHCA's review of the material. The submission of compliance documents by the hospitals staff directly to OHCA and only copied to you does not allow OHCA to clearly identify the IM's involvement in the process of reviewing and submitting the documents.

2) Condition 16 stipulates that the IM is *to be responsible for monitoring the Applicants' compliance with the Conditions set forth in this Order*. The IM is required to look at the material filed and verify compliance for each condition. OHCA's records show that no reports have been filed regarding this task. Please submit to OHCA a report of your review of Prospect's ECHN material to date that verifies compliance for each of the conditions set forth in the Order. In terms of how this report could be formatted, OHCA suggests to refer back to the IM's work plan documents submitted to OHCA on December 16, 2016 which lists all of the conditions and actions that will be taking place then add a column to this document describing the IM's observations on how compliance for each of the conditions listed has been met. After this catch up IM report, please file this on a semi-annual basis through the end of the IM contractual period.

It is also requested that you submit your responses via electronic mail by using the OHCA general email inbox which is OHCA@ct.gov. In addition, please continue to reference the CON docket number in the subject line of the email when transmitting.

You may contact me at (860) 418-7039 or □aren Roberts, Principal Health Analyst at (860) 418-7041, if you have any □uestions regarding this re□uest.

Sincerely,
Carmen

Carmen Cotto, MBA
Associate Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, CT 06134
P: (860) 418-7039 |F: (860) 418-7053 |E: carmen.cotto@ct.gov

www.ct.gov/dph

User, OHCA

From: Roberts, Karen
Sent: Friday, February 09, 2018 8:38 AM
To: User, OHCA
Cc: Cotto, Carmen
Subject: FW: Third IM On Site Assessments
Attachments: ECHN Cover letter for third visit assessment 2.8.18.docx; ATT00001.htm; third Assessment MMH CS 2.8.18 final.docx; ATT00002.htm; third Assessment RGH CS 2.8.18.docx; ATT00003.htm

Follow Up Flag: Follow up
Flag Status: Completed

From: Martone, Kim
Sent: Thursday, February 8, 2018 2:17 PM
To: Roberts, Karen <Karen.Roberts@ct.gov>; Cotto, Carmen <Carmen.Cotto@ct.gov>; Clarke, Ormand <Ormand.Clarke@ct.gov>
Subject: FW: Third IM On Site Assessments

Kimberly R. Martone
Director of Operations, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134
Phone: 860-418-7029 Fax: 860-418-7053
Email: Kimberly.Martone@ct.gov Website: www.ct.gov/ohca

From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Thursday, February 08, 2018 2:05 PM
To: Newton, Susan; Martone, Kim; Dennis P Mcconville; Michael Collins; Powers, Mary; kdavis@echn.org; Karen Nefores; Debbie Berry
Subject: Third IM On Site Assessments

Dear Colleagues,

Attached please find a cover letter and the two reports I developed following my on site visits to MMH and RGH last week. Please do not hesitate to communicate any questions or concerns.

Respectfully,

Colleen Smith
Independent Monitor

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THIRD VISIT ASSESSMENT – PROSPECT ECHN, Inc.

JANUARY 30-FEBUARY 1, 2018
Colleen O. Smith, MSN, RN, NEA-BC

OVERVIEW

The enclosed reports summarize my third visits to MMH and RGH campuses during the last week of January. The principle focus of this visit is to follow up on all of my recommendations from the previous visits as well as note any new accomplishments, capital improvements, progress to date on quality initiatives, and identify any new areas of concern. I concentrated my visit agenda for the 3 days on all of the inpatient clinical areas only as I had not found any areas of concern in the outpatient services during my initial visit in late January 2017.

Several executive position changes have occurred since my last visit in June 2017. The Interim CEO, Michael Collins, has been made the permanent CEO. The VP for Quality and Patient Safety has been promoted to the PMH corporate quality position. Kathleen Davis RN has just filled this position. She was able to accompany me on all of my rounds. And a new position of COO has been added and filled by an administrator from Bridgeport Hospital. I attended the Advisory Board meeting where volume metrics and quality reports were reviewed. Substantial improvements in infrastructure, cosmetic upgrades and additional equipment have been procured in the last 6 months. Another 3M of capital has been approved thus far with additional approvals pending. The Adult Behavioral Health Unit has been moved to the RGH campus and the Eating Disorders Unit at RGH has greatly increased their patient census. A small Geri-Psych unit has been established on the MMH campus.

The organization continues to utilize their high reliability practices that are incorporated into all patient care. ECHN continues to conduct the daily Safety Huddles and Quality/Patient Safety meetings are started with a “Good Catch” safety story.

Regular Quality/Patient Safety conference calls are held with Prospect Medial Holdings. This is their opportunity to report out their quality data and also share practices/approaches that are working well. Wide participation is expected and received from member organizations. Overall, both hospitals are experiencing challenges with ED Throughput, ED and Inpatient Satisfaction, and all cause readmission rates and for select diagnoses. Performance Improvement committees are in place to work on these processes. The COO and CNO are now chairing a

special committee aimed to improve ED throughput. Overall, both hospitals are doing quite well in the area of Patient Safety outcomes. Hand Hygiene compliance is trending up.

Facilities on both campuses are receiving much needed cosmetic renovations and plant updates. Staff and leaders are able to describe recent capitol acquisitions that have improved their daily workday. Additional surgical equipment has been purchased as well as OMNICELL for the Patient Care areas.

Methods and Processes Used for Analysis

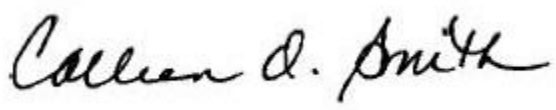
Processes utilized to conduct this on site review include:

1. Face to face meetings with the CNO, the VP for Quality/Patient Safety, VP for HR, the CMO, and the Director of Risk Management.
2. Tours of all Inpatient Clinical Services outlined in the Consent Decree. Outpatient services were not revisited, as stated above. The IM spoke with the leaders of all areas visited and several direct care staff members in the clinical areas, such as RNs, CNAs, pharmacists, secretaries, and other ancillary employees.
3. Review of Quality/Performance Improvement minutes, the annual Quality Plan, and the 2018 quality and safety goals. IM reviewed the quality dashboards for calendar year 2017.
4. Meeting with the chairs of the Nursing Unit Based Council and Nurse Managers to discuss their initiatives and outcomes.
5. Attendance at the Advisory Board meeting for review of Quality Indicators and special reports. IM shared several perceptions of her time spent on the clinical units.
6. Random checks on Code/Defibrillator carts, medication refrigerators and glucometers.

Approach to Assessment

The following report is organized by: Service Visited, Observations and Recommendations

Under each Service please find categories of comments that are pertinent to each service visited. Thank you for this opportunity to engage with Prospect ECHN to assist in assuring quality of care to all patient populations of the Greater Manchester and Rockville communities.



Colleen O. Smith, MSN, RN, NEA-BC
Independent Monitor, Nursing Consulting Partners

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THIRD ASSESSMENT: PROSPECT Manchester Memorial Hospital COLLEEN O. SMITH MSN, RN, NEA-BC JANUARY 30- FEBUARY 1 2018		
CATEGORY	**OBSERVATIONS**	**RECOMMENDATIONS**
NURSING SERVICES – MMH-3 North, Critical Care, 2 East, 1 East, OB/NICU		
• Staffing	RN and CNA patient care assignments and nurse/patient ratios were assessed on every patient care unit and found to meet standards. M/S Nurses generally had a 1:5 pt. ratio and 4:1 on the Telemetry unit. 3 North, primarily a surgical unit had 12 patients with 4 RNs and 3 CNAs. They are working on being designated a Center of Excellence for Bariatrics. CNAs are doing hourly bedside rounding and have seen a reduction in patient falls and call lights. Their last CAUTI was 3 months ago and they have an action plan in place to prevent further events. They use a nurse driven protocol for foley removal. CCU had a census of 14 with 7 RNs on duty and 2 RN orientees. They have experienced a 50% vacancy rate and the Nurse Manager has been busy filling positions. Vacancy rate is expected to decrease to 25% once the nurses are hired. On 2 East the census was 26 and they had 5 RNs and 4 CNAs on duty. Their ADC increased on this unit and they were able to add an additional RN to their staffing matrix. 1 East (cardiac and observation) had a census of 16 with 4 RNs on Day shift. The CNAs had assignments of 8 pts. Many Certified Nurses aides are cross-trained as unit secretaries to aid in staffing flexibility. The Monitor tech was watching approximately 32 monitors and stated she got regular breaks and as needed. Staffing in the Family Birthing Center and NICU was appropriate. Family Birthing Center follows the AWHONN Perinatal Nursing guidelines, 4th edition 2014. The ADC in the NICU is 2-3 and 3 RNs are always on duty. They are cross-trained to care for the mother/baby couplets. IM spoke with nurses on various units about adequacy of staffing. Nurses voiced their reliance on float pool to augment staffing when needed for sick calls and LOAs. They are very pleased with how the float pool is working. In addition to the Float Pool, several per diem nurses joined ECHN. They have been used to aid staffing the Oncology unit and Medical/Surgical units. Many new per diem nurses have been deployed to the Eating Disorders unit on the RGH campus as well as Behavioral Health and the EDs. The CNO	Recommend toilet supports on all patient bathroom toilets to support the bariatric population. Staff currently using bariatric commodes at bedside for select patients.

