



December 9, 2016

Via Hand Delivery

Kimberly R. Martone
Director of Operations
Department of Public Health
Office of Health Care Access
410 Capitol Avenue: MS# 13HCA
P.O. Box 340308
Hartford CT 06134-0308



Re: Transfer of Saint Mary's Hospital Inc.'s joint venture interest in The Harold Leever Regional Cancer Center, Inc. to Trinity Health-New England, Inc., a wholly owned subsidiary of Trinity Health Corporation, as part of Saint Mary's transfer of ownership to Trinity Health Corporation and Trinity Health-New England approved under OHCA Docket Number 15-32045-CON.

Dear Ms. Martone,

Enclosed please find the original CON application for the transfer of Saint Mary's Hospital, Inc.'s joint venture interest in The Harold Leever Regional Cancer Center, Inc. to Trinity Health-New England, Inc.

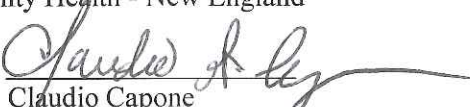
In accordance with Saint Mary's transfer of ownership approved under OHCA Docket Number 15-32045-CON, we are submitting this application for the transfer of the ownership of Saint Mary's joint venture interests of The Harold Leever Regional Cancer Center to Trinity Health - New England, Inc.

We look forward to any way that we may be useful in the process that lays ahead, and thank you, in advance, for your consideration of this application. If you have any questions, please do not hesitate to contact me at 860.714.6165.

Respectfully submitted,

Trinity Health - New England

By:


Claudio Capone
Regional Vice President

Application Checklist

Instructions:

1. Complete the following checklist and **submit** as the first page of the CON application:

- Attached is a paginated hard copy of the CON application (all social security numbers must be redacted), including a completed affidavit, signed and notarized by the appropriate individuals.
- (*New*). A completed supplemental application form specific to the proposal type, available on OHCA's website under OHCA Forms (see previous page for the list of supplemental forms).
- Attached is the CON application filing fee in the form of a check made out to the "Treasurer State of Connecticut" in the amount of \$500.
- Attached is evidence demonstrating that public notice has been published in a suitable newspaper that relates to the location of the proposal, 3 days in a row, at least 20 days prior to the submission of the CON application to OHCA. (*OHCA requests that the Applicant fax a courtesy copy to OHCA (860) 418-7053, at the time of the publication*)
- Attached is a completed Financial Worksheet (A, B or C) available at OHCA's website under OHCA Forms.
- Submission includes one (1) original and four (4) hard copies with each set placed in 3-ring binders.
- The following have been submitted on a CD:
 1. A scanned copy of each submission in its entirety, including all attachments in Adobe (.pdf) format; and
 2. An electronic copy of the completed application forms in **MS Word** (the applications) and **MS Excel** (Financial Worksheet)

For OHCA Use Only:

Docket No.: 16-32139-CON
OHCA Verified by: KR

Check No.: 408810
Date: 12.12.16

TABLE OF CONTENTS

Main CON Application	<u>Page 6</u>
Attachments/Financial Worksheet	<u>Page 33</u>
Supplemental CON Application	<u>Page 259</u>
Proof of Newspaper Publication	<u>Page 3</u>
Copy of Filing Fee Check	<u>Page 4</u>

AFFIDAVIT OF PUBLICATION

STATE OF CONNECTICUT
County of New Haven

Waterbury

October 28th 20 16

The subscriber, being duly sworn, deposes and says that he (she) is the Bookkeeper
of the **Republican-American** and that the foregoing notice for
ST. MARY'S HOSPITAL

was published in said **Republican-American** in 3 editions of said newspaper issued between **10/01/16** and **10/03/16**

PUBLIC NOTICE
Statute Reference: 19a-638 et seq. of the Connecticut General Statutes
Applicants: Saint Mary's Hospital, Inc. and Trinity Health-New England, Inc.
Project Address: 1075 Chase Parkway, Waterbury, CT 06708
Proposal: Saint Mary's Hospital, Inc. and Trinity Health-New England, Inc. plan to file an application with the Office of Health Care Access for Certificate of Need authorization for the transfer of Saint Mary's Hospital Inc.'s Joint Venture Interest in the Harold Leever Regional Cancer Center, Inc. to Trinity Health - New England, Inc., a subsidiary of Trinity Health Corporation, as part of Saint Mary's affiliation with Trinity Health approved under OHCA Docket Number 15-32045-CON.
Capital Expenditure: \$0
RA 10/12,3,2016

Shirley A
SUBSCRIBED AND SWORN BEFORE ME THIS THE 20TH

day of October 20 16

Sharon Skrudick

Notary Public

My Commission Expires: 3/31/18



SAINT MARYS HOSPITAL
 RECEIVING DOCK 99 UNION STREET
 WATERBURY, CT 06706

Vendor #33182
 TREASURER SECRETARY OF STATE

N^o 408810

P.O. NUMBER	INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
	11/29/2016	FILING FEE/HLRCC CON	500.00	.00	500.00
Totals:			500.00	.00	500.00

PAYMENT AMT: 500.00



WEBSTER BANK - STMH - A/P
 WATERBURY, CT 06706

N^o 408810
 51-7010/2111

DATE
 11/30/2016

CHECK AMOUNT
 500.00

Five Hundred And 00/100 Dollars*****

PAY TO THE ORDER OF TREASURER SECRETARY OF STATE

TREASURER SECRETARY OF STATE
 30 TRINITY ST
 HARTFORD, CT 06106

Handwritten signature

TWO SIGNATURES REQUIRED IF OVER \$50,000.00





**State of Connecticut
Department of Public Health
Office of Health Care Access**

**Certificate of Need Application
Main Form**
Required for all CON applications

Contents:

- Checklist
- List of Supplemental Forms
- General Information
- Affidavit
- Abbreviated Executive Summary
- Project Description
- Public Need and Access to Health Care
- Financial Information
- Utilization

Supplemental Forms

In addition to completing this **Main Form** and **Financial Worksheet (A, B or C)**, the applicant(s) must complete the appropriate **Supplemental Form** listed below. All CON forms can be found on the OHCA website at [OHCA Forms](#).

Conn. Gen. Stat. Section 19a-638(a)	Supplemental Form
(1)	Establishment of a new health care facility (mental health and/or substance abuse) - see note below*
(2)	Transfer of ownership of a health care facility (excludes transfer of ownership/sale of hospital – see “Other” below)
(3)	Transfer of ownership of a group practice
(4)	Establishment of a freestanding emergency department
(5) (7) (8) (15)	Termination of a service: <ul style="list-style-type: none"> - inpatient or outpatient services offered by a hospital - surgical services by an outpatient surgical facility** - emergency department by a short-term acute care general hospital - inpatient or outpatient services offered by a hospital or other facility or institution operated by the state that provides services that are eligible for reimbursement under Title XVIII or XIX of the federal Social Security Act, 42 USC 301, as amended
(6)	Establishment of an outpatient surgical facility
(9)	Establishment of cardiac services
(10) (11)	Acquisition of equipment: <ul style="list-style-type: none"> - acquisition of computed tomography scanners, magnetic resonance imaging scanners, positron emission tomography scanners or positron emission tomography-computed tomography scanners - acquisition of nonhospital based linear accelerators
(12)	Increase in licensed bed capacity of a health care facility
(13)	Acquisition of equipment utilizing [new] technology that has not previously been used in the state
(14)	Increase of two or more operating rooms within any three-year period by an outpatient surgical facility or short-term acute care general hospital
Other	Transfer of Ownership / Sale of Hospital

*This supplemental form should be included with all applications requesting authorization for the establishment of a **mental health and/or substance abuse treatment facility**. For the establishment of other “health care facilities,” as defined by Conn. Gen. Stat § 19a-630(11) - hospitals licensed by DPH under chapter 386v, specialty hospitals, or a central service facility - complete *the Main Form* only.

**If termination is due to insufficient patient volume, or it is a subspecialty being terminated, a CON is not required.

General Information

Name of Applicant:

Name of Co-Applicant:

Saint Mary's Hospital, Inc.

Trinity Health – New England, Inc.

Connecticut Statute Reference:

C.G.S. Section 19a-638(a)(2)

Main Site	MAIN SITE	MEDICAID PROVIDER ID	TYPE OF FACILITY	MAIN SITE NAME
	Waterbury	004239712	Outpatient Clinic	The Harold Leever Regional Cancer Center, Inc.
	STREET & NUMBER			
	1075 Chase Parkway			
	TOWN			ZIP CODE
	Waterbury, CT			06708

Project Site	PROJECT SITE	MEDICAID PROVIDER ID	TYPE OF FACILITY	PROJECT SITE NAME
	Waterbury		Outpatient Clinic	The Harold Leever Regional Cancer Center, Inc.
	STREET & NUMBER			
	1075 Chase Parkway			
	TOWN			ZIP CODE
	Waterbury, CT			06708

Operator	OPERATING CERTIFICATE NUMBER	TYPE OF FACILITY	LEGAL ENTITY THAT WILL OPERATE OF THE FACILITY (or proposed operator)	
		Outpatient Clinic	The Harold Leever Regional Cancer Center, Inc.	
	STREET & NUMBER			
	1075 Chase Parkway			
	TOWN			ZIP CODE
	Waterbury, CT			06708

Chief Executive	NAME		TITLE	
	Chad W. Wable		President, Saint Mary's Hospital, Inc.	
	STREET & NUMBER			
	56 Franklin Street			
	TOWN		STATE	ZIP CODE
	Waterbury		CT	06706

TELEPHONE	FAX	E-MAIL ADDRESS
203-709-3368	203-709-3066	cwable@stmh.org

Title of Attachment:

Is the applicant an existing facility? If yes, attach a copy of the resolution of partners, corporate directors, or LLC managers, as the case may be, authorizing the project.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	Attachment 1
Does the Applicant have non-profit status? If yes, attach documentation.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	Attachment 2
Identify the Applicant's ownership type.	PC <input type="checkbox"/> LLC <input type="checkbox"/> Corporation <input checked="" type="checkbox"/>	Other:
Applicant's Fiscal Year (mm/dd)	Start <u>October 1</u>	End <u>September 30</u>

Contact:

Identify a single person that will act as the contact between OHCA and the Applicant.

Contact Information	NAME		TITLE
	Claudio A. Capone		Regional VP, Strategic Planning and Business Development
	STREET & NUMBER		
	1000 Asylum Avenue		
	TOWN	STATE	ZIP CODE
	Hartford	CT	066105
	TELEPHONE	FAX	E-MAIL ADDRESS
	860-714-6165	860-714-7920	Claudio.Capone@TrinityHealth-NE.org
	RELATIONSHIP TO APPLICANT	Staff	

Identify the person primarily responsible for preparation of the application (optional):

Prepared by	NAME		TITLE
	STREET & NUMBER		
	TOWN	STATE	ZIP CODE
	TELEPHONE	FAX	E-MAIL ADDRESS
RELATIONSHIP TO APPLICANT			

AFFIDAVIT OF PUBLICATION

STATE OF CONNECTICUT
County of New Haven

Waterbury

20 10

October 2018

The subscriber, being duly sworn, deposes and says that he (she) is the business manager
of the **Republican-American** and that the foregoing notice for

ST. MARY'S HOSPITAL

was published in said **Republican-American** in **3** editions of said newspaper issued between **10/01/16** and **10/03/16**

Andrew A

2018

SUBSCRIBED AND SWORN BEFORE ME THIS THE

day of October 20 16

Susan Attwood

Notary Public

My Commission Expires: 3/31/18



PUBLIC NOTICE
Statute Reference: 19a-638 et seq. of the Connecticut General Statutes
Applicants: Saint Mary's Hospital, Inc. and Trinity Health - New England, Inc.
Project Address: 1075 Chase Parkway, Waterbury, CT 06708
Proposal: Saint Mary's Hospital, Inc. and Trinity Health - New England, Inc. plan to file an application with the Office of Health Care Access for Certificate of Need authorization for the transfer of Saint Mary's Hospital Inc.'s joint venture interest in the Harold Leever Regional Cancer Center, Inc. to Trinity Health - New England, Inc., a subsidiary of Trinity Health Corporation, as part of Saint Mary's affiliation with Trinity Health approved under OHCA Docket Number 15-32045-COM.
Capital Expenditure: \$0
RA 10/1,2,3,2016

Affidavit

Applicant: Saint Mary's Hospital, Inc.

Project Title: Transfer of Saint Mary's Hospital Inc.'s joint venture interest in The Harold Leever Regional Cancer Center, Inc. to Trinity Health – New England, Inc., a wholly owned subsidiary of Trinity Health Corporation, as part of Saint Mary's transfer of ownership to Trinity Health Corporation and Trinity Health - New England approved under OHCA Docket Number 15-32045-CON.

I, Chad W. Wable, President
(Name) (Position – CEO or CFO)

of Saint Mary's Hospital, Inc. being duly sworn, depose and state that said facility complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.


Signature

11/30/14
Date

Subscribed and sworn to before me on November 30, 2014


Notary Public/Commissioner of Superior Court

Notary Public/Commissioner of Superior Court

My commission expires: July 31, 2019

SAINT FRANCIS HOSPITAL
AND MEDICAL CENTER
LEGAL REVIEW
CONTRACT NO: 16-1518
BY: gcs DATE: 12-2-16

Affidavit

Applicant: Saint Mary's Hospital, Inc.

Project Title: Transfer of Saint Mary's Hospital Inc.'s joint venture interest in The Harold Leever Regional Cancer Center, Inc. to Trinity Health – New England, Inc., a wholly owned subsidiary of Trinity Health Corporation, as part of Saint Mary's transfer of ownership to Trinity Health Corporation and Trinity Health - New England approved under OHCA Docket Number 15-32045-CON.

I, Chad W. Wable
(Name)

President
(Position – CEO or CFO)

of Saint Mary's Hospital, Inc. being duly sworn, depose and state that said facility complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

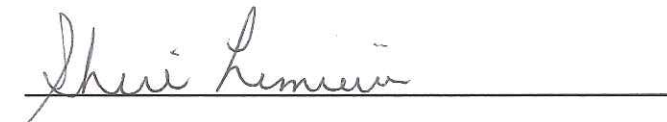


Signature

11/30/16

Date

Subscribed and sworn to before me on November 30, 2016



Notary Public/Commissioner of Superior Court

My commission expires: July 31, 2019

SAINT FRANCIS HOSPITAL
AND MEDICAL CENTER
REGISTRATION
CONTRACT NO. 16-1518
BY: JCS DATE: 12-2-16

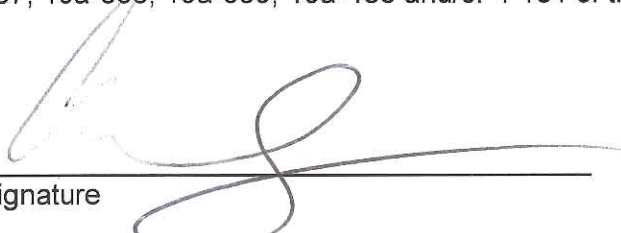
Affidavit

Applicant: Trinity Health – New England, Inc.

Project Title: Transfer of Saint Mary's Hospital, Inc.'s joint venture interest in The Harold Leever Regional Cancer Center, Inc. to Trinity Health – New England, Inc., a wholly owned subsidiary of Trinity Health Corporation, as part of Saint Mary Hospital, Inc. transfer of ownership to Trinity Health Corporation and Trinity Health - New England, Inc. approved under OHCA Docket Number 15-32045-CON.

I Christopher Dadlez, President and CEO
(Name) (Position – CEO or CFO)

of Trinity Health – New England, Inc. being duly sworn, depose and state that the said facility complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

 12/5/16
Signature Date

Subscribed and sworn to before me on December 5, 2016


Notary Public/Commissioner of Superior Court

My commission expires: July 31, 2019

SAINT FRANCIS HOSPITAL
AND MEDICAL CENTER
LEGAL REVIEW
CONTRACT NO. 16-1518
BY: gchs DATE: 12-2-16

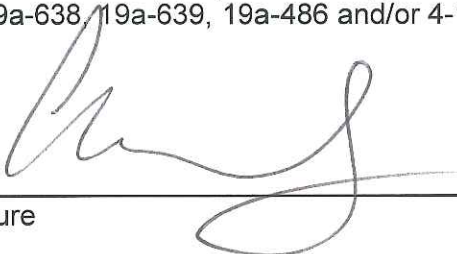
Affidavit

Applicant: Trinity Health – New England, Inc.


