



Carmody & Torrance LLP ■ Attorneys at Law
Waterbury ■ New Haven ■ Southbury

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January 22, 2013

VIA E-MAIL AND HAND DELIVERY

The Honorable George C. Jepsen
Attorney General
Office of the Attorney General
55 Elm Street
Hartford, CT 06106

The Honorable Jewel Mullen
Commissioner
Department of Public Health
Office of Health Care Access
410 Capitol Avenue
Hartford, CT 06134

Re: Greater Waterbury Health Network, Inc.

Dear Attorney General Jepsen and Commissioner Mullen:

Please be advised that Carmody & Torrance represents Greater Waterbury Health Network, Inc. and its affiliated entities (collectively "GWHN") in connection with the proposed formation of a joint venture involving GWHN and a subsidiary of Vanguard Health Systems, Inc. Please accept the enclosed Determination Letter submitted by GWHN and Vanguard to begin the approval process for the proposed transaction as required under Conn. Gen. Stat. § 19a-486 et seq.

GWHN's decision to partner with Vanguard is the culmination of a careful review and evaluation process. The Waterbury Hospital will be operated by the LLC, and will keep its name and continue its historic mission of over 100 years of providing excellent health care. The Waterbury Hospital will continue to adhere to the community benefits standards required of all tax exempt hospitals and follow charity and uncompensated care policies.

We kindly request that the appearance of Carmody & Torrance LLP be entered for matters conducted both at the Office of the Attorney General and the Department of Public Health, Office of Health Care Access. We look forward to working with your offices on the details of

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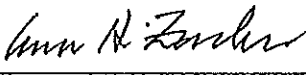
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the proposed transaction in order to reach a successful conclusion that will ensure continuity of healthcare services throughout the greater Waterbury community.

Thank you for your consideration and please feel free to contact me if you have any questions.

Very truly yours,

CARMODY & TORRANCE LLP

By 

Ann H. Zucker
Its Partner

AHZ:ag

cc: Darlene Stromstad
President, Waterbury Hospital

Carl Contadini
Chairman, Waterbury Hospital

John Faldetta
Assistant General Counsel
Vanguard Health Systems, Inc.

Rob Jay
Vice President
Vanguard Health Systems, Inc.



**State of Connecticut
Office of Health Care Access
CON Determination Form
Form 2020**

All persons who are requesting a determination from OHCA as to whether a CON is required for their proposed project must complete this Form 2020. The completed form should be submitted to the Director of the Office of Health Care Access, 410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. PETITIONER INFORMATION

If this proposal has more than two Petitioners, please attach a separate sheet, supplying the same information for each Petitioner in the format presented in the following table.

	Petitioner	Petitioner
Full Legal Name	Greater Waterbury Health Network, Inc.	Vanguard Health Systems, Inc.
Doing Business As	The Waterbury Hospital	Vanguard Health Systems, Inc
Name of Parent Corporation	Greater Waterbury Health Network, Inc.	Vanguard Health Systems, Inc.
Petitioner's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail	64 Robbins St. Waterbury, CT 06708	20 Burton Hills Blvd Sulte 100 Nashville, TN 37215
What is the Petitioner's Status: P for profit and NP for Nonprofit	NP	P
Contact Person at Facility, including Title/Position: This Individual at the facility will be the Petitioner's Designee to receive all correspondence in this matter.	Darlene Stromstad, FACHE President/CEO	Rob Jay, Vice President - Development

Contact Person's Mailing Address, if PO Box, include a street mailing address for Certified Mail	64 Robbins St. Waterbury, CT 06708	20 Burton Hills Blvd Suite 100 Nashville, TN 37215
Contact Person's Telephone Number	203-573-7101	615-665-6030
Contact Person's Fax Number	203-573-6161	615-665-6099
Contact Person's e-mail Address	dstromstad@wtbyhosp.org	rlay@vanguardhealth.com

SECTION II. GENERAL PROPOSAL INFORMATION

- a. Proposal/Project Title: Application for Approval to Form a Joint Venture Between Greater Waterbury Health Network, Inc. and Vanguard Health Systems, Inc.
- b. Estimated Total Project Cost: This is a contribution of assets for a membership interest in a joint venture valued at \$25 Million.
- c. Location of proposal, identifying Street Address, Town and Zip Code: 64 Robbins Street, Waterbury, Connecticut 06708.
- d. List each town this project is intended to serve:
Beacon Falls, Bethlehem, Cheshire, Middlebury, Morris, Naugatuck, Oakville, Oxford, Plantsville, Plymouth, Prospect, Seymour, Southbury, Southington, Terryville, Thomaston, Torrington, Waterbury, Watertown, Wolcott, Woodbury
- e. Estimated starting date for the project: September 1, 2013