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	mentioned that some additional voluntary cross training among RN staff has occurred and this has been quite successful and effective. Patient Care Technicians, cardiac secretaries, and OR scrub techs have also been added to the Float pool.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
NURSING SERVICES		
• Physical Environment	Nursing units were clean and hallways free of clutter. A new cleaning service has been hired and they are doing an excellent job with keeping floors polished. Appropriate signage regarding pt.'s rights and responsibilities, financial counseling assistance, and help for hearing impaired and those who speak a different language were posted in all pt. care areas. Capacity on M/S units range from 23 beds to 32 with a mix of private and semi private rooms. White boards for assignments are visible at all nursing stations. In CCU the white board was very organized and comprehensive. It included: Braden scores, central lines, and restraints and foley catheters. **Critical Care** was built in 2008 and has a North and South side with 12 and 10 beds respectively. The unit is well lit with north and south nursing stations, many areas for electronic charting and good pt. visibility. Every pt. room can handle dialysis and 4 rooms are negative pressure. Anterooms were an ample size and laid out well. Medication rooms all locked by keypad. Med rooms were small but adequate and offered a quiet environment for medication preparation. The temperatures of the medication refrigerators are remotely monitored by a central system. The temp logs were consistently filled in and up to date by nursing personnel. **The Family Birthing Center** has 12 LDRPs, 2 ORs and a Level 3 NICU. The unit is pleasant. A new OB group has joined ECHN. There are plans to add another 5-6 beds due to increased volume from 1200 to 1500 births/yr. The unit will be undergoing a major 2.7M renovation this year.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
NURSING SERVICES		
• Culture of Safety	Nurses are not yet doing hourly rounds consistently at MMH in all units although some units have begun this practice (CCU, Med/Onc). Many units do conduct bedside change of shift report. CNAs conduct hourly rounds on 3 North and have seen improved patient outcomes. Quality boards have been updated and all units have them in prominent locations. Nurses report a collaborative relationship with hospitalists. Nursing units collect Nurse Sensitive Indicators: Falls, Falls with Injury, HAPUs through NDNQI and CLABSIs, and CAUTIs through NHSN. There is a good Fall Prevention Program in place. Fall risk signage was recently updated and consistently visible outside of patient rooms. Multidisciplinary pt. care rounds occur daily. Hospitalists, nurses, SW, Case Management participate. Nurse driven Care Rounds occur @ 11:15am everyday on 2 East (Med/Onc) and the Nurse Navigator from the Cancer Center joins these rounds. They had a Fall with Injury in 12/17 with 5 Falls occurring in January. “Days since last Fall” is prominently highlighted on their white board across form nurses station. Many interventions are in place to eliminate Falls. Hospitalists and nurses have a very collaborative relationship. Nurses suggest interventions and state that physicians listen to their assessments. Certified Wound Care (WCC) nurses are on each pt. care unit. They assist with skin assessment and early identification and intervention to prevent pressure ulcers. They are role models and educators for nursing staff. A WOCN nurse oversees this function. HAPU rates are very low.	**Recommend** conducting bedside rounds on all units across both campuses. Recommend disseminating unit level Hand Hygiene results to all units.

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
NURSING SERVICES		
• Culture of Safety	The **CCU** is an "open" unit meaning hospitalists and private attending physicians can admit into the unit. However, all vented pts. in the CCU are seen by the Intensivists who manage their pulmonary care. Respiratory therapists assist with changing ventilator settings per weaning protocols. The CAUTI rate in Critical Care has been zero since December 2015 and there have been no falls with injury since October 2016. In May 2017 there was one CLABSI that met criteria for reporting. In the **Family Birthing Center**, all nurses have completed the GNOSIS training program and the physicians are also complete with the same training. Clinicians were pre tested and then took a posttest after program completion. There is a multidisciplinary Departmental Quality Meeting where many Quality Indicators are reviewed as well as any adverse events. Mock Code, Dystocia and Emergency Postpartum Hemorrhage drills are held on a regular basis. All PP Hemorrhage training will be completed by 3/18. Nurse Manager relayed a "Great Save" that occurred after the GNOSIS education. It resulted in a stat caesarean section after an RN correctly interpreted a fetal monitoring strip. Blue emergency buttons are in every pt. room on OB so that nurses can summon immediate help. It is policy that all post partum pts. Are assisted by 2 nurses for their first time out of bed after a delivery. There have been no pt. falls or infant descents on the OB unit. 2 nurses certified in lactation are on everyday. The breastfeeding rate on D/C has increased from in the 70s to greater that 90% in the last 2 mos. Nurses do all they can to encourage breastfeeding while being culturally sensitive to patient's wishes and accommodating their birth plan. On 1/31/2018 IM met with the chairs of the Unit Based Councils and the Nurse Managers on both RGH and MMH campuses. IM conducted a roundtable with all UBC chairs to discuss the new innovations and practices that they were implementing on their units through their	The FBC unit practice council is looking at the use of Nitrous Oxide during labor. Consider starting a research study on Nitrous Oxide's effect on reducing laboring patient's anxiety levels. IM suggests continuing the great work of the Shared Governance Councils: developing and implementing a standardized agenda for meetings, educating the scribes on how to take precise minutes and revising the form used to better capture action items, responsible person (s) and due date.

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	council engagement. Every unit reported on their initiatives such as improving Patient Satisfaction scores, decreasing falls, getting a bladder scanner for their area and implementing bedside rounds. Their excitement and pride in their work was obvious. IM suggested that they summarize all the UBC practice changes semiannually and disseminate to all staff.	
• Compliance with State & Federal Regulations	IM randomly checked Glucometer strips and solutions for appropriate dating. Code and Defib carts randomly checked in all areas. All had been checked with RN signature and up to date. Medication refrigerators were also checked and all were in compliance. The staffing committee met on September 21 2017 to review all nurse staffing plans, review travel nurses, float pool and per diem needs etc. IM reviewed these minutes. It is chaired by the CNO. Staff Nurses comprise the majority of the membership who voice their suggestions regarding adjustments in staffing plans.	Recommend using a fine point "sharpie" marker for marking these containers so dates are more legible.
NURSING SERVICES		
• HR / Personnel	Much of the staff is fairly long tenured. IM spoke with nurses who had practiced at for 35+ years. Certified nurse are recognized and celebrated with a certification bonus but only a small percentage of Nursing staff is currently certified in their practice specialty. There seems to be growing enthusiasm among some nursing staff however. On 2 East 5 nurses are OCN certified. ECHN is starting on the Pathway to Excellence. Shared governance with unit-based councils has begun. Some units are further a long with their councils than others. These professional development pursuits are being discussed within the councils. **FBC** Very few staff nurses on OB are certified. There is a Lactation Consultant on OB and several additional nurses who have special training in lactation. They cover the unit 7days/wk. The OB Educator is PhD prepared. IM encouraged her to begin some research on the unit. There is no Social Work coverage on the W/E and holidays which is concerning to staff.	IM encourages Nurse Leaders to collaborate with staff to set unit goals for specialty certification. ECHN has established baseline data of all currently certified nurses. IM encourages that the aggregate list be broken down by unit so that each unit can see their unit certification rate and set goals towards increasing their numbers. Nurses should also be encouraged to join their professional specialty organizations. Strong consideration should be given to assuring a MSW is on call during W/E and holidays.

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	HUMAN RESOURCE- IM met with the VP for HR. IM reviewed the new Self Assessment and Goal Planning forms that are utilized for all licensed professional staff at the time of their periodic Performance Management Appraisal. The relevant employees are complying with this process but need to be educated regarding development of SMART goals. IM reviewed results of the 2017 employee engagement survey. 1372 responses were received. IM reviewed the Action Plans that were developed to address the highest priority employee issues. One of the issues needing improvement was communication about strategic direction and plans for the organization. An area with high scores was in the category of Pride and Commitment and "I have an Effective Supervisor". Overall the survey results were quite positive and the highest with the PMH system. Current vacancy rate is 6.9% all employee turnover rate is 15.32%. RN turnover is 15.15%	**Recommend** developing an education module on Healthstream regarding how to develop SMART goals to assist staff in developing appropriate professional goals.
NURSING SERVICES		
• Confidentiality	IM did not witness any breaches of confidentiality during the third visit. Computer screens were not left up without staff in attendance.	
• Cultural Sensitivity	Language line utilized by staff for patients of different ethnic cultures. Bariatric equipment and furniture was present in waiting rooms and pt. care areas. Additional bariatric furniture has been purchased and delivered.	
INFECTION CONTROL		
• Staffing	1.5 FTEs cover both MMH and RGH campuses. 1.0 FTE is an RN with 20 yrs. experience. She is a member of APIC and holds certification. She provides monthly orientation for all new employees. The other member of the Dept. is 20 hrs. and has a microbiology background and a graduate degree in Public Health. The Medical Director of the program is an Infectious Disease physician who has been with the hospital 35+ yrs. This physician also runs a busy HIV Clinic	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
• Culture of Safety	A vigorous hand washing campaign is underway. Overall Hand Hygiene compliance rates have increased and continue a positive trend line. IM did not observe any lapses in hand hygiene. A strong antibiotic stewardship program has been in place since the 1980's. Staff round on inpt units 3x/wk. IP staff communicate with Microbiology several days/wk. All isolation cases are reviewed on a daily basis. IP staff state that nurses do a very good job of placing pts. on isolation precautions and D/C precautions at the appropriate time. The Infection Prevention dept. has an IP Hotline.	**Recommend** disseminating unit level results to all practice areas so staff is aware of their unit's specific HH compliance rates.
INFECTION CONTROL		
• Culture of Safety	There is consistent follow up by surgeon offices on SSI following surgery. IP staff and Medical Director state there is very with good communication with surgeon offices. The Infection Control liaison group has been able to conduct more frequent observations of hand washing. House Nursing Supervisors and other Department Heads are now also conducting HH observations of staff. C difficile rates are under the NHSN benchmark. Much work has been accomplished to bring SSI rates down below benchmark. There is a subcommittee of the Infection Prevention Committee that is focused on Hospital Acquired Infections.	Consider the value in changing H.H. observations to include the rate going into the room and the rate coming out of the room as two different rates to obtain an even more accurate picture of compliance. .
• Policies and Procedures	IM observed appropriate isolation techniques in many different pt. care	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	units. Signage outside of rooms and appropriate attire in isolation carts.	
• Compliance with State & Federal Regulations	Good surveillance program in place. Infection Prevention Committee meets monthly. Attendance by appropriate departments is usually good. IM reviewed recent IP committee minutes and there was evidence of surgical representation. Pharmacy, Microbiology and environmental, nursing representation have consistent representation.	**C**onsistent representation by a surgeon at Infection Prevention committee had started in May 2017.