Project Title: Transfer of Saint Mary's Hospital, Inc.'s joint venture interest in The Harold Leever Regional Cancer Center, Inc. to Trinity Health – New England, Inc., a wholly owned subsidiary of Trinity Health Corporation, as part of Saint Mary Hospital, Inc. transfer of ownership to Trinity Health Corporation and Trinity Health - New England, Inc. approved under OHCA Docket Number 15-32045-CON.

I Christopher Dadlez, President and CEO
(Name) (Position – CEO or CFO)

of Trinity Health – New England, Inc. being duly sworn, depose and state that the said facility complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

 12/5/16
Signature Date

Subscribed and sworn to before me on December 5, 2017


Notary Public/Commissioner of Superior Court

My commission expires: July 31, 2019

SAINT FRANCIS HOSPITAL
AND MEDICAL CENTER
LEGAL REVIEW
CONTRACT NO. 16-1518
BY: QCBS DATE: 12-2-16

Executive Summary

The purpose of the Executive Summary is to give the reviewer a conceptual understanding of the proposal. In the space below, provide a succinct overview of your proposal (this may be done in bullet format). Summarize the key elements of the proposed project. Details should be provided in the appropriate sections of the application that follow.

Saint Mary's Hospital, Inc. ("SMH") and Trinity Health – New England, Inc. ("TH - NE") are requesting Certificate of Need ("CON") authorization for the transfer of SMH's joint venture interest in The Harold Leever Regional Cancer Center, Inc. ("HLRCC") to TH - NE, a subsidiary of Trinity Health Corporation, as part of SMH's affiliation with Trinity Health approved under OHCA Docket Number 15-32045-CON.

Key Elements of the Proposal

In Docket number 15-32045-CON, OHCA approved the transfer of ownership of Saint Mary's Health System, Inc. ("SMHS") and its affiliated entities (including SMH) to TH-NE (the "Approved Transaction"). Subsequently, SMHS has been merged into SMH. Among SMHS's affiliated entities is HLRCC, a 50/50 joint venture between The Waterbury Hospital ("WH") and SMH. Under the Approved Transaction, TH - NE, a wholly owned subsidiary of Trinity Health Corporation, became the sole corporate member of SMH and, under this proposal will also hold SMH's membership in HLRCC.

Formed in October 2002, HLRCC combined the existing medical and radiation oncology businesses of SMH and WH into one combined program to better meet the needs of the community. HLRCC, located at 1075 Chase Parkway, Waterbury, Connecticut, provides state of the art cancer diagnostic and radiation services with two linear accelerators and a PET/CT Scanner. The community's two private medical oncology practices provide services at HLRCC. HLRCC is licensed by the Department of Public Health as an Outpatient Clinic. A copy of HLRCC's license information record is submitted herewith.

HLRCC serves patients in, but not limited to, the following towns: Beacon Falls, Bethlehem, Cheshire, Middlebury, Morris, Naugatuck, Oakville, Oxford, Plantsville, Plymouth, Prospect, Seymour, Southbury, Southington, Terryville, Thomaston, Torrington, Waterbury, Watertown, Wolcott, and Woodbury.

Under this proposal, and as an integral component of the Approved Transfer, SMH will transfer its 50% membership interest in HLRCC to TH - NE. No changes in services or licensure are being proposed and there is no capital cost associated with this proposal or the Approved Transaction. HLRCC will continue providing the same services to residents of the same service area from the same location.

Pursuant to Section 19a-639 of the Connecticut General Statutes, the Office of Health Care Access is required to consider specific criteria and principles when reviewing a Certificate of Need application. Text marked with a “§” indicates it is actual text from the statute and may be helpful when responding to prompts.

Project Description

1. Provide a detailed narrative describing the proposal. Explain how the Applicant(s) determined the necessity for the proposal and discuss the benefits for each Applicant separately (if multiple Applicants). Include all key elements, including the parties involved, what the proposal will entail, the equipment/service location(s), the geographic area the proposal will serve, the implementation timeline and why the proposal is needed in the community.

Response:

As noted, OHCA approved the transfer of ownership of SMHS and its affiliated entities to Trinity Health Corporation and TH - NE in Docket number 15-32045-CON. Among SMHS's affiliated entities is HLRCC, a 50/50 joint venture between WH and SMH. Pursuant to the Approved Transaction and effective as of August 1, 2016, TH - NE, a wholly owned subsidiary of Trinity Health Corporation, became the sole corporate member of SMH. As SMH is now part of and a direct subsidiary of TH - NE, the applicants request approval to transfer SMH's membership interest in HLRCC to TH - NE. All entities involved under this proposal - SMH, TH - NE, Trinity Health Corporation and HLRCC - are non-profit, 501 (c)(3) corporations.

Formed in October 2002, HLRCC combined the existing medical and radiation oncology businesses of SMH and WH into one combined program to better meet the needs of the community. HLRCC, located at 1075 Chase Parkway, Waterbury, Connecticut, provides state of the art cancer diagnostic and radiation services. HLRCC owns and operates two linear accelerators and a PET/CT Scanner. The community's two private medical oncology practices provide services at HLRCC.

HLRCC serves patients, in but not limited to, the following towns: Beacon Falls, Bethlehem, Cheshire, Middlebury, Morris, Naugatuck, Oakville, Oxford, Plantsville, Plymouth, Prospect, Seymour, Southbury, Southington, Terryville, Thomaston, Torrington, Waterbury, Watertown, Wolcott, and Woodbury.

There are no anticipated changes in operations or services offered by HLRCC as a result of this proposal or the Approved Transaction. It is anticipated that HLRCC will continue to offer the same level of care to the same communities that have historically been served by HLRCC. HLRCC does not anticipate any changes to the patient or payer's population to be served by HLRCC or an adverse impact on the communities' access to the services provided by HLRCC.

2. Provide the history and timeline of the proposal (i.e., When did discussions begin internally or between Applicant(s)? What have the Applicant(s) accomplished so far?).

Response:

SMH has been in the process of evaluating and pursuing affiliation options over the past several years and has maintained regular communication with its related entities, including

HLRCC, through these various affiliation processes. A detailed history of SMH's search can be found in SMH's application submitted under Docket Number 15-32045-CON. Informal discussions with HLRCC concerning the Approved Transaction and SMH's interest in HLRCC began when SMH's and Trinity Health Corporation began their affiliation discussions.

3. Provide the following information:

- a. utilizing [OHCA Table 1](#), list all services to be added, terminated or modified, their physical location (street address, town and zip code), the population to be served and the existing/proposed days/hours of operation;

Response:

OHCA Table 1 has been completed to show the existing services offered by HLRCC, its physical location, the population served and the existing hours of operation.

It is anticipated that no clinical services offered by HLRCC will be added, modified or terminated as a result of the joint venture interest transfer to TH - NE.

- b. identify in [OHCA Table 2](#) the service area towns and the reason for their inclusion (e.g., provider availability, increased/decreased patient demand for service, market share);

Response:

OHCA Table 2 has been completed to show the service area towns.

4. List the health care facility license(s) that will be needed to implement the proposal;

Response:

Not applicable. No additional health care facility licenses will be needed to implement the proposal.

5. Submit the following information as attachments to the application:

- a. a copy of all State of Connecticut, Department of Public Health license(s) currently held by the Applicant(s);

Response:

A copy of HLRCC's Outpatient Clinic license is submitted as Attachment 3.

- b. a list of all key professional, administrative, clinical and direct service personnel related to the proposal and attach a copy of their Curriculum Vitae;

Response:

HLRCC's affiliated providers are:

Jeffrey A. Bitterman, MD
Douglas Housman, MD
Joseph Ravalese, III, MD
Joseph J. Bowen, MD
Consuelito Medrano, MD
Victor A. Chang, MD
Anamika Katoch, MD
Kert D. Sabbath, MD, FACP
Karen Hammond, MSN, ACNP-BC, AOCNP
Muneera Panjwani, MSN, APRN, AOCNP

- c. copies of any scholarly articles, studies or reports that support the need to establish the proposed service, along with a brief explanation regarding the relevance of the selected articles;

Response:

Not applicable. It is not anticipated that HLRCC will establish any new services as a result of the joint venture interest transfer to TH - NE.

- d. letters of support for the proposal;

Response:

Not applicable. Letters of support for the Approved Transaction were submitted under the CON application OHCA Docket Number 15-32045-CON.

- e. the protocols or the Standard of Practice Guidelines that will be utilized in relation to the proposal. Attach copies of relevant sections and briefly describe how the Applicant proposes to meet the protocols or guidelines.

Response:

Not applicable. No change in services or service delivery is expected as a result of this proposal. This proposal is not expected to impact the day to day operations of HLRCC's affiliated physicians and therefore no protocols or Standard of Practice Guidelines relevant to this proposal.

- f. copies of agreements (e.g., memorandum of understanding, transfer agreement, operating agreement) related to the proposal. If a final signed version is not available, provide a draft with an estimated date by which the final agreement will be available.

Response:

Please refer to Attachment 4 for a copy of the Transfer Agreement dated September 18, 2015 between SMHS, TH - NE and Trinity Health Corporation. Pursuant to the Transfer Agreement, the ownership of SMHS and its affiliated entities, including HLRCC transferred to TH - NE, a wholly own subsidiary of Trinity Health Corporation. Specifically, TH - NE became the sole corporate member of SMH and SMHS was merged into SMH. HLRCC will operate as an affiliate of TH - NE.

Public Need and Access to Care

§ “Whether the proposed project is consistent with any applicable policies and standards adopted in regulations by the Department of Public Health;” (Conn.Gen.Stat. § 19a-639(a)(1))

6. Describe how the proposed project is consistent with any applicable policies and standards in regulations adopted by the Connecticut Department of Public Health.

Response:

This proposal (and as shown in OHCA Docket Number 15-32045-CON, the Approved Transaction) is consistent with all existing policies and standards in regulations adopted by the Connecticut Department of Public Health. The parties involved in this proposal as well as their affiliated health care providers are in compliance with existing laws. There will be no change in, nor a duplication of services, as a result of this proposal, nor will the cost of services change. It is expected that overall healthcare costs will be reduced and quality of care enhanced as a result of this proposal and affiliation with Trinity Health Corporation.

§ “The relationship of the proposed project to the statewide health care facilities and services plan;” (Conn.Gen.Stat. § 19a-639(a)(2))

7. Describe how the proposed project aligns with the Connecticut Department of Public Health Statewide Health Care Facilities and Services Plan, available on [OHCA's website](#).

Response:

The Connecticut Department of Public Health Statewide Health Care Facilities and Services Plan is “intended to provide improved patient access to services by: providing better access to services through planned geographic distribution; enhancing primary care access and availability by identifying gaps in services and unmet need, and lowering overall cost to the health care system by limiting duplication of services.”

The transfer of SMH's joint venture interest to TH - NE will have no impact on the services provided by HLRCC and HLRCC's affiliated physicians, thereby maintaining patient access to services that already exist in the service areas, and not creating any duplication of services.

§ “Whether there is a clear public need for the health care facility or services proposed by the applicant;” (Conn.Gen.Stat. § 19a-639(a)(3))

8. With respect to the proposal, provide evidence and documentation to support clear public need:
 - a. identify the target patient population to be served;

Response:

The target population to be served is that currently served by HLRCC. HLRCC serves patients in the Greater Waterbury region.

- b. discuss how the target patient population is currently being served;

Response:

As an existing provider of patient services, the target population is currently being served by HLRCC. No change in services or service delivery is expected as a result of the transfer of SMH's interest in HLRCC to TH - NE. This proposal will not impact the day-to-day operations of HLRCC, thus the target population will continue to be served by HLRCC.

- c. document the need for the equipment and/or service in the community;

Response:

The need for the patient services provided by HLRCC is evidenced by 704 PET/CT scans and 11,118 daily patient treatment visits provided during its last fiscal year.

TH - NE intends to reevaluate the healthcare needs of the community as part of its overall planning process and expects to prioritize capital projects and service improvements, including specialty-specific provider recruitment, based on any identified hospital and community needs. The goal will be to establish priorities based on maintaining or providing access to needed specialties and services that allow for the optimum care and coordination of care within and across the region. Pending the completion of this process, the existing HLRCC practices and programs will continue to provide the same services throughout the service area.

- d. explain why the location of the facility or service was chosen;

Response:

The existing location of HLRCC was determined by the patient needs of the community that it currently serves. No change in services or service delivery is anticipated as a result of this proposal and HLRCC will continue to provide its services at the same location.

- e. provide incidence, prevalence or other demographic data that demonstrates community need;

Response:

HLRCC provided 704 PET/CT scans and 11,118 daily patient treatment visits during its last fiscal year. It is anticipated that no services offered by HLRCC will be added,

modified or terminated as a result of SMH's joint venture interest transfer to TH - NE.

- f. discuss how low income persons, racial and ethnic minorities, disabled persons and other underserved groups will benefit from this proposal;

Response:

The availability of HLRCC's services is a benefit to underserved groups in the Greater Waterbury area, including low income individuals, racial and ethnic minorities and disabled persons. HLRCC has treated 159 Medicaid patients receiving PET/CT scans and 123 Medicaid patients receiving radiation oncology treatments over the past three years, and the availability of HLRCC's services reduces potential financial and geographic barriers often experienced by this subset of the patient population. No changes in access for this patient population are anticipated as a result of this proposal as SMH's joint venture interest transfer to TH - NE is not expected to impact the services delivered by HLRCC.

- g. list any changes to the clinical services offered by the Applicant(s) and explain why the change was necessary;

Response:

Not applicable. At this time there are no anticipated changes to the clinical services offered by HLRCC as a result of this proposal.

- h. explain how access to care will be affected;

Response:

It is anticipated that access to services in the Greater Waterbury area will remain the same. The services provided and the availability of those services are not expected to be affected by this proposal.

- i. discuss any alternative proposals that were considered.

Response:

HLRCC is an integral component of the Approved Transaction. As such, no alternative proposals related to HLRCC were considered.

§ “Whether the applicant has satisfactorily demonstrated how the proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region, including, but not limited to, (A) provision of or any change in the access to services for Medicaid recipients and indigent persons; (Conn.Gen.Stat. § 19a-639(a)(5))

9. Describe how the proposal will:

Response:

- a. improve the quality of health care in the region;

As part of the Approved Transaction and under this proposal, all of SMH’s affiliated entities, including HLRCC, will have access to TH - NE’s experts in clinical service lines and support platforms, and it is anticipated that service delivery approach and systems will be enhanced. There is expected to be educational opportunities and health care innovation strategies of TH - NE available to all TH - NE affiliates. TH - NE has also developed many quality tools and best practices to help achieve an optimal patient and family experience through a patient-centered continuum of comprehensive quality services. It is expected that HLRCC can benefit by participating in these efforts.

Trinity Health’s PEOPLE-Centered 2020 strategy is focused on its population health journey to improve the health of its communities and the experience of care for patients. Trinity Health’s strategy is to build a people-centered health system in which the people it serves are placed at the center of every behavior, action and decision. For Trinity Health, success will be measured against the Triple Aim objectives –its ability to actually deliver on all three dimensions of better health, better care and reduced costs.

Trinity Health has established a Unified Clinical Organization (“UCO”) that provides a data and evidence-based infrastructure for clinicians across Trinity Health to advance a culture of safety and high reliability. The UCO’s goal is to consistently deliver the highest quality, safest and most efficient care for every patient, every time, in every Trinity Health location. Led by clinicians, the UCO offers a new way of working together to advance a culture of safety, quality, patient satisfaction and high reliability at each of our healthcare organizations.

Through the UCO, Trinity Health is:

- Advancing a culture of safety, with the goal of achieving zero clinical defects;
- Leveraging intellectual capital and best practices across Trinity Health;
- Becoming a world-class provider of care able to attract and retain the best talent, including physicians and other caregivers; and
- Delivering seamless care across the continuum of integrated health resources.

The UCO provides the infrastructure to make it easier for Trinity Health’s affiliated clinicians and associates to deliver the finest care to each patient. The clinicians in the UCO will work collaboratively with TH - NE physicians to develop methods to deliver evidenced based

medicine that promotes the highest quality, safest and most effective care for every patient, every time. SMH and its affiliates, including HLRCC, through the UCO, will have access to this infrastructure and will be able to participate in these patient care initiatives.