SECTION IV. PROPOSAL DESCRIPTION

Please provide a description of the proposed project, highlighting each of its important aspects, on at least one, but not more than two separate 8.5" X 11" sheets of paper. At a minimum each of the following elements need to be addressed, if applicable:

1. If applicable, identify the types of services currently provided and provide a copy of each Department of Public Health license held by the Petitioner.
2. Identify the types of services that are being proposed and what DPH licensure categories will be sought, if applicable.

3. Identify the current population served and the target population to be served.

PROPOSAL DESCRIPTION:

Greater Waterbury Health Network, Inc. ("GWHN") is a tax exempt Connecticut nonstock corporation. On behalf of its affiliates and subsidiaries, including The Waterbury Hospital ("Hospital"), GWHN has signed a Letter of Intent to form a joint venture with a subsidiary of Vanguard Health Systems, Inc. ("Vanguard", collectively the "Joint Venture"). The assets of GWHN will be contributed to the Joint Venture in exchange for a 20% ownership interest in the Joint Venture. The Joint Venture will commit to expend no less than 75 million dollars on capital items and the development and improvement of ambulatory services in the greater Waterbury community. The Joint Venture will be structured so Vanguard will have an 80% ownership interest.

The Joint Venture will operate in accordance with the "community benefit standard" required of tax-exempt hospitals as set forth in Revenue Ruling 69-545, including, without limitation, the (i) acceptance of all Medicare and Medicaid patients, (ii) acceptance of all emergency patients without regard to ability to pay, (iii) maintenance of an open medical staff, (iv) provision of public health programs of educational benefit to the community, and (v) promotion of public health, wellness and welfare to the community through the provision of health care at a reasonable cost.

No service changes are requested. The Joint Venture will serve residents of the existing Hospital service area towns: Beacon Falls, Bethlehem, Cheshire, Middlebury, Morris, Naugatuck, Oakville, Oxford, Plantsville, Plymouth, Prospect, Seymour, Southbury, Southington, Terryville, Thomaston, Torrington, Waterbury, Watertown, Wolcott and Woodbury.

GWHN's participation in the Joint Venture will allow GWHN to retire all of its existing debt, provide security for its pensioners, leverage economies of scale for access to capital and purchasing power, share clinical best practices and provide improved ambulatory healthcare services to patients in the Greater Waterbury community.

SECTION V. AFFIDAVIT

(Each Petitioner must submit a completed Affidavit.)

Petitioner: Greater Waterbury Health Network, Inc.

Project Title: Application for Approval to Form a Joint Venture Between Greater Waterbury Health Network, Inc. and Vanguard Health Systems, Inc.

I, Darlene Stromstad, FACHE, President/CEO
(Name) (Position – CEO or CFO)

of Greater Waterbury Health Network, Inc. being duly sworn, depose and state that the
(Organization Name)

Information provided in this CON Determination form is true and accurate to the best of my knowledge.

Darlene Stromstad 1/21/13
Signature Date

Subscribed and sworn to before me on January 21, 2013

Kelly L. Keating
Notary Public/Commissioner of Superior Court

My commission expires: August 31, 2014

SECTION V. AFFIDAVIT

(Each Petitioner must submit a completed Affidavit.)

Petitioner: Vanguard Health Systems, Inc.

Project Title: Application for Approval to Form a Joint Venture Between Greater Waterbury Health Network, Inc. and Vanguard Health Systems, Inc.

I, Rob Jay (Name) VICE PRESIDENT - DEVELOPMENT (Position - CEO or CFO)

of Vanguard Health Systems, Inc. (Organization Name) being duly sworn, depose and state that the

information provided in this CON Determination form is true and accurate to the best of my knowledge.

Rob Jay Signature 1/21/13 Date

Subscribed and sworn to before me on January 21, 2013

Jean P. Lorton Notary Public/Commissioner of Superior Court

My commission expires: November 3, 2015