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
PHARMACY		
• Staffing	There have been staffing reductions in the Pharmacy Dept. since last visit in January 2017. There has been a decrease of 2.1 Pharmacist FTEs. There is no longer a Clinical Coordinator or IT Pharmacist. Their workloads have been redistributed. The dept. uses a decentralized staffing model whereby one clinical pharmacist is assigned to cover groupings of pt. care units. The staffing pattern decreases to 1 pharmacist on evening 3-11:30pm shift at MMH. One pharmacist has been reassigned to night shift Sunday through Thursday. With the addition of a night pharmacist, nighttime drug "overrides" by nursing supervisors have decreased. IM spoke with a Pharmacist who recently completed a night shift and reported that the workload is very manageable and stated that additional Performance Improvement activities could be accomplished on the night shift on most nights. There is no on site pharmacist on Friday and Saturday nights. All new urgent orders are reviewed by the on call pharmacist remotely on those 2 nights. There is no longer a Pharmacy tech assigned to the ED to assist with collecting accurate medication histories. The Director reports that Adverse Drug Events have **not** increased post staff reductions.	The recommendation to add a pharmacist to the nighttime staffing plan has been completed. One pharmacist covers both hospitals 5 days/wk. Sunday thru Friday.
• Physical Environment	The Pharmacy at MMH has been relocated to the basement level of the hospital to gain more space. Even in the newer location, the pharmacy is crowded. Plain IV solutions are stored in an adjacent space to the main Pharmacy due to space constraints. Currently, there are plans to have plain IV solutions maintained by the Materials Management Dept. The hospital transitioned from Pyxis and Care Fusion to Omnicell as part of the Prospect acquisition. This change occurred during Sept/Oct of 2017. While there were some initial manufacturing issues with drawers not opening and paper jamming, these issues have been worked through. Overall staff seems pleased with them.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
PHARMACY		
• Culture of Safety	Automated dispensing system and DOSE-EDGE systems in place. All medications coming into department are scanned in and barcoded. The hospitals use SMART pumps with an extensive medication library. Med library use by RNs is monitored by the pharmacy. Pharmacists make 300-400 Clinical Interventions per month. Fill errors are consistently tracked with nursing usually doing the reporting. The Director consistently disseminates any errors and near misses to the pharmacy staff. ADEs go to the Medication Safety committee for discussion and action planning. No specific trends in errors have been noted. Staff does report drug errors at the daily Safety Huddles and all errors are followed up. They are entered into the Incident Reporting system. The review of "Rescue" or "Trigger" drugs such as Narcan has not been completed in recent months. IM and CNO discussed resuming that practice and giving that responsibility to the pharmacist on nights.	Resume routine review of Trigger Drugs.
• Compliance with State & Federal Regulations	A Pharmacy and Therapeutics Committee meets monthly and reports into the QAPI. All Adverse Drug Events are reviewed within the Medication Safety Subcommittee. A strong Antibiotic Stewardship program is in place. Pharmacists have oversight for Renal dosing adjustments and Vancomycin dosing and utilization.	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
• HR / Personnel	Pharmacy staff seems to remain in a state of transition as they try to adjust to their workloads. The Omnicell conversion and dealing with daily drug shortages have put additional strain on the department.	
SURGICAL SERVICES Ambulatory Surg Unit, Ambulatory Med Unit, GI, Pre OP, OR, PACU Phase 1 & 2		
• Staffing	I.M. observed appropriate RN staffing ratios throughout the tour of Surgical Services. Nurses all take night and weekend call. They described their cross training requirements and the system they have in place to ensure ongoing competency in all services. Many more nurses and surgical techs are now working in both the MMH and RGH ORs which also adds to the staffing flexibility and reinforces their competencies. The ORs have a 0 vacancy rates for RNs and have a 20 hr. position currently open for a Surg. Tech. RN hours have been reduced through attrition in the GI area due to a decrease in volume. An RN FTE was converted to a 36 hr. CNA position based on need voiced by staff.	
• Physical Environment	**MMH** has 9 ORs and 1 Cysto room. Overall, spaces were well organized, clean and free of clutter. Emergency carts and equipment was easily accessible. The Day Surgery waiting room was quite pleasant and new flooring has been installed. Appropriate signage and an electronic tracking board were present. Only pt.'s initials were used and tracked by a code that was given to the pt.'s family. Much new surgical equipment has been ordered for the orthopedic and other services and is in use. This should decrease flash sterilization rates. Anesthesia is quite pleased with their new anesthesia machines.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
SURGICAL SERVICES Ambulatory Surg Unit, Ambulatory Med Unit, GI, Pre OP, OR, PACU Phase 1 & 2		
• Culture of Safety	IM toured unoccupied ORs and observed surgical personnel. Caps covered all hair, masks in place. In keeping with the Hand Hygiene initiative, random observations of scrubbing in the inner core have been initiated. Staff back injuries have been kept low due to the consistent use of hover mats on the OR tables. Nurses described the preventative measures that they take to assure no patient pressure ulcer injuries. Gel mattresses are added to the OR tables for all cases lasting greater than 2 hrs. In the Pre-Op area, IM observed an anesthesiologist obtaining consent for repair of a fractured ankle and a nurse prepping the patient for surgery. One performance improvement initiative that has been successful is decreasing the opening and closing of doors during a surgical procedure. Staff breaks have been revised to assist with this new requirement. Special care is taken to assure that all anticipated equipment and supplies are ready in the OR prior to case start. Many measures have been taken to keep the surgical site infection rates low like institution of CHG baths and no hair clipping in the OR.	
• Policies and Procedures	Emergency carts locked and checked according to standard. Performance improvement initiatives like “On Time First Case Starts” should be considered to improve operating efficiencies.	
SURGICAL SERVICES Ambulatory Surg Unit, Ambulatory Med Unit, GI, Pre OP, OR, PACU Phase 1 & 2, Interventional Radiology		
• Compliance with State & Federal Regulations	Medication refrigerators, food refrigs, blanket warmers are within safe range. Code and defib carts checked and up to date. All carts storing medications found locked. Appropriate dates of expiration placed on glucometer control solutions.	
• HR / Personnel	The OR Nurse Manager position has been eliminated. The Administrative Director has responsibility for all surgical services and central sterile. There is a nurse manager responsible for the GI Lab. Charge nurses in the OR report into her. 95% of the OR RN staff has attained AORN certification. They plan for turnover by preparing their	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	own OR nurses. They run a perioperative course to teach new nurses. This program has been very effective. 5 Graduate nurses have been successful in completing through this course. In the PACU area, 80% of the RNs are certified. Nurses in the GI lab have not expressed interest in obtaining certification. The Unit Educator is responsible for education throughout surgical services on both the MMH and RGH campuses: PACUs, ORs, GI lab, Amb. Surgery and Central Sterile Processing. In-service education is provided every 2 weeks. The OPS area is proud of their new patient D/C teaching booklets. This was an idea generated by their unit based nursing council. Anesthesia is a contracted hospital service. They cover both hospital campuses and are always available at night. The group expressed satisfaction with the ECHN and staff enjoys a good relationship with the Anesthesiologists and CRNAs. Staffing and supervision of CRNAs is appropriate.	
• Confidentiality	Pt. Confidentiality was upheld throughout the tours through the various surgical services area.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
EMERGENCY DEPARTMENT		
• Staffing	Although the ED was quite full, the atmosphere was orderly and the staffing was appropriate. Census was 22 with 7 RNs and 3 techs on duty. Currently there is one night RN position open. In addition, there are 4 Float Pool nurses competent to work in the ED. They have developed a position of "Clinical Liaison" who augments the staffing by doing safety checks on patients. ED utilizes flexible staffing which changes according to time of day. They staff in 8, 10 and 12 hr. shifts. Additional staff is added very 4 hrs. to accommodate changing census. 8 nurses are in the ED from 11am-11pm for the peak volume hrs. Staffing flexes down to 5 RNs between 3-7am. ED nurses staff the Behavioral Health unit at MMH when it is open. It was not open during the IM's visit. A technician and Crisis Prevention staff assists them. Security personnel are in the ED at all times.	
• Physical Environment	The main ED has 19 beds and saw 38,000 pts. in 2017. Approximately 15% of those visits result in admission. Visit volume has not increased since last year. There is a Clinical Decision Unit adjacent to the main ED. The ED has an open design with a central station. Pts. are easily visualized. Waiting rooms are adequate and have appropriate signage: pt. privacy, language lines, financial counseling and assistance for the hearing impaired. Emergency carts are placed to allow easy access by staff. The environment is well organized and free of clutter. A separate 11-bed unit has been established for the Behavioral Health population. It was closed at the time of the IM visit.	
• HR/Personnel	In addition to the Nurse Manager, the EDs share a Unit Educator. 2-3 RNs are certified SANE nurses at MMH. All RNS have ACLS with the first year of hire. Staff in the BHU all has Physical Management Training (PMT). Crisis Intervention workers staff the BHU until 12 midnight. There are several mid level providers to assist the physicians in seeing appropriate acuity patients. The physicians are a contracted service. The Medical Director is partnering with staff and Administration to improve throughput times.	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
• Culture of Safety	MMH has earned "Get with the Gold" Advanced Stroke Certification again. All relevant performance indicators are at 100%. Congratulations! It is also part of a Sepsis Campaign. Psychiatrists see behavioral health patients admitted through ED within 24 hrs. of admission. Approximately 18% of the MMH ED pt. population is pediatric. Children needing admission are sent to CCMC. Several QI indicators are in place: Timeliness of Care for M/S patients in the last quarter of 2017 are: ED arrival to departure (355 min) Admit decision to ED departure (152 min), Arrival to provider seen (23 min.) While these performance improvement efficiency indicators have not yet met goal they have trended in a positive direction from last year. The Left without Being Seen rate has also decreased into the 1.3% range. The CNO and COO have partnered with the Emergency Medicine Medical director and nurse Manager to improve the throughput times and patient flow through the ED. The Medical director has changed his provider staffing pattern to better cover times of high volume. A new throughput committee for this purpose has been established.	
PSYCHIATRIC SERVICES – MMH in-patient Geri-Psych and Adolescent		
Staffing	The former nurse manager at MMH has been promoted to Nursing Director with inpatient responsibilities across both the MMH and RGH campuses. He is a seasoned Behavioral Health nurse leader with solid clinical experience. He recently promoted a nurse to the Nurse Manager position however this new Manager has resigned her position. This position will need to be replaced. A multidisciplinary team of professionals provides care for this pt. population: Psychiatrists, RNs, SW, psych technicians, recreational therapists. On the day of the IM visit, 1RN and 1 psych tech and 1 charge nurse were on duty for the 6 geri psych patients.	
• Physical Environment	The former Adult Behavioral Health unit has been moved to the RGH campus. A new Geri-Psych unit has just opened in early January 2017. Census is being kept to 6 patients at this time. It will have the capacity to take 16 patients in the future. IM observed solid, flush door handles on all pt. rooms. In common areas, regular door handles were still in	**Recommend** removing the metal nameplates on the doors of patients' rooms. They present a risk and are no longer utilized.