Additionally, Trinity Health sponsors the annual Trinity Health Clinical Conference. The conference features leading industry professionals and nationally recognized leaders and showcases best practices. The conference includes numerous concurrent workshops presented by Trinity Health's Regional Health Ministries describing proven methods to reduce costs, improve safety, quality, and service and increase employee and patient satisfaction with "take-home" implementation strategies.

Lastly, Trinity Health sponsors a number of education and training programs focused on increasing clinical quality and patient safety. Currently, sharing of best practices occurs through the Trinity Health Clinical Leadership Council ("CLC"), a nationwide organization comprised of Trinity Health Chief Medical Officers, Vice Presidents of Medical Affairs and Chief Nursing Officers. The CLC sponsors system-wide clinical improvement teams and facilitates the exchange of comparative data regarding clinical and operational performance. The CLC meets two to three times per year in person and has monthly teleconferences focused on quality care and patient safety.

SMH's affiliates, including HLRCC, may participate in all these programs, taking away best practices and additional learning to supplement favorable quality and patient satisfaction scores.

b. Improve accessibility of health care in the region

This proposal will preserve local access for the patients in HLRCC's service area, including the indigent and Medicaid recipients, as the same level of care to the same communities will continue. HLRCC may also benefit as a result of regional efforts by TH - NE to better coordinate and provide cancer care.

c. Improve the cost effectiveness of health care delivery in the region

Improvements in cost effectiveness may come from standardization of protocols, sharing of electronic health information and possible shared administrative functions. Cost savings may also be available through group purchasing opportunities.

10. How will this proposal help improve the coordination of patient care (explain in detail regardless of whether your answer is in the negative or affirmative)?

Response:

The collaborative care offered by HLRCC is already well established. This proposal will maintain this collaborative care. Trinity Health's experience in developing and implementing its PEOPLE – Centered 2020 Strategy will provide additional opportunity to improve the coordination of patient care. In addition, as noted above, through Trinity's UCO, the delivery

of care is seamless and coordinated across the continuum of integrated health resources. The UCO also serves as the infrastructure to make it easier for affiliated clinicians to work collaboratively and deliver the finest care to each patient. Finally, Trinity offers the benefits of a shared information services infrastructure for the region, allowing for ease of sharing data and collaborating on population health management initiatives, and increased access to options of care offered through TH - NE and its partners.

11. Describe how this proposal will impact access to care for Medicaid recipients and indigent persons.

Response:

The Applicant does not anticipate any changes to the patient or payer populations to be served by HLRCC or any adverse impact on access to services provided by HLRCC's affiliated physicians by Medicaid recipients or indigent persons as a result of this proposal.

12. Provide a copy of the Applicant's charity care policy and sliding fee scale applicable to the proposal.

Response:

The charity care policy and sliding fee scale applicable to the proposal are provided as Attachment 5.

§ "Whether an applicant, who has failed to provide or reduced access to services by Medicaid recipients or indigent persons, has demonstrated good cause for doing so, which shall not be demonstrated solely on the basis of differences in reimbursement rates between Medicaid and other health care payers;" (Conn.Gen.Stat. § 19a-639(a)(10))

13. If the proposal fails to provide or reduces access to services by Medicaid recipients or indigent persons, provide explanation of good cause for doing so.

§ "Whether the applicant has satisfactorily demonstrated that any consolidation resulting from the proposal will not adversely affect health care costs or accessibility to care." (Conn.Gen.Stat. § 19a-639(a)(12))

Response:

Not applicable. 282 patients receiving services from HLRCC over the past three years are Medicaid recipients. As discussed in response to Question 11 above, the Applicant does not anticipate any changes to the patient or payer populations to be served by HLRCC or any adverse impact on access to services by Medicaid recipients or indigent persons.

14. Will the proposal adversely affect patient health care costs in any way? Quantify and provide the rationale for any changes in price structure that will result from this proposal, including,

but not limited to, the addition of any imposed facility fees.

Response:

It is not anticipated that this proposal will affect patient health care costs.

Financial Information

§ “Whether the applicant has satisfactorily demonstrated how the proposal will impact the financial strength of the health care system in the state or that the proposal is financially feasible for the applicant;” (Conn.Gen.Stat. § 19a-639(a)(4))

15. Describe the impact of this proposal on the financial strength of the state’s health care system or demonstrate that the proposal is financially feasible for the applicant.

Response:

This proposal will not impact the day to day operations of HLRCC and therefore no adverse impact on the financial strength of the state’s health system is anticipated. Because this proposal does not affect the operations of HLRCC, the transfer of SMH’s interest to TH - NE is not expected to have a financial impact on the Applicant and is therefore financially feasible.

16. Provide a final version of all capital expenditure/costs for the proposal using [OHCA Table 3](#).

Response:

OHCA Table 3 has been completed, however there are no specific capital expenditures associated with this proposal.

17. List all funding or financing sources for the proposal and the dollar amount of each. Provide applicable details such as interest rate; term; monthly payment; pledges and funds received to date; letter of interest or approval from a lending institution.

Response:

This question is not applicable as there are no specific capital expenditures or costs associated with this proposal.

18. Include as an attachment:

- a. audited financial statements for the most recently completed fiscal year. If audited financial statements do not exist, provide other financial documentation (e.g., unaudited balance sheet, statement of operations, tax return, or other set of books). Connecticut hospitals required to submit annual audited financial statements may reference that filing, if current;
- b. completed **Financial Worksheet A (non-profit entity), B (for-profit entity) or C (§19a-486a sale)**, available on OHCA’s website under [OHCA Forms](#), providing a summary of revenue, expense, and volume statistics, “without the CON project,” “incremental to the CON project,” and “with the CON project.” **Note: the actual results reported in the Financial Worksheet must match the audited financial statement that was submitted or referenced.**

Response:

The last set of financial statements prepared for HLRCC has been provided as Attachment 6. Financial Worksheet A has been provided as Attachment 7.

19. Complete [OHCA Table 4](#) utilizing the information reported in the attached Financial Worksheet.

Response:

[OHCA Table 4](#) has been provided.

20. Explain all assumptions used in developing the financial projections reported in the Financial Worksheet.

Response:

- All assumptions related to the proposal will utilize Oct 1, 2016 as the commencement date of the proposal.
 - Revenues, patient volume statistics and full-time equivalents will remain stable; expenses will increase.
21. Explain any projected incremental losses from operations resulting from the implementation of the CON proposal.

Response:

Not applicable. There is no incremental impact on revenues, expenses or volumes anticipated as a result of this proposal.

22. Indicate the minimum number of units required to show an incremental gain from operations for each projected fiscal year.

Response:

Not applicable. As noted in response to Question 21 above, there is no incremental impact on revenues, expenses or volumes anticipated as a result of this proposal.

Utilization

§ *“The applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including, but not limited to, access to services by Medicaid recipients and indigent persons;”*

23. Complete [OHCA Table 5](#) and [OHCA Table 6](#) for the past three fiscal years (“FY”), current fiscal year (“CFY”) and first three projected FYs of the proposal, for each of the Applicant’s existing and/or proposed services. Report the units by service, service type or service level.

Response:

Please see [OHCA Table 5](#) and [OHCA Table 6](#) for the historic and projected utilization by service for HLRCC.

24. Provide a detailed explanation of all assumptions used in the derivation/ calculation of the projected service volume; explain any increases and/or decreases in volume reported in [OHCA Table 5](#) and [6](#).

Response:

As presented in response to Question 20 above, it is assumed that operations will remain stable and will not be impacted by this proposal or the Approved Transaction.

25. Provide the current and projected patient population mix (number and percentage of patients by payer) for the proposal using [OHCA Table 7](#) and provide all assumptions. **Note: payer mix should be calculated from patient volumes, not patient revenues.**

§ “Whether the applicant has satisfactorily identified the population to be served by the proposed project and satisfactorily demonstrated that the identified population has a need for the proposed services;”
(Conn.Gen.Stat. § 19a-639(a)(7))

Response:

The current and projected patient population mix for HLRCC has been provided in [OHCA Table 7](#). The population mix observed in FY 2015 will remain constant through FY 2019 with or without the proposal.

26. Describe the population (as identified in question 8(a)) by gender, age groups or persons with a specific condition or disorder and provide evidence (i.e., incidence, prevalence or other demographic data) that demonstrates a need for the proposed service or proposal. **Please note: if population estimates or other demographic data are submitted, provide only publicly available and verifiable information (e.g., U.S. Census Bureau, Department of Public Health, CT State Data Center) and document the source.**

Response:

Please refer to Question 8e above for utilization volume demonstrating the need for the services currently provided by HLRCC. It is not anticipated that any services offered by HLRCC will be added, modified or terminated as a result of transferring SMH’s joint venture interest to TH - NE.

27. Using [OHCA Table 8](#), provide a breakdown of utilization by town for the most recently completed fiscal year. Utilization may be reported as number of persons, visits, scans or other unit appropriate for the information being reported.

Response:

Please see OHCA Table 8.

§ "The utilization of existing health care facilities and health care services in the service area of the applicant;" (Conn.Gen.Stat. § 19a-639(a)(8))

28. Using [OHCA Table 9](#), identify all existing providers in the service area and, as available, list the services provided, population served, facility ID (see table footnote), address, hours/days of operation and current utilization of the facility. Include providers in the towns served or proposed to be served by the Applicant, as well as providers in towns contiguous to the service area.

Response:

Not applicable. The Applicants do not expect any impact on existing providers as a result of implementing this proposal.

29. Describe the effect of the proposal on these existing providers.

Response:

The Applicants do not expect any impact on existing providers as a result of implementing this proposal.

30. Describe the existing referral patterns in the area served by the proposal.

Response:

Existing referral patterns in the area served by HLRCC and among its affiliated physicians are well established. This proposal will have no impact on these referral patterns or the day-to-day operations of HLRCC.

31. Explain how current referral patterns will be affected by the proposal.

Response:

The Applicant does not expect any impact on the current referral patterns as a result of this proposal.

§ "Whether the applicant has satisfactorily demonstrated that the proposed project shall not result in an unnecessary duplication of existing or

approved health care services or facilities;” (Conn.Gen.Stat. § 19a-639(a)(9))

32. If applicable, explain why approval of the proposal will not result in an unnecessary duplication of services.

Response:

Not applicable. Approval of this proposal will not result in unnecessary duplication of services because no services are being added.

§ “Whether the applicant has satisfactorily demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the geographic region;” (Conn.Gen.Stat. § 19a-639(a)(11))

33. Explain in detail how the proposal will impact (i.e., positive, negative or no impact) the diversity of health care providers and patient choice in the geographic region.

Response:

Neither this proposal nor the Approved Transaction will impact the diversity of health care providers and patient choice in the geographic region. It is not anticipated that there will be changes to the operations or clinical services offered by HLRCC as a result of this proposal.

Tables

**TABLE 1
APPLICANT'S SERVICES AND SERVICE LOCATIONS**

Service	Street Address, Town	Population Served	Days/Hours of Operation	New Service or Proposed Termination
Outpatient Cancer Clinic	1075 Chase Parkway, Waterbury, CT 06708	Greater Waterbury	Monday through Friday 8:30 a.m. to 5 p.m	N/A

**TABLE 2
SERVICE AREA TOWNS**

List the official name of town* and provide the reason for inclusion.

Town*	Reason for Inclusion
Barkhamsted	Existing Patient Data
Beacon Falls	Existing Patient Data
Bethany	Existing Patient Data
Bethel	Existing Patient Data
Bethlehem	Existing Patient Data
Bridgeport	Existing Patient Data
Bristol	Existing Patient Data
Burlington	Existing Patient Data
Canaan	Existing Patient Data
Cheshire	Existing Patient Data
Danbury	Existing Patient Data
Darien	Existing Patient Data
Fairfield	Existing Patient Data
Hamden	Existing Patient Data
Harwinton	Existing Patient Data
Kent	Existing Patient Data
Litchfield	Existing Patient Data
Meriden	Existing Patient Data
Middlebury	Existing Patient Data
Milford	Existing Patient Data
Morris	Existing Patient Data

Naugatuck	Existing Patient Data
New Britain	Existing Patient Data
New Milford	Existing Patient Data
Newington	Existing Patient Data
Newtown	Existing Patient Data
North Haven	Existing Patient Data
Norwalk	Existing Patient Data
Old Saybrook	Existing Patient Data
Orange	Existing Patient Data
Oxford	Existing Patient Data
Plainville	Existing Patient Data
Plymouth	Existing Patient Data
Portland	Existing Patient Data
Prospect	Existing Patient Data
Seymour	Existing Patient Data
Sharon	Existing Patient Data
Southbury	Existing Patient Data
Southington	Existing Patient Data
Stamford	Existing Patient Data
Stratford	Existing Patient Data
Thomaston	Existing Patient Data
Torrington	Existing Patient Data
Vernon	Existing Patient Data
Waterbury	Existing Patient Data
Watertown	Existing Patient Data
Westbrook	Existing Patient Data
Wolcott	Existing Patient Data
Woodbridge	Existing Patient Data
Woodbury	Existing Patient Data

* Village or place names are not acceptable.

**TABLE 3
TOTAL PROPOSAL CAPITAL EXPENDITURE**

Purchase/Lease	Cost
Equipment (Medical, Non-medical, Imaging)	N/A
Land/Building Purchase*	N/A
Construction/Renovation**	N/A
Other (specify)	N/A
Total Capital Expenditure (TCE)	\$0
Lease (Medical, Non-medical, Imaging)***	N/A
Total Lease Cost (TLC)	N/A
Total Project Cost (TCE+TLC)	\$0

* If the proposal involves a land/building purchase, attach a real estate property appraisal including the amount; the useful life of the building; and a schedule of depreciation.

** If the proposal involves construction/renovations, attach a description of the proposed building work, including the gross square feet; existing and proposed floor plans; commencement date for the construction/ renovation; completion date of the construction/renovation; and commencement of operations date.

*** If the proposal involves a capital or operating equipment lease and/or purchase, attach a vendor quote or invoice; schedule of depreciation; useful life of the equipment; and anticipated residual value at the end of the lease or loan term.

**TABLE 4
PROJECTED INCREMENTAL REVENUES AND EXPENSES**

	FY 2016*	FY 2017*	FY 2018*
Revenue from Operations	\$0	\$0	\$0
Total Operating Expenses	\$0	\$0	\$0
Gain/Loss from Operations	\$0	\$0	\$0

* Fill in years using those reported in the Financial Worksheet attached.

**TABLE 5
HISTORICAL UTILIZATION BY SERVICE**

Service**	Actual Volume (Last 3 Completed FYs)			CFY Volume*
	FY 2013	FY 2014	FY 2015	FY 2016
PET/CT Scan	747	785	704	787
Radiation Oncology	10,535	11,742	11,118	12,587
Total	11,282	12,527	11,822	13,374

* For periods greater than 6 months, report annualized volume, identifying the number of actual months covered and the method of annualizing. For periods less than 6 months, report actual volume and identify the period covered.

** Identify each service type and level adding lines as necessary. Provide the number of visits or discharges as appropriate for each service type and level listed.

*** Fill in years. If the time period reported is not *identical* to the fiscal year reported in Table 4 of the application, provide the date range using the mm/dd format as a footnote to the table.

**TABLE 6
PROJECTED UTILIZATION BY SERVICE**

Service*	Projected Volume		
	FY 2016**	FY 2017**	FY 2018**
Outpatient Cancer Clinic	13,374	13,374	13,374
Total			

* Identify each service type by location and add lines as necessary. Provide the number of visits/discharges as appropriate for each service listed.

** If the first year of the proposal is only a partial year, provide the first partial year and then the first three full FYs. Add columns as necessary. If the time period reported is not *identical* to the fiscal year reported in Table 4 of the application, provide the date range using the mm/dd format as a footnote to the table.

**TABLE 7
APPLICANT'S CURRENT & PROJECTED PAYER MIX**

RADIATION ONCOLOGY

Payer	Current FY 2015**		Projected					
	Discharges	%	FY 2016**		FY 2017**		FY 2018**	
			Discharges	%	Discharges	%	Discharges	%
Medicare*	315	62%	315	62%	315	62%	315	62%
Medicaid*	47	9%	47	9%	47	9%	47	9%
CHAMPUS & TriCare								
Total Government	362	71%	362	71%	362	71%	362	71%
Commercial Insurers	144	29%	144	29%	144	29%	144	29%
Uninsured Workers Compensation								
Total Non- Government	144	29%	144	29%	144	29%	144	29%
Total Payer Mix	506	100%	506	100%	506	100%	506	100%

* Includes managed care activity.