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	use. Pt. rooms had weighted low unmovable non-mechanical beds. Bathrooms were compliant with regulations: breakaway shower rods, polycarbonate mirrors, flush faucets, and angled doors. The seclusion room was closed until the DPH inspects and signs off on it. IM also toured the new adolescent unit. IM noted a broken panel over one of the fluorescent lights in the ceiling of the hallway. Engineering was contacted to replace it. Handrails that presented a ligature risk were also still intact along the main central hallway although a work order had been processed to remove them. IM suggested they be removed immediately and this was completed on 2/1/18.	
PSYCHIATRIC SERVICES In-patient Geri Psych and Adolescent		

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
PSYCHIATRIC SERVICES – MMH in-patient Geri Psych and Adolescent		
• Culture of Safety	Patients are rounded on every 15 minutes. There is a central monitor at the nursing station so that pts. are continually observed. Restraint/seclusion log checked by IM. Very low use. Multidisciplinary rounds occur daily for care planning purposes	Consider establishing a Low Sensory Modulation room on the Adolescent unit.
PSYCHIATRIC SERVICES In-patient Geri Psych and Adolescent		
• Policies and Procedures	All pts. are searched on admission and belongings are secured in locked metal lockers located at entrance to the unit. Valuables are secured in a safe. All visitors are searched prior to entering the unit.	
• Compliance with State & Federal Regulations	IM reviewed with the procedures that are in place to protect exit doors during a fire drill with the Nurse Manager. Drills are held periodically.	
• HR/ Personnel	The newly hired Medical Director has left his position and has not yet been replaced. A search is open. Staff is appropriately trained and credentialed to perform their jobs	
• Confidentiality	Appropriate measures in place to safeguard pt.'s confidentiality. IM did not observe any breaches in confidentially.	
QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT		
• Culture of Safety	In the area of Pt. Safety, the following structures and processes are in place: Daily Safety Huddles, Patient Safety committee, Patient Safety Coach committee, HRO education during orientation of new employees and physicians. A large variety of other committees and task forces exist to support Pt. Safety. There is a multidisciplinary SSI Task force that meets monthly. The last Colon SSI that occurred was October. One Hysterectomy SSI occurred during the summer 2017. Patient Safety Outcome measures are doing well. A Sepsis protocol was initiated on 2/14/2017. Aggressive plans are underway to decrease Hospital Acquired Infections. SSI colon and hysterectomy infection rates and c. difficile are all currently above the CMS 50th %ile. Readmission rates hospital wide are over benchmark for 3rd quarter 2017. This is increased from May 2016 but just slightly over benchmark. Aggressive attention needs to paid reduce CHF, Pneumonia, COPD and AMI readmission rates which are trending well	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	above the national mean. Quality department nurses stated that the Care Transitions nurses have been eliminated. Alternative processes are being developed to help decrease readmissions. There is a Multidisciplinary Readmissions Committee that meets monthly and reviews all readmissions and develops actions to address. Action plans are initiated for all QI indicators that do not meet goal. The 2018 Quality Assurance and Performance Improvement Plan was approved by the Advisory Board at its meeting on 1/31/18 as were the Action Plan and Goals for 2018. An Ethics committee, chaired by a newly hired chaplain will begin meeting this month.	IM encourages the initiation of Schwartz rounds to help support caregiving staff once the Ethics committee is established.
QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT		
• Staffing	The Quality Department is comprised of 4.5 FTEs who report into the VP of Quality, Safety and Pt. Experience. They are responsible for all performance improvement initiatives across both hospitals and out patient services. There are 3 QI Managers who are supported by an Environmental Safety Officer. A Quality Analytics Manager (0.5FTE) report directly into the VP. Two Data Abstractors (1.4 FTEs) report into the Quality Analytics Manager (0.5FTEs). The QI managers have focused areas of responsibility. All conduct RCAs and investigate. Staffing in this department has remained stable since the PMH acquisition.	
RISK MANAGEMENT		
	IM met on January 31, 2018 with Director of Risk Management for ECHN. We discussed the results of the external risk analysis of the Family Birthing Center at MMH that was completed in December by RL Solutions. Director reported that Prospect Medical has voiced plans to use this firm for their other high-risk areas including Behavioral Health and the ED and the surgical services at RGH. The RM Director has collaborative relationships with Quality, Nursing, and Medical Staff. She is pleased with the appointment of a new chair of the OB/GYN department and feels that the culture is improving. An additional FTE	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	has been added to RM as a result of adding coverage of medical groups. States nurses report issues more quickly since the initiation of the high reliability practices. RM collaborates closely with the CMO, CNO and Chair of the Environment of Care Committee. In addition to the Director of Risk Management, IM met with the CMO who has been in her position for about 6 months. She has revamped the medical staff peer review process so that cases are reviewed by a group of multiple physicians from a variety of specialty backgrounds. She feels this approach reduces any possible bias. She is also continuing her work on the Aging Physician. She has drafted a new policy that will go before the Medical Executive committee in the near future. The CMO has also created a Physician Health and Wellness committee. Her efforts to improve clinical quality are to be recognized! Since the IM's last visit a new chair of the OB Dept. has been appointed. This physician has tightened criteria on the types of patients the midwives can care for. She has also stipulated that all patients in labor must have an obstetrical provider present in the physical building.	

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THIRD ASSESSMENT: Rockville General Hospital COLLEEN O. SMITH MSN, RN, NEA-BC February 1 2018		
CATEGORY	**OBSERVATIONS**	**RECOMMENDATIONS**
NURSING SERVICES –RGH Bissell 2, ICU		
• Staffing	Hospital Census at RGH on the day of the IM visit had increased from the last visit (35) to approximately 65. Nurses on the Bissell 2 M/S unit had a 1:5 pt. ratio. The capacity on this unit is 32 and census was 27. 6 RNs and 3 CNAs were on duty at time of IM visit. A Transport Aide assisted them. The CNAs had assignments of 9 pts. and most of the patients required an assist of 2 staff. Many of the patients were fall risks. ICU has a bed capacity of 9 beds. ICU had a full census on day of IM visit. RN staffing on day of IM visit was very adequate. There was a seasoned charge nurse on duty that rounded with the IM. Charge nurses usually have full assignments. The Float nursing pool has been expanded with several additional nurses and PCAs to augment staffing when census is high. ICU nurses also float to the MMH ICU when needed. Several per diem staff have also ben added. Many Certified Nurses aides are cross-trained as unit secretaries to aid in staffing flexibility. RNs are also cross training in certain areas.	Continue your efforts to cross train nurses to float to other units and across both campuses to increase flexibility with staffing.
• Physical Environment	The M/S Nursing unit is laid out in an H design. It is an older unit but clean with semi private rooms and two designated hospice rooms that are private and down at the end of the hallway. It will be getting new floor as part of a planned upgrade to patient care areas. Appropriate signage regarding pt.'s rights and responsibilities, financial counseling assistance, and help for hearing impaired and those who speak a different language were posted in all pt. care areas. The code cart is visible and accessible in the middle of the hallway. White boards for assignments are visible at both ICU and M/S nursing stations. The ICU is well lit with an open central nursing station and private rooms.	Per IMs previous recommendation, an alcove around the corner from the central station is being fit out for a quieter more secluded area in which to prepare medications.

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	There is good pt. visibility. However there was a back door leading into a stairwell at the far end of one of the corridors. There was no alarm on this door although the door was locked from the stairwell to the ICU. ICU staff stated that there are sometimes flight risk patients in their ICU. IM discussed with leadership and engineering who agreed to put an alarm on the back door. Currently, there is no medication room in the **RGH** ICU. Engineering and leadership have responded by developing a design plan. The last planning meeting is to be held this week and then the build out for a medication area should begin shortly. Omnicell has replaced the Care Fusion units throughout RGH patient care areas. The temperatures of the medication refrigerators are remotely monitored by a central system. The code cart was visible and accessible and signatures up to date. The ICU will be getting their stained, worn flooring replaced in the near future.	
NURSING SERVICES		
• Culture of Safety	Nurses and PCAs on Bissell 2 have completed their pilot on hourly rounding on all patients. This initiative began on March 16 2017. Minutes from an April meeting demonstrated a 95.5% compliance rate with the hourly rounding project. Nurses on the RGH campus conduct bedside rounds. Nurses report a collaborative relationship with hospitalists. Nursing units collect Nurse Sensitive Indicators: Falls, Falls with Injury, HAPIs through NDNQI and CLABSIs, and CAUTIs through NHSN. The CAUTI rate is currently 0. A nurse driven Foley Removal protocol is in place. The ICU has not experienced a CAUTI or a CLABSI within 1 year. There is a good Fall Prevention Program in place but falls on M/S need to be decreased. In the month of January 2018 the Bissell 2 unit experienced 5 falls, one with injury. Staff is making a concerted effort to decrease falls on their unit and they are tracking “Days since Last Fall” on a white board in the middle of a central hallway. Consistent Fall risk signage was posted in clear view outside all appropriate pt.’s rooms. The M/S unit also needs to improve HCAPHS scores on “communication with nurses”.	Falls on the M/S unit need improvement.

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	Multidisciplinary pt. care rounds occur daily. Hospitalists, nurses, SW, Case Management participate. As a result of the very high population of ETOH withdrawal patients in the ICU and M/S, IM requested a meeting with the social worker. She confirms a very high percentage of patients require interventions. Discussed the community services like Rivereast in Vernon and Steps in Manchester. Both are on the bus line so access is available to these patients. Although referrals are made, relapses causing readmissions are common. Hospitalists and nurses have a very collaborative relationship. Nurses suggest interventions and state that physicians listen to their assessments.	IM suggests identifying the patients with the highest rates of recidivism (# of ED visits and admissions) and initiating a hospital/community collaborative that meets monthly. The goal of the collaborative is to attempt to tightly manage their care by wrapping community services around these most vulnerable patients.
NURSING SERVICES		
• Culture of Safety	The I**CU** is an "open" unit meaning hospitalists and private attending physicians can admit into the unit. Respiratory therapists assist with changing ventilator settings per weaning protocols. Code and Defib carts checked in all areas. An Intensivist is on call every night to cover ICU at nights. The nurses enjoy a collaborative relationship with the ICU team.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
• HR / Personnel	The CNO and the other executive staff come to the RGH campus 1-2x/wk. and have offices in the hospital. Since IM's last visit, an Administrative VP has been assigned to the RGH campus. He oversees all daily operations. In addition, ECHN leaders round consistently at RGH. Several Nurse Managers now have responsibility for nursing services on both ECHN and RGH campuses. Generally, there are clinical coordinators on each nursing unit that help manage daily operations. The new clinical coordinator on Bissell II is working out well and has a good focus on patient safety. Much of the staff is fairly long tenured. Only a small percentage of nursing staff is certified in their practice specialty. Very few nurses belong to their professional organizations.	IM encourages Nurse Leaders to collaborate with staff to set unit goals for specialty certification. Exam Prep study groups are supported and encouraged and exam fees are reimbursed upon passing. Certified nurses should continue to be formally recognized and celebrated. Nurses should also be encouraged to join their professional specialty organizations.

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
NURSING SERVICES		
• HR / Personnel	IM reviewed the self-assessment tools for professional staff that have been used at the time of their performance evaluations. While professional staff is writing goals for the coming year, they are not in a SMART goal format and are not necessarily realistic or measureable. IM also reviewed results of the latest Employee Engagement Survey and some action plans that were developed by management to improve the highest priority areas.	**Recommend** a short educational module be added to Healthstream on how to write SMART goals.
• Confidentiality	Personnel logged out of computer screens when walking away from computer. Curtains pulled around patients when care was provided.	
INFECTION CONTROL		
• Staffing	1.5 FTEs cover both MMH and RGH campuses. 1.0 FTE is an RN with 20 yrs. yrs. experience. She is a member of APIC and holds certification. She provides monthly orientation for all new employees. The other member of the Dept. is 20 hrs. and has a microbiology background and a graduate degree in Public Health. The Medical Director of the program is an Infectious Disease physician who has been with the hospital 35+ yrs. This physician also runs a busy HIV Clinic. There was evidence of a few “safety champions” in patient care areas.	
INFECTION CONTROL		
• Culture of Safety	A vigorous hand washing campaign is continuing. Overall hospital inpatient hand washing compliance rates are measured and displayed on QI Boards throughout the clinical areas. IM did not observe any lapses in hand hygiene on her visit to the RGH campus. A strong antibiotic stewardship program has been in place since the 1980’s. IP staff communicates with Microbiology several days/wk. All isolation cases are reviewed on a daily basis. IP staff state that nurses do a very good job of placing pts. on isolation precautions and D/C precautions	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	at the appropriate time. The Infection Prevention dept. has an IP Hotline. Much work has been accomplished to bring SSI rates down below benchmark. There is a subcommittee of the Infection Prevention Committee that is focused on Hospital Acquired Infections and these rates are decreasing. RGH is doing quite well with their Patient Safety Outcomes.	Recommend continuing to work with the Infection Prevention liaisons to conduct frequent observations. Report HH rates by unit so each patient care area is getting their own specific data as well as an aggregate rate. HH rates have trended up in 2017.
INFECTION CONTROL		
• Compliance with State & Federal Regulations	Good surveillance program in place. Pharmacy, Microbiology and environmental, surgery, nursing all have consistent representation at the monthly IP meeting.	.
PHARMACY		
• Staffing	The Pharmacy Dept. is staffed with 1 Pharmacist at RGH on day shift and one at RGH from 3-8pm. The daytime pharmacist stated that staffing could be greatly augmented by a second pharmacist added to staffing plan from 12:30pm-8: 30pm. There is now a night pharmacist on duty Sunday through Thursday. There is one Pharmacy tech assigned to the entire hospital. In times of higher census this tech is quite stretched. Consider supplementing the RGH staffing with per diem staff to add flexibility in times of high census.	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
• Physical Environment	The Pharmacy at RGH has adequate space and visibility and prep areas are adequate.	
PHARMACY		
• Culture of Safety	Automated dispensing system and DOSE-EDGE systems in place. All medications coming into department are scanned in and barcoded. The hospitals use SMART pumps with an extensive medication library. Med library use by RNs is monitored by the pharmacy. Medication fill error rates and Medication errors are being tracked closely and have not increased.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
PHARMACY		
• Compliance with State & Federal Regulations	A Pharmacy and Therapeutics Committee meets monthly and reports into the QAPI. All adverse Drug events are reviewed within the Medication Safety Subcommittee. A strong Antibiotic Stewardship program is in place. Pharmacists have oversight for Renal dosing adjustments and Vancomycin dosing and utilization. Drug errors are mentioned in daily safety Huddles and tracked through the ISIS reporting system.	
• HR / Personnel	Pharmacy Director has been with ECHN for 14 yrs. and is appropriately credentialed. Pharmacy technicians have to obtain certification within one yr. of hire. Staff at RGH appears stressed with the increase in census and expansion of the Behavioral Health patients.	
SURGICAL SERVICES Ambulatory Surg Unit, GI, Pre OP, OR, PACU, Central Sterile Processing		
• Staffing	I.M. observed appropriate RN staffing ratios throughout the tour of Surgical Services. The surgical volume continues to decrease at RGH. IM asked how staff maintains competencies with volume being low. Manager discussed the regular floating of RGH personnel from PACU and the OR to the MMH campus and vice versa to maintain competency in all service lines.	
• Physical Environment	Tour of the Operating Room suites demonstrated a much more organized outer core. Surgical Services leadership has changed and much attention has been focused on reducing inventory so that frequently used equipment and supplies are accessible and equipment infrequently needed is stored in materials management. In addition an underutilized OR has been converted to a storage room for various pieces of larger equipment and monitors. IM noted some rusty areas on a small storage cart in the inner core. This cart was replaced that day.	
• Culture of Safety	IM visited OR in early AM. Observed an anesthesiologist obtaining consent and the nurse prepping an orthopedic patient for surgery in the pre-op area. A vascular case was in progress. The staff is working	Reinforce the importance of not opening the OR suite doors unnecessarily with all care

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	on reducing SSI and has an initiative in place to decrease the doors opening and closing during OR cases and assuring all needed equipment is in the room prior to the start of a case. IM witnessed a staff member open the door in the midst of the vascular case to take a break.	providers on the surgical team.
SURGICAL SERVICES Ambulatory Surg Unit, GI, Pre OP, OR, PACU, Central Sterile Processing		
• Policies and Procedures	Carts were locked and checks were completed on code carts in all areas of surgical services. Medication refrigerator logs were signed off appropriately.	.
• HR / Personnel	Overall, nurses in surgical services areas do not hold certification in their respective specialties although 50% of the OR nurses hold an AORN. IM spoke with a nurse in PACU who is certified and working on her BSN. She is a very engaged nurse who is chairing the unit-based council and involved in evidence-based practice. The Unit Educator is responsible for education throughout surgical services: PACUs, ORs, GI lab, Amb. Surgery and Central Sterile Processing. In-service education is provided every 2 weeks. A clinical ladder for surgical techs will begin in June 2018.	
• Confidentiality	Pt. Confidentiality was upheld throughout the tours through the various surgical services area. Screens have been placed over windows leading into the ORs to protect patient privacy.	
EMERGENCY DEPARTMENT		
• Staffing	At the time of IM visit, 7 patients were in the ED. Their capacity is 12 with another 8 bays in a clinical decision unit. That area opens when there are appropriate patients. The ED utilizes flexible staffing which changes according to time of day. They staff in 8, 10 and 12 hr. shifts. Additional staff is added very 4 hrs. to accommodate changing census.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
EMERGENCY DEPARTMENT		
• Physical Environment	The ED at RGH had approximately 19,000 visits in 2017 and visit volume is declining. Admit rate is stable. It has an open design with a central station. Pts. are easily visualized. Waiting rooms are adequate and have appropriate signage: pt. privacy, language lines, financial counseling and assistance for the hearing impaired. Emergency carts are placed to allow easy access by staff. The environment is well organized and free of clutter However the Formica area around one of the hand washing sinks in the nurses' station needs immediate attention. A work order had been placed several days prior. There is no separate area for the behavioral health population**.** There is a Clinical Decision Unit that sees lower acuity (ESI 3 & 4) pts. It has the capacity for 8 pts. It is staffed from 10am -10:30pm during the ED's highest volume hours. This unit does not have cardiac monitors and was closed during IM's visit.	Repair sink area at nurses' station as soon as possible.
• Culture of Safety	The ED has once again attained GWTG Advanced Stroke Certification. Congratulations! Several QI indicators are in place: Timeliness of Care, ED arrival to departure is just over 2 hrs. However, median arrival to admission remains well above benchmark at 325 min. A task force has been set up with the CNO and COO and Medical Director to drive new processes to decrease wait and visit times. "Left Without Being Seen" rates have decreased significantly to 0.7% in Q4 2017. Congratulations! Most throughput indicators are trending in a positive direction. Median door to provider is 18 minutes. Psychiatrists see behavioral health patients admitted through ED within 24 hrs. of admission. Children needing admission are sent to CCMC. .	
• HR / Personnel	In addition to the Nurse Manager, the EDs share a Unit Educator. All RNS have ACLS with the first year of hire.	
• Confidentiality	There was appropriate spacing between pts. registering in the ED to protect auditory confidentiality. White boards did not contain patient's	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	names.	

PSYCHIATRIC SERVICES RGH Eating Disorders Unit (EDU) and Adult Behavioral Health		
• Staffing	**EDU** IM toured this unit with a new Nurse Manager. The BH Director was off duty. A multidisciplinary team of professionals provides care for this pt. population: Psychiatrists, RNs, SW, psych technicians, recreational therapists. Adolescents also have a teacher on staff who is certified in Grades K-!2. Staffing guidelines have been revised to reflect a 1:5 nurse/patient ratio. The former staffing plan was a 1:6 nurse/patient ratio. Census in the BHU has increased to 24 from the previous 8 patients and many licensed staff have been hired and oriented. The unit is undergoing a period of instability as new employees come on board. The Nurse Manager is making good efforts to build a sense of team among the staff. Staffing plans in the Adult **BHU at RGH** include an entire multidisciplinary team of professionals: RNs and Psych technicians (minimum of a bachelor's degree) SWs and nutritionist. There are no CNAs. The nurse to patient ratio on this unit is 1:6. The census was 23 on the day of IM visit. 4 nurses and 3 psych techs were on duty. There are 2.0 FTES open.	
• Physical Environment	**EDU T**his is a new inpatient unit that opened to patients in August 2016. It is a nationally known specialty unit that admits patient from all over the country. It takes both adults and adolescents and the majority of patients treated have diagnoses of anorexia, bulimia, and binge eating. The unit has the capacity for 30 pts. and current census at the time of visit had increased to 24. An external risk analysis was recently performed on the EDU. The analysis recommended an enclosure around the nurse's station in an effort to prevent patients from getting into the nurse station area and to better protect staff. Plans are in	**Recommend immediate remediation of the safety risks on the EDU.** Flush door handles will be installed by the vendor 2/15/18.