** Fill in years. Ensure the period covered by this table corresponds to the period covered in the projections provided. New programs may leave the "current" column blank.

PET/CT

Payer	Current FY 2015**		Projected					
	Discharges	%	FY 2016**		FY 2017**		FY 2018**	
			Discharges	%	Discharges	%	Discharges	%
Medicare*	261	41%	261	41%	261	41%	261	41%
Medicaid*	59	9%	59	9%	59	9%	59	9%
CHAMPUS & TriCare								
Total Government	320	50%	320	50%	320	50%	320	50%
Commercial Insurers	310	50%	310	50%	310	50%	310	50%
Uninsured Workers Compensation								
Total Non- Government	310	50%	310	50%	310	50%	310	50%
Total Payer Mix	630	100%	630	100%	630	100%	630	100%

* Includes managed care activity.

** Fill in years. Ensure the period covered by this table corresponds to the period covered in the projections provided. New programs may leave the "current" column blank.

**TABLE 8
UTILIZATION BY TOWN**

Town	Utilization FY 2015**
All Towns identified in Table 2	

* List inpatient/outpatient/ED volumes separately, if applicable

** Fill in most recently completed fiscal year.

**TABLE 9
SERVICES AND SERVICE LOCATIONS OF EXISTING PROVIDERS**

Service or Program Name	Population Served	Facility ID*	Facility's Provider Name, Street Address and Town	Hours/Days of Operation	Current Utilization
N/A	N/A	N/A	N/A	N/A	N/A

* Provide the Medicare, Connecticut Department of Social Services (DSS), or National Provider Identifier (NPI) facility identifier and label column with the identifier used.

ATTACHMENTS

ATTACHMENT 1

RESOLUTIONS TO BE CONSIDERED
AT
A SPECIAL MEETING OF THE BOARDS OF DIRECTORS
OF
SAINT MARY'S HEALTH SYSTEM, INC.
AND
SAINT MARY'S HOSPITAL, INC.
TO BE HELD
ON
THURSDAY, SEPTEMBER 17, 2015

WHEREAS, Saint Mary's Health System, Inc. ("SMHS"), has been in negotiations with Saint Francis Care, Inc. ("SFC") and Trinity Health Corporation ("Trinity Health"), relating to a certain Transfer Agreement by and among SMHS, Saint Mary's Hospital, Inc. ("SMH"), and Trinity Health (the "Transfer Agreement"), pursuant to which SFC (which will become the New England Regional Health Ministry ("NE-RHM") following completion of its transaction with Trinity) will become the sole corporate member of SMHS and serve as SMHS's parent (the "Transaction"; capitalized terms used but not defined herein shall have the meanings ascribed to them in the Transfer Agreement);

WHEREAS, the Board of Directors of SMHS and the Board of Directors of SMH (together, the "Boards") have reviewed from a financial, business, healthcare, operational, strategic and community perspective the proposed Transaction and having given due consideration to all matters that the Boards believe are necessary or appropriate to enable the Boards to reach a fully informed decision as to the advisability of the Transaction, deem it in the best interest of SMHS and SMH to consummate the Transaction and to enter into and perform their respective obligations under the Transfer Agreement and the Transaction Documents.

NOW THEREFORE, it is hereby:

RESOLVED: That the Boards believe it to be advisable and in the best interests of SMHS and SMH to consummate the Transaction.

RESOLVED: That SMHS and SMH enter into the Transfer Agreement, in substantially the form presented to the Boards and attached hereto as Exhibit A, and that the President and Chief Executive Officer of SMHS and SMH, respectively (collectively, the "Authorized Officer") be, and hereby is, authorized and directed to negotiate, execute and deliver in the name of SMHS and SMH the Transfer Agreement with such additions and modifications as such Authorized Officer deems, upon advice of financial advisors and counsel, necessary or appropriate and in the best interests of SMHS and SMH respectively, the execution and delivery of which shall be conclusive evidence of such Authorized Officer's approval thereof and authority thereunder; and be it further

RESOLVED: That SMHS and SMH enter into such applications, licenses, registrations, agreements, instruments, documents, and all such other Transaction Documents as such Authorized Officer may deem necessary or advisable to effectuate the Transaction and that such Authorized Officer be, and hereby is, authorized to negotiate, execute and deliver in the name of SMHS and SMH, respectively all such applications, licenses, registrations, agreements, instruments, documents and all such other Transaction Documents with such additions and modifications as such Authorized Officer deems, upon advice of financial advisors and counsel, necessary or appropriate and in the best interests of SMHS and SMH, respectively, in connection with obtaining all regulatory approvals, licenses, permits, consents, certificates, determination letters or other authorizations necessary or advisable to consummate the Transaction, the execution and delivery of which shall be conclusive evidence of such Authorized Officer's approval thereof and authority hereunder; and be it further

RESOLVED: That such Authorized Officer be, and hereby is, authorized to complete, execute and deliver in the name of SMHS and SMH, respectively such which such Authorized Officer in his sole discretion deems necessary or appropriate and in the best interests of SMHS and SMH , the execution and delivery of the foregoing to be conclusive evidence of such Authorized Officer's approval thereof and authority hereunder, and be it further

RESOLVED: That the officers of SMHS and SMH be, and each acting singly hereby is, authorized and empowered, in the name and on behalf of SMHS and SMH, to take or cause to be taken any and all actions and to execute and deliver or cause to be executed and delivered any and all agreements, resolutions, documents, certificates, reports and regulatory or other notices or filings, and to incur any and all fees and expenses necessary or appropriate in the opinion of such officer to effect the foregoing resolutions, which action or execution and delivery thereof shall constitute conclusive evidence of the authorization and approval of such action by SMHS and SMH; and be it further

RESOLVED: That all actions heretofore taken by any officer or director of SMHS and SMH in connection with or otherwise in contemplation of the matters contemplated by the foregoing resolutions be, and they hereby are, authorized, approved, ratified and confirmed in all respects.

ATTACHMENT 2

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: OCT 03 2000

THE HAROLD LEEVER REGIONAL CANCER
CENTER INC.
C/O MELINDA AGSTEN, ESQ.
WIGGIN & DANA
ONE CENTURY TOWER
NEW HAVEN, CT 06508-1832

Employer Identification Number:
06-1548409
DLN:
100264017
Contact Person:
MARIA E. FAUNDE ID# 52695
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
September 30
Form 990 Required:
Yes
Addendum Applies:
Yes

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(iii).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware

Letter 947 (DO/CG)

HL00040

THE HAROLD LEEVER REGIONAL CANCER

of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

Letter 947 (DO/CG)

HL00041

THE HAROLD LEEVER REGIONAL CANCER

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This ruling is based on the understanding that the majority of your Board of Directors will be non-salaried and will not be related to salaried personnel or to parties providing services. It is also based on the understanding that salaried individuals cannot vote on their own compensation and that compensation decisions will be made by the board.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Letter 947 (DO/CG)

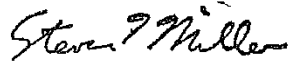
HL00042

-4-

THE HAROLD LEEVER REGIONAL CANCER

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Steven T. Miller
Director, Exempt Organizations

Enclosure(s):
Addendum

Letter 947 (DO/CG)

HL00043

THE HAROLD LEEVER REGIONAL CANCER

The value of time or personal services contributed to your organization by volunteers is not deductible by those volunteers as a charitable contribution for Federal income tax purposes. You should advise your volunteers to this effect.

This determination is based on the understanding that your organization will ensure that any and all office space lease agreements between you and the medical and radiation oncologists are at arms-length transactions, for the benefit of the patients and that the rental amount is for fair market value.

This determination is based on the understanding that your organization intends to treat patients without regard to their ability to pay, and will not refuse medical care to patients who cannot pay for the services. You have also obtained a commitment from the radiation oncologists currently practicing in the community to provide free care when necessary.

Letter 947 (DO/CG)

HL00044

ATTACHMENT 3

STATE OF CONNECTICUT

Department of Public Health

LICENSE

LICENSE NO. 0377

Outpatient Clinic

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

The Harold Leever Regional Cancer Center, Inc. of Waterbury, CT, d/b/a Harold Leever Regional Cancer Center, Inc. is hereby licensed to maintain and operate an Outpatient Clinic.

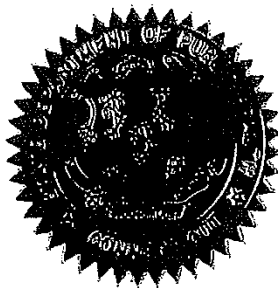
Harold Leever Regional Cancer Center, Inc. The is located at 1075 Chase Parkway, Waterbury, CT 06708

This license expires September 30, 2016 and may be revoked for cause at any time.

Dated at Hartford, Connecticut, October 1, 2012. RENEWAL

Services:

Primary Care Services



Jewel Mullen

Jewel Mullen, MD, MPH, MPA
Commissioner

HL00046

ATTACHMENT 4

CLOSING BINDER

TRANSFER AGREEMENT

Between

**TRINITY HEALTH – NEW ENGLAND, INC.
SAINT MARY’S HOSPITAL, INC.**

**Closing Date: July 29, 2016
Effective Date: August 1, 2016**

Parties to the Transaction:

*Saint Mary’s Hospital, Inc. (“SM”)
Trinity Health – New England, Inc. (“TH-
NE”)
Trinity Health Corporation (“Trinity”)*

Legal Counsel:

*Brown Rudnick (“BR”)
Hinckley Allen (“HA”)
Honigman Miller Schwartz and Cohn LLP
 (“HMSC”)*

Documents

1. **Transfer Agreement, September 18, 2015 (copy)**
2. **Supplemental Disclosure Letter, September 18, 2015 (copy)**
3. **Closing Disclosure Schedule**
4. **Officer’s Certificates**
 - a. Trinity Health Corporation
 - b. Trinity Health – New England, Inc.
 - c. Saint Mary’s Health System, Inc.
 - d. Saint Mary’s Hospital, Inc.
5. **Plan of Merger, August 1, 2016**
6. **Certificate of Merger, July 29, 2016**
7. **Certificate of Amendment of Certificate of Incorporation of Saint Mary’s Hospital, Inc., July 29, 2016**
8. **Secretary’s Certificate, Saint Mary’s Hospital, Inc. August 1, 2016**
9. **Letter from Chad Wable to the Board of Directors of Saint Mary’s Hospital, Inc. – Withdrawal of Sole Member**
10. **Disbursement Statement, August 1, 2016**

Execution Copy

TRANSFER AGREEMENT

by and among

**SAINT FRANCIS CARE, INC. and TRINITY HEALTH
CORPORATION**

and

**SAINT MARY'S HEALTH SYSTEM, INC. and SAINT
MARY'S HOSPITAL, INC.**

Dated as of September 18, 2015

TABLE OF CONTENTS

ARTICLE I DEFINITIONS 2

ARTICLE II TRANSFER..... 10

 Section 2.01 . Admission of NE-RHM as the Sole Member of SMHS; Restated Governance Documents of SMHS and SMH. 10

 Section 2.02 .. Church Plan Exemption Under the Code and Under ERISA; SMH or SMHS Bankruptcy. 10

ARTICLE III GOVERNANCE AND OPERATIONS OF THE NE- RHM; ADDITIONAL POST-EFFECTIVE DATE COVENANTS..... 10

 Section 3.01 Governance..... 10

 Section 3.02 NE-RHM Board of Directors. 10

 Section 3.03 Other Appointments. 11

 Section 3.04 President and CEO of Saint Mary’s. 11

 Section 3.05 Name and Branding..... 11

 Section 3.06 Catholic Identity. 11

 Section 3.07 Operational Commitments..... 11

 Section 3.08 Medical Staff. 12

 Section 3.09 Community Benefit. 12

 Section 3.10 Participation in NE-RHM and Trinity Health Services and Initiatives. 12

 Section 3.11 Debt and Long-Term Liabilities. 12

ARTICLE IV CAPITAL COMMITMENT..... 13.

 Section 4.01 Capital Commitment. 13

 Section 4.02 Use of the Committed Capital. 14

 Section 4.03 Obligation to Repay Loans. 14

 Section 4.04 Additional Capital Needs. 14

ARTICLE V CLOSING 15

 Section 5.01 Closing..... 15

 Section 5.02 Closing Deliverables. 15

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF SAINT MARY’S 16

 Section 6.01 Organization and Corporate Authority..... 16

 Section 6.02 Tax-Exempt Status. 17

Section 6.03 Authorization and Enforceability of this Agreement.	17
Section 6.04 No Conflicts; Consents.....	17
Section 6.05 Saint Mary’s Subsidiaries.....	18
Section 6.06 Financial Statements.....	18
Section 6.07 Undisclosed Liabilities.....	18
Section 6.08 Absence of Certain Changes, Events and Conditions.....	18
Section 6.09 Material Contracts.....	20
Section 6.10 Title to Saint Mary’s Assets.....	21
Section 6.11 Condition and Sufficiency of the Saint Mary’s Assets.....	22
Section 6.12 Real Property.....	22
Section 6.13 Intangible Personal Property; Software.....	23
Section 6.14 Legal Proceedings; Governmental Orders.....	23
Section 6.15 Compliance with Laws; Permits.....	24
Section 6.16 Medicare Participation/Accreditation.....	25
Section 6.17 Compliance Programs.....	26
Section 6.18 Corporate Integrity Agreements.....	27
Section 6.19 HIPAA.....	27
Section 6.20 Affiliate Transactions.....	27
Section 6.21 Environmental Matters.....	28
Section 6.22 Employee Benefit Matters.....	28
Section 6.23 Employment Matters.....	34
Section 6.24 Taxes.....	34
Section 6.25 Insurance.....	35
Section 6.26 Medical Staff.....	35
Section 6.27 Brokers.....	36
Section 6.28 Due Diligence.....	36
Section 6.29 Full Disclosure.....	36
Section 6.30 No Other Representations and Warranties.....	36
ARTICLE VII REPRESENTATIONS AND WARRANTIES OF NE-RHM AND TRINITY	
HEALTH.....	36
Section 7.01 Organization and Corporate Authority of NE-RHM and Trinity Health.....	36
Section 7.02 Tax-Exempt Status.....	37
Section 7.03 Authorization and Enforceability of this Agreement.....	37

Section 7.04 No Conflicts; Consents.....	37
Section 7.05 Brokers.	37
Section 7.06 Legal Proceedings.	38
Section 7.07 Financial Statements.....	38
Section 7.08 Compliance with Laws; Permits.....	38
Section 7.09 Medicare Participation/Accreditation.....	39
Section 7.10 Compliance Programs	40
Section 7.11 Corporate Integrity Agreements.	40
Section 7.12 HIPAA.....	41
Section 7.13 Financial Capacity.....	41
Section 7.14 Due Diligence.....	41
Section 7.15 Full Disclosure.....	41
Section 7.16 No Other Representations and Warranties.	41
ARTICLE VIII COVENANTS.....	42
Section 8.01 Conduct of Operations Prior to the Effective Date.....	42
Section 8.02 Regional Strategy/Structure and Integration Plan.	42
Section 8.03 Access to Information.....	42
Section 8.04 Efforts to Consummate.....	43
Section 8.05 Updated Financial Statements.	43
Section 8.06 Employment Matters.	43
Section 8.07 Insurance.....	45
Section 8.08 Title and Survey Matters.	45
Section 8.09 Transfer Taxes.	47
Section 8.10 Public Announcements.....	47
Section 8.11 Confidentiality.....	47
Section 8.12 Updated Disclosure Schedules.	49
Section 8.13 Further Assurances.	49
Section 8.14 No Shop.....	49
ARTICLE IX CONDITIONS TO CLOSING	49
Section 9.01 Conditions to Obligations of NE-RHM and Trinity Health.....	49
Section 9.02 Conditions Precedent to Obligations of Saint Mary's.....	51
ARTICLE X TERMINATION.....	53
Section 10.01 Termination.....	53

Section 10.02 Effect of Termination	54
ARTICLE XI MISCELLANEOUS	55
Section 11.01 Survival.....	55
Section 11.02 Expenses.....	55
Section 11.03 Notices.....	55
Section 11.04 Interpretation.....	56
Section 11.05 Headings.....	56
Section 11.06 Severability.....	56
Section 11.07 Entire Agreement.....	57
Section 11.08 Successors and Assigns.....	57
Section 11.09 No Third Party Beneficiaries.....	57
Section 11.10 Amendment and Modification; Waiver.....	57
Section 11.11 Governing Law; Submission to Jurisdiction.....	57
Section 11.12 Specific Performance.....	58
Section 11.13 Counterparts.....	58

TRANSFER AGREEMENT

This Transfer Agreement (this "**Agreement**"), dated as of September 18, 2015 (the "**Signature Date**"), is entered into by and among Saint Francis Care, Inc. ("**NE-RHM**"), a Connecticut non-stock corporation, Trinity Health Corporation, an Indiana nonprofit corporation ("**Trinity Health**"), and Saint Mary's Health System, Inc. ("**SMHS**") and Saint Mary's Hospital, Inc. ("**SMH**"), both Connecticut non-stock corporations (SMHS, SMH and their wholly owned or controlled subsidiaries, collectively, "**Saint Mary's**"). NE-RHM, Trinity Health and Saint Mary's are sometimes referred to herein individually as a "**Party**," and, collectively, as "**Parties**."