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	place to get this work completed. On the EDU the nurse manger has started the practice of performing "room sweeps" as a result of finding a plastic knife under a patients bed. The unit is an "L" configuration and adults are separated from the adolescents. Staff on the adolescent side carries walkie-talkies as a safety precaution. Pt. rooms are all safe with flush door handles; sink faucets and no glass mirrors. A special "Wicket" door was used in all pt. rooms. It allows staff to access the pt. from the hallway in case of an emergency, i.e. the pt. has barricaded himself in his room. While patient rooms had flush door handles the nonpatient rooms (storage closets, offices etc.) along the hallway across from the patient rooms did not. IM also noticed 2 doors with closing mechanisms that represented a hanging risk. While all of the windows were closed shut with a plate and screw, 2 of these plates had sharp edges. The rest had been blunted. A cover covering an electrical panel in one of the hallways could be pried open enough to hide potentially harmful contraband. The CNO and VP for Quality and Nurse Manager all witnessed these same safety risks. IM called David Kromas, Inspector at the State DPH to confer and immediately notified ECHN administration of findings. Hospital engineering personnel were to attend to these environmental concerns that afternoon. Per Dennis McConville at ECHN on 2/6, the sharp edges on the windows had been blunted and the electrical panel door was secured with tamper proof screws. Engineering will confer with Davis Kromas at DPH concerning the door hinges to develop the best approach. **Adult Behavioral Heath Unit**. A newly renovated unit for adult behavioral health patients opened on 1/3/18. It is a nice brightly lit unit with plenty of space for patient conferences, group therapy and recreational therapies. "Wicket" doors have been utilized in the unit. All beds and storage cabinets and chairs were weighted and non-moveable. IM observed that all physical safety precautions were incorporated into this unit.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS
PSYCHIATRIC SERVICES Eating Disorders Unit and Adult Behavioral Health Unit		
• HR / Personnel	Professional staff in the **BHU at RGH** was sent to Walden in Mass. for a full 8 hr. day of education and training for this specialty unit. Staff were hired early in 2016 and oriented for several months prior to the opening of the unit in August 2016. Two FT team psychiatrists are on staff. They have the ability to frequently consult with psychiatrists at The Eating disorders program in Walden, Ma.jobs. All ancillary personnel coming on to this unit must also be trained regarding safety practices. Professional Staff is appropriately trained and credentialed to perform their jobs. All behavioral health RNs and techs have Physical Management Training. Security personnel have MOAB training. Mock drills on restraints are held frequently throughout the year.	EDU has experienced a good deal of staff turnover over last several months. Census has tripled since IM's last visit. Recommend continuous education and reinforcement of all safety practices.
QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT		
• Staffing	The Quality Department is comprised of 4.5 FTEs who report into the VP of Quality, Safety and Pt. Experience and cover both Rockville and MMH campuses as well as outpatient sites. The existing staffing structure has remained unchanged in the previous 6 months. There are 3 QI Managers who are supported by an Environmental Safety Officer. A Pt. Experience Coordinator and Quality Analytics Manager (0.5FTE) report directly into the VP. Two Data Abstractors (1.4 FTEs) report into the Quality Analytics Manager (0.5FTEs). The QI personnel's offices reside at the MMH campus. VP of quality rounds at RGH 1-2x/wk. The QI Managers have focused areas of responsibility. All conduct RCAs, and investigate serious safety events and precursors. The QI dept. coordinates a Quality/Safety/Risk huddle held every Monday that includes the CMO, CNO, VP Quality, Risk Management, and VP of Nursing. This group reviews serious events rom the previous week. The Pt. Experience Coordinator also has responsibility for Pt. rights,	

CATEGORY	OBSERVATIONS	RECOMMENDATIONS
	Grievances, and Complaints.	
QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT		
• Culture of Safety	RGH shares all the same Quality/Safety structures and processes that are in place at MMH. In the area of Pt. Safety, the following structures and processes are in place: Daily Safety Huddles, Patient Safety committee, Patient Safety Coach committee, HRO education during orientation of new employees and physicians. The department is developing a plan for a HRO Refresher course during 2018. A large variety of other committees and task forces exist to support Pt. Safety. IM Reviewed QI Plan for 2018 and the Quality/Safety goals for 2018. IM also reviewed the quality dashboard through 3rd quarter 2017. RGH has made considerable progress in decreasing readmission rates for Heart Failure and Stroke. Similar efforts need to be applied to readmissions for the Pneumonia and COPD populations. Overall all diagnosis readmission rates at RGH above state and national benchmarks. Multidisciplinary Committees are in place to reduce Falls, CAUTIs, and CLABSIs. "Days Since Last Fall" is always listed on the Safety Huddle white board The CAUTI rate is almost zero and there were 2 CLABSIs in 2016. Root Cause Analyses are completed on all CLABSIs after Infection Prevention has determined it to be a true CLABSI. Action plans are developed for all scores falling below internal goals.	
QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT		
• Culture of Safety	ECHN was again awarded TJC Advanced Stroke Accreditation for 2017. The Risk Management program is the same as on the MMH campus. The director of RM also collaborates closely with the Chair of the Environment of Care Committee. The Patient Experience Coordinator covers both hospital campuses. HCAHPS scores are quite low at RGH—well under the 50th percentile. Several initiatives are underway with both the inpatient nursing staff and the hospitalists to improve the scores. Hourly bedside rounding has ben started on the M/S unit and ICU.	

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CATEGORY	OBSERVATIONS	RECOMMENDATIONS

User, OHCA

From: Colleen Smith <colleen713.smith@gmail.com>
Sent: Monday, February 12, 2018 6:02 PM
To: User, OHCA; Cotto, Carmen; Martone, Kim; Colleen Smith; Collins, Michael; Ellen J. Shin (Legal Department); Tichy, Joyce A (Legal Department); Garrison DeLee (garrison.delee@prospectmedical.com); Frank.Saidara; Roberts, Karen
Subject: Docket Number 15-32016-486
Attachments: Nursing Consulting Partners ECHN workplanFinal.12.6 CS 8.28.17CS2.9.18final.docx; ATT00001.htm

Follow Up Flag: Follow up
Flag Status: Completed

To Whom It May Concern,

Please find the attached filing regarding Docket Number 15-3206-486, Transfer of Assets to Eastern Connecticut Health Network From Prospect Medical Holdings. Independent Monitor has made 3 on site visits to ECHN during the past year, January 2017 -January 2018. Independent Monitor has reviewed all required policies and procedures on an ongoing basis as outlined in the Conditions. Independent Monitor has found ECHN in full compliance with all requirements set forth in the order.

Sincerely,
Colleen Smith
Independent Monitor

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PROSPECT ECHN, INC. WORK PLAN

INDEDEPENDENT MONITORING PROCEDURES (per Docket Number 15-32016-486)

OHCA Condition	IM Action	IM Review of Compliance with Condition
CON Condition 4: Within one hundred and eighty (180) days following the Closing Date, PMH shall submit a plan (the "Health Needs Plan") for continuing to support and implement ECHN's 2016 Community Health Needs Assessment ("CHNA") and for conducting the New Hospitals' next comprehensive study of community health needs in the Service Area (the "Community Health Needs Study" or "Study"). The Health Needs Plan shall describe in detail at least the following: (i) the data that will be collected and analyzed to systematically assess health status Indicators of the Service Area; (ii) the identity of key community stakeholders and health organizations, unaffiliated with PMH, including without limitation, representatives of medically underserved populations, that will be enlisted to participate in the Study and the manner and extent of such participation by stakeholders in both the development of health priorities and planned implementation; (iii) the qualifications of consultants experienced in performing community health needs assessments who will be retained by PMH to ensure that the priority health needs of the community are accurately determined; (iv) the frequency with which the Study will be repeated; (v) the manner in which results of the Study and the implementation strategy to address the priority health needs identified therein (the "Implementation Strategy") will be distributed to the	IM will obtain a copy of the Plan, verify timely submission, and verify that it incorporated the required elements.	IM reviewed the Plan for submission of a Community Health Needs Study within 180 days post closing on 3/14/17. All required elements of the Plan were included: the data analyzed, key stakeholders, the firm to conduct the study, frequency of study, communication to the community, and how the plan reflects the population health management objectives as outlined in the CHNA. The Plan will follow the same format as the CHNA study submitted in 2016.

community; and (vi) the manner in which the Study will complement the population health management objectives of PMH and the New Hospitals.		
CON Condition 5: Within three (3) years following the Closing Date, PMH shall participate with New ECHN and the New Hospitals, and the key community stakeholders and health organizations identified pursuant to Condition 4, in conducting a Community Health Needs Study and shall provide a copy of such Study and its Implementation Strategy to OHCA within thirty (30) days of completion. PMH and the participants shall utilize Healthy Connecticut State Health Improvement Plan data and priorities as the starting point for the Study (available at - http://www.ct.gov/dph/lib/dph/state_health_planning/ship/hct2020/hct2020_state_hlth_impv_032514.pdf) as well as any applicable community health improvement plan issued by any local health department in the Service Area.[1] The Implementation Strategy shall also adopt the evidence-based interventions identified in the Centers for Disease Control 6/18 initiative (available at http://www.cdc.gov/sixeighteen) to the extent the health priorities identified in the Study correlate to the health conditions identified by the CDC and provide information on how any patient outcomes related to the Implementation Strategy will be measured and reported to the community. PMH shall publish the Community Health Needs Study and the	IM will obtain a copy of the Study, verify timely submission, verify that it incorporated the required elements and was published on the website.	During IM on site visits to ECHN on January 23-28, June 2017 and January 2018, IM checked on the progress with the plan for the Community Health Needs Study. IM will review the completed study prior to 9/30/19.

[1] Other tools and resources which the Applicants are encouraged to consider include County Health Rankings and CDC Community Health Improvement Navigator in order to assist with the Study process in terms of an understanding of social, behavioral, and environmental conditions that affect health, identifying priorities, and the use of evidence-based interventions.