RECITALS

1. Saint Mary's is an integrated Catholic healthcare delivery system serving the greater Waterbury, Connecticut community and includes SMH, a 347-bed general acute hospital, and related healthcare facilities.

2. NE-RHM is a regional Catholic health care provider in Connecticut, which has entered into a Membership Transfer Agreement with Trinity Health with the intent that NE-RHM will operate the Regional Health Ministry for most of Trinity Health's operations in Connecticut and Massachusetts (the "**Regional Health Ministry**") after the date that transaction is completed ("**Saint Francis/Trinity Transfer Date**"). References in this Agreement to NE-RHM before the Saint Francis/Trinity Transfer Date refer to Saint Francis Care, Inc. as presently structured as a standalone regional provider. References to NE-RHM after the Saint Francis/Trinity Transfer Date refer to Saint Francis Care, Inc. restructured and renamed as the Trinity Health Regional Health Ministry for its operations in Massachusetts and Connecticut (the "**NE-RHM Service Area**").

3. Trinity Health is a multi-institutional Catholic healthcare system serving people and communities in 21 states, including Connecticut and Massachusetts.

4. Saint Mary's, NE-RHM and Trinity Health are each committed to the philosophy that healthcare services and programs should be offered in a quality setting with a commitment to the values of the Roman Catholic Church and that their facilities, services and programs, in the aggregate, should be operated on an efficient and financially sound basis so as to maintain their continued existence, viability and availability.

5. The Parties have determined that Saint Mary's would be an important part of Trinity Health's operations in the NE-RHM Service Area and as part of NE-RHM will help promote quality and cost effective health care services through a continuum of care to those served by NE-RHM.

6. The Parties believe that the contemplated transaction will bring together organizations with shared vision, values, philosophy and mission and strengthen the Catholic healthcare tradition in the NE-RHM Service Area.

7. In furtherance of their shared vision, values, mission and philosophy, the Parties wish to enter into a transaction whereby Saint Mary's will become part of the Regional Health Ministry.

8. To accomplish the affiliation, NE-RHM shall become the sole corporate member of SMHS and will serve as SMHS's parent. It is anticipated that SMHS will be dissolved, restructured or merged with and into SMH. NE-RHM will be the primary organization for future Trinity Health expansion in the NE-RHM Service Area.

9. Saint Mary's wishes to join the Regional Health Ministry, through which the Parties intend to:

- a. improve the infrastructure and capabilities required to deliver value-based accountable care and improve population health in the NE-RHM Service Area;
- b. enhance the quality of care provided in the NE-RHM Service Area, as well as improve the overall patient experience including with respect to, without limitation, safety and satisfaction;
- c. reduce the costs of healthcare in the NE-RHM Service Area;
- d. expand services in the NE-RHM Service Area through both strategic and organic growth, including pursuant to an ambulatory care strategy; and
- e. support physician alignment capabilities and initiatives that foster physician engagement while maintaining an open medical staff.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I DEFINITIONS

The following terms have the meanings specified or referred to in this **Article I**:

"Affiliate" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. An "Affiliate" will not be considered to be an "ERISA Affiliate" unless it complies with the definition of an "ERISA Affiliate," as provided in **Section 6.22(c)** hereof.

"Agreement" has the meaning set forth in the preamble.

“Amended and Restated Certificates of Incorporation of SMHS and SMH” means the amended and restated certificates of incorporation contemplated by **Section 2.01**.

“Amended and Restated Bylaws of SMH” means the amended and restated bylaws contemplated by **Section 2.01**.

“Applicable Exceptions” means applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors’ rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

“Balance Sheet” has the meaning set forth in **Section 6.06**.

“Balance Sheet Date” has the meaning set forth in **Section 6.06**.

“Capital Expenditures” means, with respect to Saint Mary’s and the Saint Mary’s Controlled Subsidiaries, expenditures that are capitalized in accordance with GAAP, including, without limitation, the expenditures described in **Section 4.02**.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

“Certification of AFTAP” has the meaning set forth in **Section 6.22(c)**.

“Church Plan” has the meaning set forth in **Section 6.22(e)**.

“Closing” has the meaning set forth in **Section 5.01**.

“Closing Date” has the meaning set forth in **Section 5.01**.

“COBRA” means the group health plan continuation coverage requirements of Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code and of any similar state or local Law.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committed Capital” has the meaning set forth in **Section 4.01**.

“Confidentiality Agreement” means confidentiality agreement entered into by the Parties on March 12, 2015 and amended on July 22, 2015.

“Confidential Information” has the meaning set forth in **Section 8.11(a)**.

“Contracts” means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

“CONs” has the meaning set forth in **Section 8.04**.

“Disclosing Party” has the meaning set forth in **Section 8.11(a)**.

“Disclosure Schedules” means the Disclosure Schedules initially delivered by Saint Mary’s, NE-RHM and Trinity Health concurrently with the execution and delivery of this Agreement and as updated through Closing Date.

“Effective Date” has the meaning set forth in **Section 5.01**.

“Encumbrance” means any lien, pledge, mortgage, deed of trust, security interest, charge, claim, easement, encroachment or other encumbrance.

“Environmental Claim” means any Governmental Order, action, suit, claim, investigation or other legal proceeding by any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

“Environmental Law” means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term **“Environmental Law”** includes, without limitation, the following (including their implementing regulations and any state analogs): CERCLA; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; and the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.

“Environmental Notice” means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

“Environmental Permit” means any Permit required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

“ERISA Affiliate” has the meaning set forth in **Section 6.22(c)**.

“Exempt Subsidiaries” means those Saint Mary’s Controlled Subsidiaries that are exempt from federal income taxation pursuant to Section 501(a) of the Code, as organizations described in Section 501(c)(3) of the Code, which are identified as such on **Exhibit A**.

“Financial Statements” has the meaning set forth in **Section 6.06**.

“Foundation” has the meaning set forth in **Section 3.09(b)**.

“GAAP” means United States generally accepted accounting principles in effect from time to time.

“Government Programs” has the meaning set forth in **Section 6.16(a)**.

“Governmental Authority” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Hazardous Materials” means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or man-made, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996 (Pub. Law 104-191), as amended from time to time.

“HITECH” means the Health Information Technology for Economic Clinical Health Act, Division A, Title XIII § 1301 et seq. of the American Recovery and Reinvestment Act of 2009, as amended from time to time.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended from time to time.

“Interested Person” has the meaning set forth in **Section 6.20(a)**.

“IRS” means the Internal Revenue Service.

“Joint Ventures” means Heart Center of Greater Waterbury, Inc. and Harold Leever Regional Cancer Center, Inc.

“Knowledge” or any other similar knowledge qualification with respect to Saint Mary’s means (i) the actual knowledge of those persons listed in **Schedule 1A** of the Disclosure Schedules, which shall consist of their own recollections, information in their files, information in written or electronic communications to or from them and information attributable to them as a result of actions taken by them or (ii) information in the minutes of the boards of directors, executive committees, compliance committees or finance committees of Saint Mary’s or the Saint Mary’s Controlled Subsidiaries. Knowledge or any other similar knowledge qualification with respect to NE-RHM means (i) the actual knowledge of those persons listed in **Schedule 1B** of the Disclosure Schedules, which shall consist of their own recollections, information in their files, information in written or electronic communications to or from them and information attributable to them as a result of actions taken by them or (ii) information in the minutes of the boards of directors, executive committee, compliance committee or finance committee of NE-RHM. Knowledge or any other similar knowledge qualification with respect to Trinity Health means (i) the actual knowledge of those persons listed in **Schedule 1C** of the Disclosure Schedules, which shall consist of their own recollections, information in their files, information in written or electronic communications to or from them and information attributable to them as a result of actions taken by them or (ii) information in the minutes of the boards of directors, executive committee, compliance committee or finance committee of Trinity Health.

“Law” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

“Leased Real Property” has the meaning set forth in **Section 6.12(b)**.

“Material Adverse Effect” means (a) as to NE-RHM, any event, occurrence, fact, condition or change that materially adversely impacts the ability of NE-RHM to perform its obligations under this Agreement or to consummate the transactions contemplated by this Agreement; (b) as to Trinity Health, any event, occurrence, fact, condition or change that materially adversely impacts the ability of Trinity Health to perform its obligations under this Agreement or to consummate the transactions contemplated by this Agreement; and (c) as to Saint Mary’s, any event, occurrence, fact, condition or change that materially adversely impacts the business, results of operations, financial condition or assets of Saint Mary’s, taken as a whole; provided, however, that as to Saint Mary’s, **“Material Adverse Effect”** shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions in the United States or in the State of Connecticut; (ii) changes or conditions generally affecting the healthcare industry as a whole in the United States or in the State of Connecticut that are not unique to the operations of Saint Mary’s, (iii) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of NE-RHM or Trinity Health, as the case may be; (iv) the acts or omissions of NE-RHM or Trinity Health, as the case may be, (v) any changes in applicable Laws or accounting rules (including GAAP) or the Ethical and Religious Directives described in **Section 3.06** below, or the enforcement, implementation or interpretation thereof; (vi) the announcement, pendency or completion of the transaction contemplated by this Agreement or any effect resulting from the announcement or pendency of the transaction contemplated by this Agreement; (viii) any natural or man-made disaster, acts of God, or acts of terrorism, sabotage, military action or war (whether or not declared) or any

escalation or worsening thereof; (ix) changes in the requirements, reimbursement rates, policies or procedures of third party payors, Governmental Authorities or accreditation commissions or organizations that are generally applicable to hospitals or healthcare facilities in the United States or the State of Connecticut; or (x) Saint Mary's failure to meet projections or revenue or earnings predictions for any period ending on or after the date hereof, provided, however, that this shall not prevent a determination that any change, event or effect underlying such a failure to meet projections or revenue or earnings predictions has resulted in a Material Adverse Effect (to the extent such a change, event or effect is not otherwise excluded from the definition of Material Adverse Effect).

"Material Contracts" has the meaning set forth in **Section 6.09(a)**.

"Multiemployer Plan" has the meaning set forth in **Section 6.22(d)**.

"Multiple Employer Plan" has the meaning set forth in **Section 6.22(d)**.

"NE-RHM" has the meaning set forth in the preamble.

"NE-RHM Controlled Subsidiary" means any Person that is controlled by NE-RHM. The term "control" is defined in the definition of "Saint Mary's Controlled Subsidiary", below.

"NE-RHM Providers" means Saint Francis Hospital and Medical Center, Mount Sinai Rehabilitation Hospital, Inc., Saint Francis Medical Group, Inc., Saint Francis Emergency Medical Group, Inc., Asylum Hill Family Medical Center, Inc., Collaborative Laboratory Services, LLC, MedWorks, LLC, Saint Francis Behavioral Group, P.C., and Saint Francis Care Medical Group, P.C.

"NE-RHM Service Area" has the meaning set forth in the preamble.

"OHCA" has the meaning set forth in **Section 8.04**.

"Organizational Documents" means (a) in the case of a Person that is a corporation, its articles or certificate of incorporation and its by-laws, regulations or similar governing instruments required by the laws of its jurisdiction of formation or organization; (b) in the case of a Person that is a partnership, its articles or certificate of partnership, formation or association, and its partnership agreement (in each case, limited, limited liability, general or otherwise); (c) in the case of a Person that is a limited liability company, its articles or certificate of formation or organization, and its limited liability company agreement or operating agreement; and (d) in the case of a Person that is none of a corporation, partnership (limited, limited liability, general or otherwise), limited liability company or natural person, its governing instruments as required or contemplated by the laws of its jurisdiction of organization.

"Owned Real Property" has the meaning set forth in **Section 6.12(a)**.

"PBGC" has the meaning set forth in **Section 6.22(a)**.

"Plan" has the meaning set forth in **Section 6.22(k)**.

“**Permits**” means all permits, licenses, franchises, approvals, authorizations and consents required to be obtained from Governmental Authorities.

“**Permitted Encumbrances**” has the meaning set forth in **Section 6.10(b)**.

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

“**Prohibited Transaction**” is defined in Sections 406 and 408 of ERISA and Section 4975 of the Code.

“**Potential Investment Opportunity**” has the meaning set forth in **Section 4.05**.

“**Real Property**” means, collectively, the Owned Real Property and the Leased Real Property.

“**Recipient**” has the meaning set forth in **Section 8.11(a)**.

“**Regional Health Ministry**” or “**RHM**” has the meaning set forth in the Recitals and in the Trinity Health Authority Matrix.

“**Release**” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, or disposing into the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata).

“**Representative**” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“**Review Period**” has the meaning set forth in **Section 8.08(b)**.

“**Saint Francis/Trinity Transfer Date**” has the meaning set forth in the Recitals.

“**Saint Mary’s**” has the meaning set forth in the preamble.

“**Saint Mary’s Assets**” means all of the property and assets of Saint Mary’s and each Saint Mary’s Controlled Subsidiary of every kind, character or description, tangible or intangible, wherever located, and whether or not reflected on the Financial Statements.

“**Saint Mary’s Benefit Plan**” has the meaning set forth in **Section 6.22(a)**.

“**Saint Mary’s Controlled Subsidiary**” means any Person that is controlled by Saint Mary’s. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Controlled Subsidiary, whether through the ownership of voting securities, by contract or otherwise. The Controlled Subsidiaries are identified on **Exhibit B**.

“**Saint Mary’s Employees**” has the meaning set forth in **Section 8.06(a)**.

“**Saint Mary’s Leases**” has the meaning set forth in **Section 6.12(b)**.

“**Saint Mary’s Providers**” means Saint Mary’s Hospital, Inc., Saint Mary’s Physician Partners, LLC, Diagnostic Imaging of Southbury, LLC, Naugatuck Valley MRI, LLC, and Franklin Medical Group, P.C.

“**Saint Mary’s Retirement Plan**” means the Pension Plan for Employees of St. Mary’s Corporation, as revised and restated effective October 1, 1997 (which corporate name was changed to Saint Mary’s Hospital, Inc.), and as subsequently amended.

“**Signature Date**” has the meaning set forth in the preamble.

“**SMH**” or “**Saint Mary’s Hospital**” means Saint Mary’s Hospital, Inc.

“**Survey**” has the meaning set forth in **Section 8.08(b)**.

“**Taxes**” means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

“**Tax Return**” means any return, declaration, report, claim for refund, information return or statement or other document required to be filed with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Title Commitment**” has the meaning set forth in **Section 8.08(a)**.

“**Title Company**” has the meaning set forth in **Section 8.08(a)**.

“**Title Policy**” has the meaning set forth in **Section 8.08(a)**.

“**Transaction Documents**” means this Agreement and the other agreements, instruments and documents required to be delivered at the Closing.

“**Trinity Health**” has the meaning set forth in the preamble.

“**Trinity Health Controlled Subsidiary**” means any Person that is controlled by Trinity Health. The term “control” is defined in the definition of “**Saint Mary’s Controlled Subsidiary**,” above.

“**Trinity Health System Authority Matrix**” means the description of governance and management responsibilities of Trinity Health and its subsidiaries, as such may be amended from time to time, the current copy of which is attached as **Exhibit C**, which describes the delegated authority from the Catholic Health Ministries and the Trinity Health Board of Directors to the governance and management of subsidiaries, including the RHM.

“Withdrawal Liability” has the meaning set forth in **Section 6.22(d)**.