Implementation Strategy on the website of New MMH and New RGH. Until such time as the Community Health Needs Study and Implementation Strategy are submitted to OHCA, PMH shall continue to support and implement ECHN's current CHNA for MMH and RGH. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a) 19a-613(b), 19a-639(a)(3) & (7); FF 56-57*		
CON Condition 6: Within one hundred and eighty (180) days following the Closing Date, PMH shall submit a plan demonstrating how health care services will be provided by the New Hospital for the first three years following the Asset Purchase, including any consolidation, reduction, or elimination of existing services or introduction of new services (the "Services Plan"). The Services Plan will be provided in a format mutually agreed upon by OHCA and the Applicants. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Conn. Stat. §§ 19a-486(a), 19a-613(b), 19a-639(a)(5),(6) (7),(8),(9),(11) & (12); FF 18, 26-27*	IM will obtain a copy of the Plan and verify it incorporated the required elements.	IM reviewed the Services Plan on 3/14/17 that included current services as well as plans for future expansion of Behavioral Health services. These include a Gero-Psychiatry program, addiction services and enhancement of cardiac, cancer and diabetes services. These services complement the needs outlined in the Community Health Needs Assessment.
CON Condition 7: Until such time as the Services Plan is submitted, PMH shall provide OHCA with notice of any reallocation of inpatient beds and relocation of outpatient services for the New NMH or New RGH specific to those services that existed at each of the Hospitals as of the Decision Date. Such notice shall be provided within ten (10) days of any such reallocation or relocation and published on the website pages of the New Hospitals. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486(a), 19a-613(b), 19a-639(a)(5),(6) (7),(8),(9),(11) & (12); FF*	IM will verify proper notification to OHCA within 10 days of any plan to reallocate inpatient beds and relocation of outpatient services. IM will assure timely publication on New Hospitals website within 10 days of decision to reallocate or relocate services.	IM reviewed the notification to OHCA on 1/12/17 regarding the closing of a lab drawing station. IM verified with ECHN that any such future changes will be discussed with IM before action is taken.

18, 26-27		
CON Condition 8: Within one hundred and eighty (180) days following the Closing Date and thereafter on the same semi-annual schedule as set forth in Conditions 9 and 10 below until the capital commitment is satisfied, PMH shall submit to OHCA a report on the capital investments ("Capital Investment Report") it has made in the New MMH, New RGH and its affiliates from the $75 million Commitment Amount. The Capital Investment Report shall include the following in a format to be agreed upon: a. A list of the capital expenditures that have been made in the prior one hundred and eighty (180) days with descriptions of each associated project; and b. An explanation of why each expenditure was made and a timeframe for the roll out of the associated capital project (including estimated beginning, ending and startup/operation dates); and c. The dates and amounts of withdrawals from each of the New Hospitals' operating account and/or any other sources of funding used to fulfill	IM will obtain the Plan, read the plan and verify that expenditures/investments made are in accordance with the Plan. IM will confirm timely submissions of all required reports.	IM reviewed the filings and exhibits associated with Condition 8 on 5/23/17 prior to its filing with OHCA. IM was aware of the extension request of 11/15/17 and verified its approval on 11/16/17. IM verified that conditions 8,9, & 10 were completed as requested in Excel format and submitted by 12/15/17.

the Capital Commitment. The reports shall be signed by PMH ECHN's Chief Financial Officer. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify the continued financial feasibility of the project. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(3),(4) & (5); FF 38-45*		
CON Condition 9: For three (3) years following the Closing Date, PMH shall file the following information with OHCA on a semi-annual basis for ECHN, New MMH and New RGH, respectively: a. The cost saving totals achieved in the following Operating Expense Categories for New ECHN, New MMH and New RGH: Salaries and Wages, Fringe Benefits, Contractual Labor Fees, Medical Supplies and Pharmaceutical Costs, Depreciation and Amortization, Interest Expense, Malpractice Expense, Utilities, Business Expenses and Other Operating Expenses. The categories shall be consistent with the major operating expense categories (Categories A, B, C, D, E, G, H, I, J, and K) which are in use at the time of reporting in the OHCA Hospital Reporting System ("HRS") Report 175 or successor report. The semi-annual submission shall also contain narratives describing: 1. the major cost savings achieved for each expense category for the semi-annual period; and 2. the effect of these cost savings on the clinical quality of care. b. A consolidated Balance Sheet, Statement of Operations, and Statement of	IM will review the PMH filings regarding cost savings achieved in accordance with a. 1-2 and b. of Condition 9.	IM reviewed draft of filing related to condition 9 on 5/22/17 and verified submission to OHCA on 5/31/17. IM was aware of the extension request of 11/15/17 and approval by OHCA on 11/16/17 of extension of due date to 12/15/17. IM verified that conditions 8,9, & 10 were completed as requested in Excel format and submitted by 12/15/17.

Cash Flows for New ECHN, New MMH and New RGH. The format shall be consistent with that which is in use at the time of reporting in OHCA's HRS Reports 100/150, 300/350 or successor reports. For purposes of this Order, semi-annual periods are October 1-March 31 and April 1 – September 30. The required information is due no later than two (2) months after the end of each semi-annual period. Due dates are May 31st and November 30th, beginning November 30, 2016. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify the continued financial feasibility of the project. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(4) & (5); FF 51, 60-63*		
CON Condition 10: For three (3) years following the Closing Date, PMH shall submit to OHCA a financial measurement report. This report shall be submitted on a semi-annual basis and show current month and year-to-date data and comparable prior year period data for New ECHN, New MMH, and New RGH, respectively. The required information is due no later than two (2) months after the end of each semi-annual period. Due dates are May 31st and November 30th, beginning November 30, 2016. The following financial measurements/indicators should be addressed in the report: (i) **Operating performance** to include operating margin, non-operating margin, and total margin; (ii) **Li□uidity** to include current ratio, days cash on hand, days in net accounts receivables, and average payment period; (iii) **Leverage and capital structure** to include long-term debt to equity, long-term debt to capitalization, unrestricted cash to debt, times interest earned ratio, debt service coverage ratio, and equity financing ratio; and (iv) **Additional**	IM will obtain the financial measurement report and read to confirm that the required elements are addressed in the report; IM will confirm the timely submission of each report.	IM reviewed draft of filing related to condition 10 on 5/23/17 and verified submission to OHCA on 5/31/17. IM was aware of the extension request of 11/16/17 and approval by OHCA of extension of due date to 12/15/17. IM verified that conditions 8,9, & 10 were completed as requested in Excel format and submitted by 12/15/17. IM verified that all the required elements were present in the financial measurement reports and submitted to OHCA by 12/15/17.

Statistics to include income from operations, revenue over (under) expense, cash from operation, cash and cash equivalents, net working capital, free cash flow (and the elements used in the calculation), unrestricted net assets/retained earnings, bad debt as a percentage of gross revenue, and credit ratings.		
CON Condition 11: PMH shall ensure that the New MMH and New RGH maintains and adheres to ECHN's current policies regarding charity care, indigent care and community volunteer services at New MMH and New RGH after the Closing Date all as consistent with state and federal law or adopt other policies that are at least as generous and benevolent to the community as ECHN's current policies. These policies shall be posted on the website of the New MMH and New RGH and as additionally required by applicable law. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); FF 52-55, 59*	IM will obtain copies of the relevant financial assistance policies, read and confirm that as adopted financial assistance policies (or policies at least as generous as these policies) using management approval of the policies as evidence. After verifying that this step has been properly completed, IM will confirm that these policies are properly posted on website	IM obtained copies of all required policies relating to charity and indigent care and volunteer services on initial site visit in January 23-28 2017. IM verified that policies remained unchanged during subsequent visits in June 2017 and January 2018. IM reviewed all policies and verified their public posting on the hospital's website. www.echn.org
CON Condition 12: For three (3) years following the Closing Date, PMH shall provide written notice to OHCA of any modification, amendment or revision to the charity care, indigent care and community volunteer services of New MMH and New RGH within thirty (30) days of such change. The notice of these changes shall be accompanied by copies of any revised policies and the notice and revised policies shall be posted on the website of the New Hospital simultaneously with their submission to OHCA. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); FF*	After obtaining original policies on charity care, indigent care, and community volunteer services, IM will read and assess these policies on an annual basis for changes. When changes are made to these policies, IM will confirm OHCA is notified (as required) and revised policies are posted to the website.	IM obtained and read and assessed all relevant policies on initial site visit on January 23-28 2017 and verified that they remain unchanged during the subsequent site visit on January 30-31 2018. IM verified posting of these policies on the hospital's website. www.echn.org

52-55, 59		
CON Condition 13: PMH shall maintain community benefit programs and community building activities for the New MMH and New RGH for three (3) years after the Closing Date consistent with the Hospital's most recent Schedule H of IRS Form 990 or shall provide such other community benefit programs and community building activities that are at least as generous and benevolent to the community as ECHN's current programs, and PMH shall apply a 1% increase per year for the next three (3) years toward community building activities in terms of dollars spent. In determining the New MMH and New RGH participation in and investment in both community benefits and community building activities, PMH shall address the health needs identified by the applicable CHNA or Study in effect at the time and the population health management objectives, including social determinants of health, contained in the related Implementation Strategy. a. On an annual basis, the Applicants shall identify the amounts and uses related to community benefits and community building and shall discuss how such investments and support are being applied toward the health needs identified in the CHNA or Study and population health management objectives. Such reporting shall be filed within thirty days of the anniversary date of the closing for three years and shall be posted on the New Hospital's website. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); FF 52-55, 59*	IM will obtain most recent Schedule H of IRS Form 990 to act as a baseline. IM will then compare on an annual basis the results of that year to the baseline in order to verify that the 1 percent increase requirement has been met. IM will also obtain the report/summary on the amounts and uses related to community benefits and community building per the categories identified in the CHNA. IM will confirm that these documents are filed in a timely manner and posted to the website.	IM has verified that the requirement of a 1% increase in community benefit spending has been met. ECHN spending on community benefit programs reflected a 1.2% increase from 2016 to 2017. IM reviewed report on 10/30/17 and verified that categories of spending and dollars spent reflect the health needs outlined in the CHNA completed in late 2016. Community benefit programs are being supported in the following areas: substance abuse and opiod addiction, Maternal/Child Health and family planning, early interventions for school age children, alcohol recovery programs, weight management, and exercise, diabetes, cardiac care and stroke prevention.
CON Condition 14: New MMH and New RGH agree to comply with the following general community benefit standards for at least the first three	IM will verify the New Hospitals' compliance with community benefit standards a through d	IM has verified ECHN's compliance with the community benefit standards a-d during the initial on site visit on January 23-28, 2017 and again during the visit

years. (a) the New Hospitals shall provide public health programs to the community and generally promote the welfare of the community; (b) the New Hospitals shall have open medical staffs and not restrict the use of facilities to a particular group of physicians and surgeons to the exclusions of other qualified doctors; (c) the New Hospital shall participate in the Medicare and Medicaid programs; and (d) the New Hospitals shall operate 24/7 emergency departments and provide emergency services to patients regardless of their ability to pay. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); Tr., Testimony of Tom Reardon, President. PMH East on 5/3/16, pp. 103-04*	as stated in Condition 14.	on January 30, 31 and February 1 2018.
CON Condition 15: New MMH and New RGH shall work toward making culturally and linguistically appropriate services available and integrated throughout their hospital operations. Specifically, New MMH and new RGH shall take reasonable steps to provide meaningful access to each individual with limited English proficiency eligible to be served or likely to be encountered in its health programs and activities, in accordance with the implementing regulations of Section 1557 of the Patient Protection and Affordable Care Act. Additionally, New MMH and New RGH shall provide appropriate insurance navigator services for patients and, where appropriate, English as a second language and cultural competency training for employees. In complying with this Condition, New MMH and New RGH shall be guided by the National Standards for Culturally and Linguistically Appropriate Services in Health and Health	IM will obtain and review interpreter services policies and contracts as applicable. Additionally, IM will obtain a cultural competency plan, training, as well as related policies. IM will also obtain report and supporting documents and confirm the timely filing of these materials	IM obtained, reviewed and verified that appropriate interpreter policies and contracts exist. During on site visits in January 23-28 2017 and January 2018, IM verified culturally and linguistically appropriate services are available and well posted throughout the MMH and RGH campuses. Notification signs of these services were observed in the ED, main hallways, and Patient Care Units. ECHN has signed a contract with iTi a language and translation service to assist those with limited English language proficiency. Financial counseling and insurance navigator services are readily available at the hospitals. IM reviewed the required written report to OHCA on 10/30/17.