ARTICLE II TRANSFER

Section 2.01 Admission of NE-RHM as the Sole Member of SMHS; Restated Governance Documents of SMHS and SMH. As of the Effective Date, and subject to the terms and conditions set forth in this Agreement, SMHS and SMH will be merged or other action will be taken so that NE-RHM shall be admitted as the sole corporate member of SMH; in the alternative, at Trinity Health’s option, NE-RHM will be admitted as the sole corporate member of SMHS and as soon as reasonable after the Effective Date, SMHS and SMH will be merged or other action will be taken so that SMH is a direct subsidiary of NE-RHM. The Certificates of Incorporation and Bylaws of SMH (and, if applicable, SMHS) will be restated in the form attached as **Exhibit D**. The initial members of the SMH Board will be identified by the Parties prior to the Closing Date and will be listed on **Schedule 2.01** to this Agreement. At Trinity Health’s option, the Saint Mary’s Controlled Subsidiaries will duly approve the adoption of amended and restated Organizational Documents, either as of or following the Effective Date, to reflect the admission of NE-RHM as the sole corporate member of SMH. As of the Effective Date, and except as mutually agreed to by the Parties in writing, and except as provided in the attached Disclosure Schedule with respect to the liability owed by SMH to Saint Mary’s Retirement Plan all assets and properties of Saint Mary’s shall remain as assets and properties of Saint Mary’s and all outstanding liabilities of Saint Mary’s shall remain as liabilities of Saint Mary’s.

Section 2.02 Church Plan Exemption Under the Code and Under ERISA; SMH or SMHS Bankruptcy. In the event that the Church Plan Exemption from ERISA and the Code is determined for any reason to not be available to SMH by a court of competent authority, by settlement agreement of the parties, or by other legally enforceable means, or in the event that following the Effective Date, SMH, SMHS, or NE-RHM becomes subject to a voluntary federal bankruptcy proceeding involving SMH, SMHS, or NE-RHM as the debtor, then all financial and other legally enforceable obligations owed by SMH to the Saint Mary’s Retirement Plan shall be assumed by Trinity Health. The parties recognize, acknowledge and agree that such assumption shall not require any payment or any other consideration to be provided by SMH to Trinity Health.

ARTICLE III GOVERNANCE AND OPERATIONS OF THE NE- RHM; ADDITIONAL POST-EFFECTIVE DATE COVENANTS

Section 3.01 Governance. As of and following the Effective Date SMHS will be sponsored by Catholic Health Ministries, the public juridic person of pontifical right that sponsors Trinity Health, and will be guided by Trinity Health’s mission and core values. Upon adoption of the Amended and Restated Certificate of Incorporation and Bylaws of SMHS, SMHS shall be part of NE-RHM’s governance and management structure, consistent with the role of other components of NE-RHM.

Section 3.02 NE-RHM Board of Directors. As of the Effective Date, two members of the NE-RHM board will be appointed to the NE-RHM board by Trinity Health for a term of three years (the "Saint Mary's Members"). The Saint Mary's Members will be included on the NE-RHM board as community members. The Saint Mary's Members will be eligible for reappointment to the NE-RHM board in the same manner as other NE-RHM board members. The Saint Mary's Members will be identified by the Parties prior to the Closing Date and will be listed on **Schedule 3.02** to this Agreement.

Section 3.03 Other Appointments. A person designated by Saint Mary's will be appointed as one of the NE-RHM appointees to the TotalHealth, L.L.C ("TotalHealth") Board of Directors, consistent with the Organizational Documents of TotalHealth.

Section 3.04 President and CEO of Saint Mary's. Following the Effective Date, Chad W. Wable will continue to serve as the President and Chief Executive Officer of Saint Mary's, and will also have a substantial and meaningful regional oversight/governing role in the Regional Health Ministry (along with continued oversight of SMH). Mr. Wable's specific role with NE-RHM will be agreed to by the President and CEO of NE-RHM, Trinity and Mr. Wable and memorialized in an employment agreement prior to the Closing (the "Wable Employment Agreement").

Section 3.05 Name and Branding. Following the Effective Date, no changes to the names, trade names, and brands of the Saint Mary's Controlled Subsidiaries will take place without first consulting with the local boards, as applicable. Any future name, trade name, or branding changes for the Saint Mary's Controlled Subsidiaries will be determined and implemented in a manner that is consistent with Trinity Health branding policies that best preserve the current name, trade name and brand recognition while furthering the branding strategy of the Regional Health Ministry.

Section 3.06 Catholic Identity. Saint Mary's will continue its Catholic identity following the Effective Date and will be operated in a manner consistent with the Ethical and Religious Directives for Catholic Health Care Services as promulgated by the United States Conference of Catholic Bishops. A chapel and all existing religious artifacts will be maintained at SMH.

Section 3.07 Operational Commitments. For a period of at least three (3) years following the Effective Date, SMH will not be closed, sold, transferred, "spun-off" or otherwise divested by NE-RHM ("SMH Divestiture"). During such three (3) year period, the SMHS board (or the board of the surviving corporation following consolidation of SMHS and SMH) must approve any termination or material reduction of an existing clinical service; however, the parties recognize that continuation of any clinical service shall take into account (i) evolving community needs, (ii) healthcare reform initiatives, opportunities and mandates, (iii) financial viability, and (iv) applicable Law. In addition, SMH will have access to the clinical resources and services, including physician professional services, of the Regional Health Ministry for medical and surgical specialties needed to meet the needs of the community served by SMH. Specifically, NE-RHM would, at a minimum, work with SMH to grow and develop the following services: cardiovascular services, including cardiothoracic surgery, interventional cardiology and other

aspects of cardiac diagnostic and therapeutic services; orthopedic services, including, but not limited to, major joint replacement services; and all aspects of oncology services.

Section 3.08 Medical Staff. Following the Effective Date, the medical staff, admitting privileges and medical staff bylaws of SMH will remain in place unless amended or changed in accordance with the medical staff bylaws of SMH.

Section 3.09 Community Benefit.

(a) Following the Effective Date, Saint Mary's will continue to operate for the benefit of the community and serve the poor and underserved. Trinity Health and NE-RHM intend to preserve Saint Mary's' longstanding and unwavering commitment to improving the health of those in the communities it serves. Additionally, and to the extent consistent with the changing needs of the communities served, the changing environment in which healthcare is provided, applicable Law, and Trinity Health and NE-RHM policies and practices, Saint Mary's will continue, either directly or through its subsidiaries: (i) offering medical education residency and fellowship programs, (ii) supporting wellness, health education and other community programs consistent with Saint Mary's' past policies and practices, (iii) participating in medical research programs and innovation activities, (iv) participating in governmental healthcare programs, (v) identifying community needs in the community and potential clinical improvements or enhancements, and (vi) supporting and enhancing education and community programs.

(b) Following the Effective Date, Saint Mary's Hospital Foundation, Inc. (the "Foundation") will continue to be a separately endowed foundation that supports Saint Mary's and the other Saint Mary's Controlled Subsidiaries. NE-RHM will consider regional fundraising opportunities and the role of the Foundation in connection with those activities. Saint Mary's will continue to comply with any donor restrictions applicable to charitable remainder trusts, donor restricted endowment funds, and other funds heretofore or hereafter donated to the Foundation.

Section 3.10 Participation in NE-RHM and Trinity Health Services and Initiatives.

(a) As part of the Regional Health Ministry, as soon as practicable after the Effective Date, Saint Mary's, through NE-RHM, will participate in Trinity Health services and initiatives (e.g., financing, professional liability and other insurances, retirement and benefit programs, information technology, supply chain, cash management, compliance, and clinical quality initiatives, etc.) in the same manner as other NE-RHM members.

(b) NE-RHM will be charged standard Trinity Health system overhead and system services allocations to which other RHMs/RHM subsidiaries are subject. NE-RHM will, in turn, allocate those amounts to Saint Mary's and other entities within NE-RHM. Notwithstanding the foregoing, if the Effective Date occurs within one (1) year after the Saint Francis/Trinity Transfer Date, Saint Mary's, as part of NE-RHM, will not be charged standard Trinity Health system overhead until the first anniversary of the Saint Francis/Trinity Transfer Date.

Section 3.11 Debt and Long-Term Liabilities.

(a) Within one (1) year of the Effective Date, Trinity Health will develop a plan to address the third party debt of Saint Mary's and, to the extent possible, restructure the debt into

the Trinity Health system debt program and intercompany loan program. The Saint Mary's third party debt will remain on the balance sheet of Saint Mary's, but, to the extent possible, it will be replaced with intercompany debt to Trinity Health, provided that the terms of the existing debt and current rates of interest make that advisable. Intercompany loans from Trinity Health will be made to NE-RHM and allocated to Saint Mary's by NE-RHM. To the extent that any current Saint Mary's third party debt cannot be restructured into the Trinity Health system debt program, Trinity Health will exercise reasonable best efforts to ensure that such third party debt is paid by Saint Mary's.

(b) Additionally, within one year of the Effective Date, Trinity Health and Saint Mary's will agree on a plan to fully fund the Saint Mary's Retirement Plan. Upon a SMH Divestiture or other form of reorganization under which SMH is no longer an ERISA Affiliate of Trinity Health, the financial and other legal obligations owed to Saint Mary's Retirement Plan will either be assumed by the buyer/new parent or other transferee of SMH, fully funded by Trinity and/or NE-RHM, or retained by Trinity or NE-RHM (with any decision to fully fund or retain the Saint Mary's Retirement Plan's financial and other legal obligations of SMH to remain with Trinity Health in the sole discretion of Trinity/NE-RHM). If at any time SMH is unable to meet such Saint Mary's Retirement Plan's financial and other legal obligations through its operating cash flows and available funds, Trinity Health will allow NE-RHM to borrow any shortfall from the intercompany loan program in order to assure the payment of SMH's plan benefits to all participants, and so as to assure the payment by SMH of all required pension plan contributions to be paid by SMH to the Saint Mary's Retirement Plan in each future year.

(c) The Parties agree that the assets of the Foundation will not be a funding source for SMH's financial and other legal obligations owed to the Saint Mary's Retirement Plan or the Committed Capital, as defined in Section 4.01 below.

ARTICLE IV CAPITAL COMMITMENT

Section 4.01 Capital Commitment. During the five (5) year period following the Effective Date, Trinity Health and NE-RHM will commit to spend aggregate Capital Expenditures in an amount no less than One Hundred Twenty Million dollars (\$120,000,000), subject to achievement of the performance metrics described below in years four (4) and five (5), to support the operations of Saint Mary's and Saint Mary's Controlled Subsidiaries (the "Committed Capital"). The Committed Capital will be as follows:

(a) In the five (5) years following the Effective Date, One Hundred Million Dollars (\$100,000,000) will be available to Saint Mary's for Capital Expenditures;

(b) In the fourth (4th) year following the Effective Date, if Saint Mary's obtains an operating cash flow margin of at least eight percent (8.0%) ("Target Margin") in the prior year, as determined by NE-RHM, an additional Ten Million dollars (\$10,000,000) of Committed Capital will be available to Saint Mary's;

(c) In the fifth (5th) year following the Effective Date, if Saint Mary's obtains the Target Margin in the prior year, as determined by NE-RHM, an additional Ten Million dollars (\$10,000,000) of Committed Capital will be available to SMHS;

(d) If the Target Margin is not met by Saint Mary's, the capital needs will be evaluated jointly by Trinity Health/NE-RHM and Saint Mary's subject to Trinity Health's standard capital allocation process.

Among the sources of the Committed Capital are: (i) available cash and investments generated by Saint Mary's, provided, however, any utilization of such cash and investments will be done in a manner that ensures Saint Mary's continued compliance with any applicable bond or loan covenants; (ii) financing obtained through the Trinity Health system debt program; and (iii) to the extent necessary, capital contributions from Trinity Health. Committed Capital shall be in addition to any funds the Foundation may make available to Saint Mary's for Capital Expenditures. The Saint Mary's capital plan will be approved by NE-RHM and presented to Trinity Health as required by Trinity Health's capital approval procedures. The Capital Expenditure allocation and approval process will not lower the amount of the Committed Capital or reduce Trinity Health's and NE-RHM's obligation to ensure the Committed Capital is spent during the five (5) year period.

Section 4.02 Use of the Committed Capital. The Committed Capital will be made available to support the capital needs of Saint Mary's and the other Saint Mary's Controlled Subsidiaries including strategic growth and infrastructure development for Saint Mary's integrated delivery system, to expand and upgrade the health care services provided by Saint Mary's, and to support Saint Mary's community health/population management initiatives as well as strategic growth including mergers, acquisitions, joint ventures and physician network development. Specific Capital Expenditures funded by the Committed Capital and the timing of such expenditures will be subject to (i) **Section 4.01**, (ii) Trinity Health system processes, and (iii) review and approval of the strategic plan and capital budgets of NE-RHM, including system management and governance approvals as set forth in the Trinity Health System Authority Matrix. The Parties agree that cash used to fund the Saint Mary's Retirement Plan will not be counted towards nor deducted from the Committed Capital.

Section 4.03 Obligation to Repay Loans. Loans extended through the Trinity Health system debt program and intercompany loan program to NE-RHM and allocated to Saint Mary's, whether for capital (including the Committed Capital) or otherwise, are required to be repaid consistent with the terms of such program.

Section 4.04 Additional Capital Needs. The Parties anticipate that Saint Mary's also may propose large-scale, strategic merger and acquisition opportunities for which capital needs exceed the Committed Capital. Such opportunities will be brought by Saint Mary's to NE-RHM and, if NE-RHM deems it appropriate, such opportunities will be evaluated jointly by NE-RHM and Trinity Health in connection with Trinity Health's standard capital allocation process in order to determine whether such opportunities will be supported by additional capital from Trinity Health in addition to the Committed Capital.

ARTICLE V
CLOSING

Section 5.01 Closing. Subject to the terms and conditions of this Agreement, the consummation of the transaction contemplated by this Agreement (the “Closing”) shall take place on the last day of the month immediately after all of the conditions to Closing set forth in **Article IX** are either satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), or such other date to which the Parties mutually agree upon in writing. The date on which the Closing is to occur is herein referred to as the “Closing Date” and the Closing shall be effective as of 12:00:01 AM on the first day of the month immediately following the Closing Date (the “Effective Date”).

Section 5.02 Closing Deliverables.

(a) At or prior to Closing, Saint Mary’s shall deliver or cause to be delivered to NE-RHM the following:

(i) [Reserved];

(ii) the Amended and Restated Certificates of Incorporation of SMHS and SMH, duly filed with the Secretary of State of Connecticut to be effective as of the Effective Date, and the Amended and Restated Bylaws of SMHS and SMH effective as of the Effective Date, pursuant to which, among other things, NE-RHM will be designated as the sole member of SMHS and the holder of specified reserved powers;

(iii) the amended and restated Organizational Documents of the Saint Mary’s Controlled Subsidiaries effective as of the Effective Date, with such applicable Organizational Documents duly filed with the Secretary of State of Connecticut or such other Governmental Authority as is necessary to give them effect under applicable Law;

(iv) certified copies of the resolutions of the Boards of Directors of SMHS and SMH authorizing and approving the execution of this Agreement and the transaction contemplated hereby;

(v) evidence of the approval of the Archbishop of Hartford required in connection with the execution of this Agreement and the transaction contemplated hereby in a form reasonably acceptable to Trinity Health;

(vi) documents, instruments, affidavits, indemnifications and undertakings required by the Title Company to issue the Title Policies;

(vii) Title Polic(ies) covering the Owned Real Property in accordance with **Section 8.08** in a form and substance satisfactory to NE-RHM and Trinity Health;

(viii) a list of the officers and directors of SMHS and SMH as of the Closing Date certified by an appropriate officer of Saint Mary’s, as applicable;

(ix) written resignations, effective as of the Effective Date, of the officers and directors of SMHS and SMH;

(x) evidence of all church and canonical approvals required in connection with the alienation of property arising from the transactions; and

(xi) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Trinity Health and NE-RHM, as may be required to give effect to this Agreement.

(b) At the Closing, NE-RHM shall deliver to Saint Mary's the following:

(i) documents, instruments, affidavits, indemnifications and undertakings, if any, required by the Title Company to issue the Title Policies;

(ii) certified copies of resolutions of NE-RHM's governing body authorizing and approving the execution of this Agreement and the transaction contemplated hereby; and

(iii) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Saint Mary's, as may be required to give effect to this Agreement.

(c) At the Closing, Trinity Health shall deliver to Saint Mary's the following:

(i) certified copies of any resolutions of Trinity Health's governing body authorizing and approving the execution of this Agreement and the transaction contemplated hereby which are required under the Trinity Health System Authority Matrix; and

(ii) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Saint Mary's, as may be required to give effect to this Agreement.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF SAINT MARY'S

Except as set forth in the Disclosure Schedules or as otherwise set forth below, Saint Mary's represents and warrants to NE-RHM and Trinity Health that the statements contained in this **Article VI** are true and correct as of the Signature Date and will be true and correct as of the Closing Date subject to any updates in the Disclosure Schedules delivered by Saint Mary's prior to the Closing Date.

Section 6.01 Organization and Corporate Authority.

(a) Each of SMHS and SMH is a non-stock corporation, duly organized and validly existing in good standing under the laws of the State of Connecticut. Each of SMHS and SMH has all requisite corporate power and corporate authority to enter into this Agreement and the other Transaction Documents to which it will be a Party and to perform its obligations hereunder and thereunder.

(b) Each Saint Mary's Controlled Subsidiary is duly organized and validly existing in good standing under the laws of its state of organization and has the requisite power and authority to own, lease, and operate the assets used in the conduct of its business and to carry on its business as it is now being conducted.

Section 6.02 Tax-Exempt Status. Each of SMHS and SMH and each Exempt Subsidiary is exempt from federal income taxation pursuant to Section 501(a) of the Code, as an organization described in Section 501(c)(3) of the Code, and is not a "private foundation" as defined in Section 509(a) of the Code, in each case as evidenced either by a determination letter from the IRS or a listing in the Official Catholic Directory. Neither SMHS nor SMH nor any Exempt Subsidiary has within the past three (3) most recent fiscal years received any written correspondence or notice from any taxing authority that any of its exemptions from Tax (including specifically, under Section 501(a) of the Code by virtue of being an organization described in Section 501(c)(3) of the Code and for real, personal and sales tax liability in the jurisdiction in which the organization is located) have been or may be revoked, modified or under consideration or review. Neither SMHS nor SMH nor any Exempt Subsidiary has taken any action that may cause it to lose its exemption from taxation under Section 501(a) of the Code.

Section 6.03 Authorization and Enforceability of this Agreement. The execution, delivery and performance of this Agreement by Saint Mary's (including the execution, delivery and performance of any Transaction Document to which it will be a party) has been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by Saint Mary's and constitutes a valid and legally binding obligation of Saint Mary's, enforceable against Saint Mary's in accordance with its terms, subject to Applicable Exceptions.

Section 6.04 No Conflicts; Consents. The execution, delivery and performance by Saint Mary's of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transaction contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, bylaws or other Organizational Documents of Saint Mary's and the Saint Mary's Controlled Subsidiaries; (b) except as set forth in **Schedule 6.04**, conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Saint Mary's or the Saint Mary's Controlled Subsidiaries; (c) except as set forth in **Schedule 6.04**, (i) require the consent, notice to or other action by any Person under, (ii) conflict with, (iii) result in a violation or breach of, (iv) constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, (v) result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract or Permit to which Saint Mary's or a Saint Mary's Controlled Subsidiary is a party or by which Saint Mary's or a Saint Mary's Controlled Subsidiary, or to which any of the Saint Mary's Assets are subject; or (d) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on the Saint Mary's Assets, except in the case of clauses (b), (c), and (d), where the violation, breach, conflict, default, acceleration, failure to give notice, or Encumbrance would not have a Material Adverse Effect with respect to Saint Mary's. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Saint Mary's or the Saint Mary's Controlled Subsidiaries in connection with the execution and delivery of this Agreement or any of the other Transaction

Documents and the consummation of the transaction contemplated hereby and thereby, except for such matters as are set forth in **Schedule 6.04** and such consents, approvals, Permits, Governmental Orders, declarations, filings or notices which would not have a Material Adverse Effect with respect to Saint Mary's.

Section 6.05 Saint Mary's Subsidiaries. The organizational chart attached as **Schedule 6.05** is an accurate and complete description of the ownership structure of Saint Mary's and the Saint Mary's Controlled Subsidiaries and the respective ownership interests of Saint Mary's and the Saint Mary's Controlled Subsidiaries in other Persons. Except as depicted on **Schedule 6.05**, neither Saint Mary's nor the Saint Mary's Controlled Subsidiaries have any ownership interests in any Person (other than shares of publicly traded securities or similar non-controlling interests held solely for investment purposes). The interest held by Saint Mary's and the Saint Mary's Controlled Subsidiaries in any Person was acquired in compliance with applicable Law.

Section 6.06 Financial Statements. Copies of the audited financial statements for Saint Mary's and each Saint Mary's Controlled Subsidiary as of September 30, for each of the years 2012, 2013, and 2014, and unaudited financial statements for each of the subsequent months available through the Signing Date (collectively the "**Financial Statements**"), have been made available to NE-RHM and Trinity Health. The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved. The Financial Statements fairly present in all material respects the financial condition of Saint Mary's and each Saint Mary's Controlled Subsidiary as of the respective dates they were prepared and the results of the operations of Saint Mary's and the Saint Mary's Controlled Subsidiaries for the periods indicated, subject to year-end adjustments in the case of the Financial Statements as of and for the period ending June 30, 2015. The balance sheets of Saint Mary's and each Saint Mary's Controlled Subsidiary as of June 30, 2015, are referred to herein, collectively, as the "**Balance Sheet**" and the date thereof as the "**Balance Sheet Date.**"

Section 6.07 Undisclosed Liabilities. Except as set forth in **Schedule 6.07**, neither Saint Mary's nor any Saint Mary's Controlled Subsidiaries has any liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise, except (a) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date and those existing on the Balance Sheet Date which are not, individually or in the aggregate, material in amount, and (b) those which have been incurred in the ordinary course of business since the Balance Sheet Date and which are not, individually or in the aggregate, material in amount.

Section 6.08 Absence of Certain Changes, Events and Conditions. Except as set forth in **Schedule 6.08** of the Disclosure Schedules, from the Balance Sheet Date until the Signature Date, Saint Mary's and each Saint Mary's Controlled Subsidiary have been operated in the ordinary course in all material respects and there has not been any:

(a) event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

- (b) amendment of the Organizational Documents of Saint Mary's or any Saint Mary's Controlled Subsidiary;
- (c) issuance, sale or other disposition of, or creation of any Encumbrance on, any interests in any Saint Mary's Controlled Subsidiary, or grant of any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any interests in a Saint Mary's Controlled Subsidiary;
- (d) material change in any method of accounting or accounting practice of Saint Mary's and the Saint Mary's Controlled Subsidiaries, except as required by GAAP;
- (e) material change in the Saint Mary's Insurance Policies;
- (f) failure to report to any insurance carrier any incidents, acts, errors or omissions that are covered by insurance, involve liability beyond any applicable deductibles, and relate to any patient services, visitors, or employees of any Saint Mary's Controlled Subsidiary;
- (g) reservation of rights or denial letters received by Saint Mary's or Saint Mary's Controlled Subsidiary from any insurance carrier with respect to any claim in excess of \$100,000;
- (h) incurrence, assumption or guarantee of any indebtedness for borrowed money in excess of \$100,000 except unsecured current obligations and liabilities incurred in the ordinary course of business;
- (i) transfer, assignment, sale or other disposition of any of the assets shown or reflected in the Balance Sheet with a book value greater than \$100,000 or cancellation of any debts or entitlements other than in the ordinary course of business;
- (j) material damage, destruction or loss (not covered by insurance) to any Saint Mary's Asset in an amount which exceeds \$100,000;
- (k) any Capital Expenditure, capital investment in, or any loan to, any other Person not disclosed or reserved for in the Financial Statements by Saint Mary's or a Saint Mary's Controlled Subsidiary except in accordance with an approved capital budget or in the ordinary course of business;
- (l) acceleration, termination, or cancellation of any Material Contract to which Saint Mary's or a Saint Mary's Controlled Subsidiary is a party by reason of default by Saint Mary's or such Saint Mary's Controlled Subsidiary;
- (m) except for Permitted Encumbrances, imposition of any Encumbrance securing indebtedness in excess of \$100,000 upon any of the Saint Mary's Assets;
- (n) increase in the compensation or bonus paid or payable or in the benefits provided to any employees of Saint Mary's or a Saint Mary's Controlled Subsidiary other than increases made in the ordinary course of business (including those under existing labor agreements), grant to any employee of Saint Mary's or a Saint Mary's Controlled Subsidiary of any increase in severance or termination pay or any right to receive any severance or termination pay, or the adoption, amendment or termination of any Saint Mary's Benefit Plans, except in the ordinary course of business or to the extent required by applicable Law;

(o) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law by Saint Mary's or a Saint Mary's Controlled Subsidiary;

(p) purchase, lease or other acquisition of the right to own, use or lease any property or assets for an amount in excess of \$100,000, individually (in the case of a lease, per annum) or \$1,000,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term) by Saint Mary's or a Saint Mary's Controlled Subsidiary, except for purchases in accordance with an approved capital budget or in the ordinary course of business;

(q) acquisition by merger or consolidation with, or by purchase of a substantial portion of the assets, stock or other equity of, or by any other manner, any business or any Person by Saint Mary's or a Saint Mary's Controlled Subsidiary; or

(r) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing other than this Agreement.

Section 6.09 Material Contracts.

(a) **Schedule 6.09** of the Disclosure Schedules lists each of the following Contracts of Saint Mary's and the Saint Mary's Controlled Subsidiaries (together with the Contracts described in **Section 6.09(b)** below, the "**Material Contracts**");

(i) each Contract involving aggregate consideration in excess of \$100,000;

(ii) all Contracts that relate to the acquisition of any business, a material amount of equity or assets of any other Person or any real property (whether by merger, sale of stock or equity, sale of assets or otherwise), in each case involving amounts in excess of \$100,000;

(iii) all Contracts with any Governmental Authority;

(iv) any Contracts to which Saint Mary's or a Saint Mary's Controlled Subsidiary is a party that provide for any joint venture, partnership or similar arrangement;

(v) all Contracts between or among Saint Mary's on the one hand and any Affiliate of Saint Mary's on the other hand;

(vi) all collective bargaining agreements or Contracts with any a union, works council or labor organization to which Saint Mary's or a Saint Mary's Controlled Subsidiary is a party; and

(vii) except for agreements relating to trade receivables, all Contracts relating to indebtedness (including, without limitation, guarantees), in each case having an outstanding principal amount in excess of \$100,000.

(b) Saint Mary's has provided to Trinity Health the following Contracts of Saint Mary's and the Saint Mary's Controlled Subsidiaries:

(i) any agreements between Saint Mary's or a Saint Mary's Controlled Subsidiary and any physician or physician-owned entity or medical group practice;

(ii) any managed care agreements;

(iii) any agreements between Saint Mary's or a Saint Mary's Controlled Subsidiary and any Person who is an officer, director or employee of Saint Mary's or a Saint Mary's Controlled Subsidiary; and

(iv) all Contracts that limit or purport to limit the ability of Saint Mary's or a Saint Mary's Controlled Subsidiary to compete in any line of business or with any Person or in any geographic area or during any period of time.

(c) Except as set forth in **Schedule 6.09(c)**, and except to the extent that the inaccuracy of any of the following statements would not have a Material Adverse Effect with respect to Saint Mary's: (i) each Material Contract is valid and binding on Saint Mary's or a Saint Mary's Controlled Subsidiary, as applicable, in accordance with its terms and is in full force and effect; (ii) to the Knowledge of Saint Mary's, no party is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Material Contract; and (iii) no event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Trinity Health.

(d) Saint Mary's has made copies of all of the Material Contracts available to Trinity Health and NE-RHM through the MediTract on-line database.

Section 6.10 Title to Saint Mary's Assets.

(a) Either Saint Mary's or a Saint Mary's Controlled Subsidiary has good and valid title to, or a valid leasehold interest in, the Saint Mary's Assets, except for such imperfections as would not result in a Material Adverse Effect with respect to Saint Mary's. All of the Saint Mary's Assets (including leasehold interests) are free and clear of Encumbrances except for Permitted Encumbrances. All of the material tangible Saint Mary's Assets, whether owned or leased, are in the possession or control of Saint Mary's or a Saint Mary's Controlled Subsidiary.

(b) For the purposes of this Agreement, "**Permitted Encumbrances**" means the following:

(i) those items set forth in **Schedule 6.10**;

(ii) liens for Taxes not yet due and payable or which are being diligently contested in good faith, by appropriate proceedings or other appropriate actions which are sufficient to prevent imminent foreclosure of such liens and with respect to which adequate reserves or other appropriate provisions are being maintained by Saint Mary's;

(iii) rights of way, zoning ordinances and other encumbrances affecting the Owned Real Property which do not, individually or in the aggregate, materially adversely affect the operations of Saint Mary's and the Saint Mary's Controlled Subsidiaries, or prohibit or interfere with the current operation of any Owned Real Property, or adversely affect title or the marketability of any Owned Real Property and which are otherwise acceptable to Trinity Health in its commercially reasonable judgment;

(iv) other than with respect to Owned Real Property, liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business which are not, individually or in the aggregate, material to the operations of Saint Mary's and the Saint Mary's Controlled Subsidiaries;

(v) statutory liens of landlords and liens of carriers, warehousemen, bailees, mechanics, materialmen and other like liens imposed by law, created in the ordinary course of business and for amounts not yet due (or which are being contested in good faith, by appropriate proceedings or other appropriate actions which are sufficient to prevent imminent foreclosure of such liens) and with respect to which adequate reserves or other appropriate provisions are being maintained by Saint Mary's; and

(vi) pledges or deposits made (and the liens thereon) in the ordinary course of business of Saint Mary's (including, without limitation, security deposits for leases, indemnity bonds, surety bonds and appeal bonds) in connection with workers' compensation, unemployment insurance and other types of social security benefits and deposits securing liability to insurance carriers under insurance or self-insurance arrangements or to secure the performance of tenders, bids, contracts (other than for the repayment or guarantee of borrowed money or purchase money obligations), statutory obligations and other similar obligations.

Section 6.11 Condition and Sufficiency of the Saint Mary's Assets. Subject to ordinary wear and tear and matters contemplated in Saint Mary's capital replacement plans adopted in the ordinary course of business from time to time, the buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property included in the Saint Mary's Assets are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The Saint Mary's Assets are sufficient for the continued conduct of the business of Saint Mary's and the Saint Mary's Controlled Subsidiaries after the Effective Date in substantially the same manner as conducted prior to the Effective Date and constitute all of the rights, property and assets necessary to conduct of the business of Saint Mary's and the Saint Mary's Controlled Subsidiaries other than as set forth in **Schedule 6.11**.

Section 6.12 Real Property.

(a) **Schedule 6.12(a)** of the Disclosure Schedules sets forth a list of all real property owned by Saint Mary's or a Saint Mary's Controlled Subsidiary (collectively, the "**Owned Real Property**"). Saint Mary's or a Saint Mary's Controlled Subsidiary has good and marketable fee simple title to the Owned Real Property, free and clear of all Encumbrances, except (A) Permitted

Encumbrances and (B) those Encumbrances set forth in **Schedule 6.12(a)** of the Disclosure Schedules.

(b) **Schedule 6.12(b)** of the Disclosure Schedules sets forth a list of all real property leased by Saint Mary's or a Saint Mary's Controlled Subsidiary (collectively, the "**Leased Real Property**"), and a list of all leases for the Saint Mary's Owned Real Property (collectively, the "**Saint Mary's Leases**").

(c) Neither Saint Mary's nor a Saint Mary's Controlled Subsidiary has received any written notice of existing, pending or threatened (i) condemnation proceedings affecting the Owned Real Property, or (ii) zoning, building code or other moratorium proceedings, or matters which would reasonably be expected to materially and adversely affect the ability to operate the Owned Real Property as currently operated. Neither the whole nor any material portion of any Owned Real Property has been damaged or destroyed by fire or other casualty.

Section 6.13 Intangible Personal Property; Software.

(a) Saint Mary's has disclosed to NE-RHM and Trinity Health all patents, copyrights, trademarks, service marks, trade names or other items of intellectual property registered by Saint Mary's or a Saint Mary's Controlled Subsidiary with any Governmental Authority. Saint Mary's and each Saint Mary's Controlled Subsidiary own or hold adequate licenses or other rights to use all intellectual property used in or necessary for the operation of its business as now conducted.