Care published by the U.S. Department of Health and Human Services' Office of Minority Health. For three (3) years following the Closing Date, PMH shall submit a written report on its activities directed at meeting this Condition. Such reporting shall be filed within thirty days of the anniversary date of the closing for three years and shall be posted on the applicable Hospital website. OHCA is imposing this condition so as to ensure continued access to health care services to the patient population. *Legal and Factual Basis: 45 C.F.R. §92.201; Stat. §§ 19a-486d(a), 19a-613(b), 19a-639(a)(5),(6) & (11); FF 52-55, 59*		
CON Condition 16: Within sixty (60) days after the Closing Date, the Applicants shall contract with an Independent Monitor who has experience in hospital administration and regulation, including maintaining quality control in a High Reliability Organization ("HRO"). The Independent Monitor shall be retained at the sole expense of PMH, at a cost which shall not exceed $300,000 in the aggregate. Representatives of OHCA and the Facility Licensing and Investigations ("FLIS") section of the Department of Public Health ("DPH") will approve the Independent Monitor's appointment. The Independent Monitor shall be engaged for a minimum period of two (2) years following the Closing Date, which may be extended for another year at OHCA's and/or FLIS's discretion. The Independent Monitor will be responsible for monitoring the Applicants' compliance with the Conditions set forth in this Order. PMH shall provide the Independent Monitor with appropriate access to New Hospitals and their applicable records in order to enable the Independent Monitor to fulfill its functions hereunder. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify and monitor compliance with the conditions	IM and PMH will execute a Consulting Services Agreement by the required date. A draft of this Agreement has been provided to OHCA.	IM and PMH contract for IM services fully executed by both parties on 12/5/16.

set forth herein. *Legal and Factual Basis: Conn. Gen. §§ Stat. 19a-486(a), 19a-613(b), 19a-639(a)(1),(2),(4),(5),(6),(7),(11) & (12); FF 26-27, 30-45, 52-57, 59*		
CON Condition 17: The Independent Monitor will report to both OHCA and FLIS. The Independent Monitor shall conduct on-site visits of New Hospitals on no less than a semi-annual basis to assess PMH's modified Quality Assurance Performance Improvement ("QAPI") program, and compliance with the Quality Commitment Letter. The Independent Monitor shall furnish a written report of his or her assessment to OHCA and FLIS within thirty (30) days of the completion of each on-site review. PMH will have the opportunity to review and provide written responses to the report. As OHCA deems necessary, the Independent Monitor shall meet with OHCA and FLIS personnel to discuss the written report and will perform additional periodic reviews and reviews of other PMH affiliated sites of service. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify and monitor compliance with the conditions set forth herein. *Legal and Factual Basis: Conn. Gen. §§ Stat. 19a-486(a), 19a-613(b), 19a-639(a)(1),(2),(4),(5),(6),(7),(11) & (12); FF 26-27, 30-45, 52-57, 59*	IM will plan, at a minimum, two site visits per year. The site visits will include meetings with Administration/Leadership. IM will verify compliance with the quality Assurance commitment Letter. IM will provide a written report to OHCA, and FLIS that summarizes the activities from the prior six month period along with any recommendations or observations	IM visited the MMH and RGH campuses from January 23-27, 2017 and visited all relevant inpatient and outpatient services. IM visited the MMH and RGH campuses again in June 2017. Reports have been furnished within 30 days of each visit. A third visit occurred on January 30, 31 and February 1, 2018. This report was submitted to DPH and OHCA on 2/8/18.
CON Condition 18: If, at any time within three (3) years following the Closing Date, the New Hospitals' Local Board agrees with PMH to change any of the Seller Quality Programs described in the Quality Commitment Letter other than to make any changes necessary to address (i) an immediate issue of patient safety; (ii) changes in federal, state, and local laws; or (iii) as mandated or recommended in guidance by a governmental agency, PMH shall notify OHCA and FLIS in writing within thirty (30) days of any such change	IM will verify that PMH notifies OHCA and the Health Systems Branch in writing within 30 days of any change in the Seller Quality Programs with the exceptions i through iii as stated in condition 18.	IM has verified that PMH is aware of their obligation to notify the IM and OHCA and the Health Systems Branch in writing within 30 days of any change in Quality Programs. IM is aware of exceptions i, ii, and iii. Compliance is verified on each site visit.

going into effect. If the Independent Monitor disagrees with the change, OHCA may require that a request for modification be submitted and approved as required by C.G.S. §4-18la to make the change. OHCA is imposing this condition to ensure continued access to health care services to the patient population and to verify and monitor compliance with the conditions set forth herein. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(1),(2),(5) & (6); FF 30-37*		
CON Condition 19: For three (3) years following the Closing Date, PMH shall hold a joint meeting of the Board of each of new MMH and New RGH and the Local Board of new MMH and New RGH ("Joint Board Meetings") at least twice annually with one occurring in Manchester and the other occurring in Vernon. Such Joint Board Meetings shall be followed by a meeting to which the public is invited in advance and at which the public is informed of the New Hospital's activities and afforded an opportunity to ask questions and make comments. OHCA is imposing this condition to ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(2),(3),(5),(7),(8),(11) & (12); FF 28-30*	IM will assure that Joint Board Meetings occur twice annually followed by public meetings as required in Condition 19.	IM attended the Joint Board Meeting and Public meeting at RGH on 4/26/17. IM was told in advance of the Board and public meetings held on the MMH campus the following month on May 31 2017. ECHN provided IM with the agenda and attendance sheet and a summary of the meeting. Board and public meetings are being scheduled for the end of June 2018 on both MMH and RGH campuses. IM plans on attending both.
CON Condition 20: For three (3) years following the Closing Date, PMH shall allow for two (2) community representatives to serve as a voting member of the New MMH and New RGH Local Board with rights and obligations consistent with other voting members under the Local Board Bylaws. The community representative shall be selected in consultation with the Mayor of Manchester and Vernon in order to ensure the appointment of an unbiased person who will fairly represent the interests of the communities served by the MMH and RGJ. OHCA is imposing this condition to	IM will verify the New MMH and New RGH include 2 community representatives that are voting members of the local boards.	IM has verified that ECHN has made substantial efforts to find a qualified and equitable community representative for their boards. IM has verified with OHCA on 3/20/17 that the Manchester and Vernon community representatives to the boards are acceptable.

ensure continued access to health care services to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-613(b), 19a-639(a)(2),(3),(5),(7),(8),(11) & (12); FF 28-30*		
CON Condition 21: PMH, New ECHN, New MMH and New RGH shall abide by all requirements of licensure that may be imposed by FLIS in any Pre-Licensing Consent Order or similar agreement that FLIS may enter with these parties. OHCA is imposing this condition to ensure that quality health care services are provided to the patient population. *Legal and Factual Basis: Stat. §§ 19a-486d, 19a-490, 19a-493, 19a-639(a)(1),(2),(5) & (6); FF 30-37*	IM will verify that all requirements of licensure are met.	IM has verified during all on site visits January 23-28 2017, June 27 & 28 2017, and January 30,31, February 1, 2018 and during off site ongoing review of documentation that ECHN is in compliance with all requirements of licensure.

User, OHCA

From: Cotto, Carmen
Sent: Tuesday, February 13, 2018 9:48 AM
To: Colleen Smith; User, OHCA; Martone, Kim; Collins, Michael; Ellen J. Shin (Legal Department); Tichy, Joyce A (Legal Department); Garrison DeLee (garrison.delee@prospectmedical.com); Frank.Saidara; Roberts, Karen
Subject: RE: Docket Number 15-32016-486

Follow Up Flag: Follow up
Flag Status: Completed

Hi Colleen,

We will let you know if we have any additional questions or concerns.

Thank you,
Carmen

Carmen Cotto, MBA Associate
Health Care Analyst
Office of Health Care Access
Connecticut Department of Public Health
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From: Colleen Smith [mailto:colleen713.smith@gmail.com]
Sent: Monday, February 12, 2018 6:02 PM
To: User, OHCA <OHCA@ct.gov>; Cotto, Carmen <Carmen.Cotto@ct.gov>; Martone, Kim <Kimberly.Martone@ct.gov>; Colleen Smith <colleen713.smith@gmail.com>; Collins, Michael <mcollins@echn.org>; Ellen J. Shin (Legal Department) <Ellen.Shin@prospectmedical.com>; Tichy, Joyce A (Legal Department) <jtichy@echn.org>; Garrison DeLee (garrison.delee@prospectmedical.com) <garrison.delee@prospectmedical.com>; Frank.Saidara <Frank.Saidara@prospectmedical.com>; Roberts, Karen <Karen.Roberts@ct.gov>
Subject: Docket Number 15-32016-486

To Whom It May Concern,

Please find the attached filing regarding Docket Number 15-3206-486, Transfer of Assets to Eastern Connecticut Health Network From Prospect Medical Holdings. Independent Monitor has made 3 on site visits

to ECHN during the past year, January 2017 -January 2018. Independent Monitor has reviewed all required policies and procedures on an ongoing basis as outlined in the Conditions. Independent Monitor has found ECHN in full compliance with all requirements set forth in the order.

Sincerely,
Colleen Smith
Independent Monitor

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