(b) To the Knowledge of Saint Mary's, neither Saint Mary's nor any Saint Mary's Controlled Subsidiary is infringing any patent, trade name, trademark, service mark, copyright, trade secret, technology, know-how, or process belonging to any other Person. Neither Saint Mary's nor any Saint Mary's Controlled Subsidiary has received any written notice of any such claim of infringement and, to the Knowledge of Saint Mary's, no actions have been instituted or are pending or threatened, which challenge the validity of the ownership or use by Saint Mary's or any Saint Mary's Controlled Subsidiary of any intellectual property used in connection with the operations of Saint Mary's and the Saint Mary's Controlled Subsidiaries.

(c) To the Knowledge of Saint Mary's, the use by Saint Mary's or Saint Mary's Controlled Subsidiary of any third-party software in connection with such party's business operations does not conflict with, misappropriate or infringe upon the rights or ownership interests of any other Person.

Section 6.14 Legal Proceedings; Governmental Orders.

(a) Except as set forth in **Schedule 6.14(a)** of the Disclosure Schedules, there are no actions, suits, claims, investigations or other legal proceedings pending or, to the Knowledge of Saint Mary's, threatened (i) against or by Saint Mary's or a Saint Mary's Controlled Subsidiary that are not covered in full (subject to standard deductibles) under insurance policies and, to the extent not covered by insurance, exceed \$100,000 in alleged liability; or (ii) against or by Saint Mary's or any Saint Mary's Controlled Subsidiary that challenges or seeks to prevent, enjoin or otherwise delay the transaction contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such action, suit, claim,

investigation or other legal proceeding, except for such actions, suits, claims, investigations or other legal proceedings that would not, in the aggregate, have a Material Adverse Effect.

(b) Except as set forth in **Schedule 6.14(b)** of the Disclosure Schedules, there are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting Saint Mary's or any Saint Mary's Controlled Subsidiary, except for such Governmental Orders, unsatisfied judgments, penalties or awards that would not, in the aggregate, have a Material Adverse Effect. Saint Mary's and the Saint Mary's Controlled Subsidiaries are in compliance with the terms of each Governmental Order set forth in **Schedule 6.14(b)** of the Disclosure Schedules, except to the extent that non-compliance would not result in a Material Adverse Effect. No event has occurred or circumstances exist that may constitute or result in (with or without notice or lapse of time) a violation of any such Governmental Order except for violations that would not in the aggregate result in a Material Adverse Effect.

Section 6.15 Compliance with Laws; Permits.

(a) Except as set forth in **Schedule 6.15(a)** of the Disclosure Schedules, Saint Mary's and each Saint Mary's Controlled Subsidiary are in material compliance with all Laws applicable to the business, properties and assets of Saint Mary's and the Saint Mary's Controlled Subsidiaries including, without limitation, the False Claims Act (31 U.S.C. § 3729, et seq.), the Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a), federal and state anti-kickback statutes (including 42 U.S.C. § 1320a 7b), federal and state referral laws (including 42 U.S.C. §1395nn), criminal false claims statutes (e.g. 18 U.S.C. §§ 287 and 1001), and the Beneficiary Inducement Statute (42 U.S.C. §1320a-7a(a)(5)). Neither Saint Mary's nor any Saint Mary's Controlled Subsidiary has received notice of any violation of any such Laws nor, to the Knowledge of Saint Mary's, does there exist any facts which would provide a basis for such claims.

(b) All Permits required for Saint Mary's and the Saint Mary's Controlled Subsidiaries to conduct their business as currently conducted or for the ownership and use of the Saint Mary's Assets have been obtained by Saint Mary's and the Saint Mary's Controlled Subsidiaries and are valid and in full force and effect, except where the failure to obtain such Permits would not have a Material Adverse Effect. All fees and charges with respect to such Permits have been paid in full. Saint Mary's has disclosed to NE-RHM and Trinity Health all current material Permits issued to Saint Mary's and the Saint Mary's Controlled Subsidiaries which relate to their operations as currently conducted or the ownership and use of the Saint Mary's Assets, including the names of the Permits and their respective dates of issuance and expiration. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any material Permit except such revocations, suspensions, lapses or limitations that would not in the aggregate result in a Material Adverse Effect.

(c) Saint Mary's has made available to NE-RHM and Trinity Health pursuant to due diligence requests a copy of the most recent state licensing reports and lists of deficiencies, if any, and the most recent fire marshal surveys and list of deficiencies, if any, for the Saint Mary's Controlled Subsidiaries. SMH is in compliance in all material respects with applicable fire code regulations. SMH has cured or submitted a plan of correction with respect to the deficiencies noted in any such licensure surveys and fire marshal reports and shall provide documentation that

such cures and/or plans of correction have been accepted by the appropriate Governmental Authority as of the Closing Date.

(d) There are no outstanding patient complaints with respect to the Saint Mary's Controlled Subsidiaries which have been substantiated by a Governmental Authority and which have not been cured or are not the subject of a plan of correction accepted by the applicable Governmental Authority, except such complaints as would not in the aggregate result in a Material Adverse Effect. All fines imposed, if any, against the Saint Mary's Controlled Subsidiaries with respect to any patient complaints have been paid in full.

(e) None of the representations and warranties in **Section 6.15** shall be deemed to relate to environmental matters (which are governed by **Section 6.21**), employee benefits matters (which are governed by **Section 6.22**), employment matters (which are governed by **Section 6.23**) or tax matters (which are governed by **Section 6.24**).

Section 6.16 Medicare Participation/Accreditation

(a) The Saint Mary's Providers and, to the Knowledge of Saint Mary's, the Joint Ventures are eligible without restriction for participation in the Medicare, Medicaid and TRICARE plan programs (collectively, the "**Government Programs**") and have current and valid provider contracts with the Government Programs. To the Knowledge of Saint Mary's, the Saint Mary's Providers and the Joint Ventures are each in compliance with the applicable conditions of participation for the Government Programs in all material respects. There is neither pending, nor, to the Knowledge of Saint Mary's, threatened, any proceeding or investigation under the Government Programs involving the Saint Mary's Providers or the Joint Ventures. Saint Mary's has made available to Trinity Health true and complete copies of the most recent Government Program survey reports and all plans of correction, if any, which the Saint Mary's Providers and the Joint Ventures were required to submit in response to such surveys and, except as set forth in **Schedule 6.16(a)** of the Disclosure Schedules, all such plans of correction have been accepted by the applicable Government Program and all have been or are in the process of being implemented.

(b) Each of the Saint Mary's Providers and, to the Knowledge of Saint Mary's, each of the Joint Ventures has timely filed all required Government Program cost reports for all the fiscal years through and including the most current fiscal year. To the Knowledge of Saint Mary's, all of such cost reports filed by the Saint Mary's Providers and the Joint Ventures are complete and correct in all material respects and such cost reports do not claim, and none of Saint Mary's Providers or, to the Knowledge of Saint Mary's, either of the Joint Ventures have received, reimbursement in excess of the amounts provided by Law or any applicable agreement. True and complete copies of all such cost reports for the three (3) most recent fiscal years of the Saint Mary's Providers and the Joint Ventures have been furnished to Trinity Health. Except for routine claims for reimbursement made in the ordinary course of business and except as set forth in **Schedule 6.16(b)** of the Disclosure Schedules, there are no claims, actions or appeals pending before any commission, board or agency, including any fiscal intermediary or carrier, the Provider Reimbursement Review Board or the Administrator of the Centers for Medicare and Medicaid Services, with respect to Government Program claims filed on behalf of the Saint Mary's Providers or, to the Knowledge of Saint Mary's, the Joint Ventures.

(c) The billing practices of the Saint Mary's Providers and, to the Knowledge of Saint Mary's, the Joint Ventures with respect to all third party payors, including the Government Programs and private insurance companies, have been performed in the ordinary course of business and, to the Knowledge of Saint Mary's, are in compliance in all material respects with all applicable Law and billing requirements of such third party payors and Government Programs, and none of the Saint Mary's Providers or, to the Knowledge of Saint Mary's, the Joint Ventures have knowingly billed or received any material payment or reimbursement in excess of amounts allowed by Law other than underpayments and overpayments arising in the ordinary course of business.

(d) SMH is duly accredited with no material contingencies by the Joint Commission or by any other accrediting bodies. Saint Mary's has made available to NE-RHM and Trinity Health each accreditation survey report and deficiency list prepared by the Joint Commission for the past three (3) years and except as set forth on **Schedule 6.16(d)** each of the Saint Mary's Providers' and Joint Ventures' most recent statement of deficiencies and plan of correction, all of which have been accepted by the accrediting body and have been implemented or are in the process of being implemented.

Section 6.17 Compliance Programs

(a) To the Knowledge of Saint Mary's, during the past five (5) years, each of the Saint Mary's Providers and Joint Ventures has maintained and adhered to in all material respects a compliance program designed to promote compliance with all Laws and ethical standards, to improve the quality and performance of operations, and to detect, prevent, and address violations of legal or ethical standards applicable to the operations of the Saint Mary's Providers and Joint Ventures, as applicable.

(b) Upon hiring employees and regularly thereafter, searches of the Office of Inspector General's List of Excluded Individuals/Entities are performed by Saint Mary's or its designee to confirm that all employees, independent contractors, consultants, medical staff members, and other Persons providing any services under any Contract with Saint Mary's or a Saint Mary's Controlled Subsidiary are not, as of the date of such search, excluded, debarred or otherwise ineligible to participate in the Government Programs. Neither Saint Mary's nor any Saint Mary's Controlled Subsidiary has received written notice that (i) any Person providing services under a Contract with Saint Mary's or a Saint Mary's Controlled Subsidiary or (ii) any employee, contractor, or medical staff member performing services for Saint Mary's or a Saint Mary's Controlled Subsidiary is charged with or has been convicted of a criminal offense related to the Government Programs, but has not yet been excluded, debarred or otherwise declared ineligible to participate in such programs or is proposed for exclusion therefrom.

(c) Saint Mary's has made available to NE-RHM and Trinity Health all records, audit reports and logs maintained by or behalf of the Saint Mary's Providers and the Joint Ventures in connection with their respective compliance programs. Except for matters set forth in such records, audit reports and logs, or as otherwise disclosed to NE-RHM and Trinity Health, to the Knowledge of Saint Mary's, there are no actual or potential violations by the Saint Mary's Providers or the Joint Ventures or any of their respective directors, officers or employees of any

Law applicable to the Government Programs for which criminal penalties, civil monetary penalties or exclusion may be authorized.

Section 6.18 Corporate Integrity Agreements. Neither Saint Mary's nor any Saint Mary's Controlled Subsidiary (i) is a party to a corporate integrity agreement or to a Certification of Compliance Agreement with the Office of the Inspector General of the United States Department of Health and Human Services, (ii) has reporting obligations pursuant to any settlement agreement entered into with any Governmental Authority, (iii) to the Knowledge of Saint Mary's, is the subject of any Government Program investigation, (iv) has been a defendant in any qui tam/False Claims Act litigation, (v) to the Knowledge of Saint Mary's, has been served with or received any search warrant, subpoena, civil investigation demand, contact letter or telephone or personal contact by or from any Governmental Authority, and (vi) to the Knowledge of Saint Mary's, has received any complaints through any compliance "hotlines" from employees, independent contractors, vendors, physicians, or any other Persons that would indicate, based on due inquiry by the Saint Mary's, that Saint Mary's or any Saint Mary's Controlled Subsidiary, or any of their directors, officers, or employees has violated any Law which has not been (or are not being) addressed in accordance with the applicable party's compliance program.

Section 6.19 HIPAA. To the Knowledge of Saint Mary's, each Saint Mary's Controlled Subsidiary that is a "Covered Entity" (as defined in HIPAA) is in material compliance with the applicable rules and regulations promulgated under HIPAA pursuant to 45 CFR Parts 160, 162, and 164 (subparts A, D and E) and the changes thereto imposed by HITECH. Except as previously disclosed in writing by Saint Mary's to NE-RHM and Trinity Health, none of Saint Mary's or any Saint Mary's Controlled Subsidiary has been the subject of an enforcement action by or resolution agreement with the U.S. Department of Health & Human Services, Office for Civil Rights or any other Governmental Authority related to HIPAA within the past three (3) years. A list of all breach notifications made by Saint Mary's or a Saint Mary's Controlled Subsidiary pursuant to HIPAA is set forth on **Schedule 6.19**.

Section 6.20 Affiliate Transactions. Except as disclosed in **Schedule 6.20**:

(a) To the Knowledge of Saint Mary's, no officer or director of Saint Mary's or any Saint Mary's Controlled Subsidiary ("**Interested Person**") directly or indirectly (i) owns any interest in any corporation, partnership, proprietorship or other entity which sells to or purchases products or services from Saint Mary's or any Saint Mary's Controlled Subsidiary, (ii) has any cause of action or claim against Saint Mary's or any Saint Mary's Controlled Subsidiary, or (iii) holds a beneficial interest in any Contract to which Saint Mary's or any Saint Mary's Controlled Subsidiary is a party or by which Saint Mary's or any Saint Mary's Controlled Subsidiary may be bound;

(b) None of Saint Mary's or any Saint Mary's Controlled Subsidiary is indebted, either directly or indirectly, to any Interested Person in any amount whatsoever, other than current obligations for payments of fees, salaries, bonuses and other fringe benefits for past services rendered; and

(c) No Interested Person is indebted to Saint Mary's or any Saint Mary's Controlled Subsidiary.

Section 6.21 Environmental Matters.

(a) To the Knowledge of Saint Mary's, except as disclosed in the reports described in subsection (e) below, the operations of Saint Mary's and the Saint Mary's Controlled Subsidiaries are in compliance with all Environmental Laws. To the Knowledge of Saint Mary's, neither Saint Mary's nor any Saint Mary's Controlled Subsidiary has received from any Person in the past 10 years any: (i) Environmental Notice or Environmental Claim; or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing Date.

(b) To Saint Mary's' Knowledge, Saint Mary's and the Saint Mary's Controlled Subsidiaries have obtained and are in material compliance with all material Environmental Permits necessary for the conduct of business of Saint Mary's and the Saint Mary's Controlled Subsidiaries as currently conducted or the ownership, lease, operation or use of the Saint Mary's Assets.

(c) None of the Owned Real Property is listed on, or has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

(d) To Saint Mary's' Knowledge, except as disclosed in the reports described in subsection (e) below, there has been no Release of Hazardous Materials in contravention of Environmental Law with respect to the Saint Mary's Assets or any Owned Real Property, and neither Saint Mary's nor any Saint Mary's Controlled Subsidiary has received any Environmental Notice that any of the Saint Mary's Assets or Owned Real Property has been contaminated with any Hazardous Material which would reasonably be expected to result in an Environmental Claim against, or a violation of Environmental Law or term of any Environmental Permit by, Saint Mary's or a Saint Mary's Controlled Subsidiary.

(e) **Section 6.21(e)** of the Disclosure Schedules lists all material environmental reports with respect to the Saint Mary's Assets or any Owned Real Property that are in the possession or control of Saint Mary's.

(f) The representations and warranties set forth in this **Section 6.21** are the sole and exclusive representations and warranties of Saint Mary's regarding environmental matters.

Section 6.22 Employee Benefit Matters.

(a) **Schedule 6.22(a)** of the Disclosure Schedules includes a complete list of each "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) and each other material compensatory, pension, retirement, thrift savings, profit-sharing, bonus, stock option, stock purchase, stock ownership, equity, stock appreciation right, restricted stock, "phantom" stock, employee stock ownership, severance, deferred compensation, excess benefit, supplemental retirement, supplemental unemployment, change in control, employment, post-retirement medical or life insurance, welfare, incentive, sick leave, fringe benefit, paid time off, vacation, retention, education/tuition assistance, relocation assistance, disability, medical, hospitalization, life

insurance, other insurance or employee benefit plan, program, policy, agreement or arrangement of any kind, whether or not subject to ERISA, whether formal or informal, covering one or more persons, oral or written, that applies to any current or former employees, directors, owners or service providers or their spouses, dependents or beneficiaries or under which any such Person is or may become (assuming any vesting, performance or other benefit requirements are met) entitled to benefit (whether or not contingent) that is maintained, sponsored, contributed to, or required to be maintained or contributed to by Saint Mary's or a Saint Mary's Controlled Subsidiary, or with respect to which Saint Mary's or a Saint Mary's Controlled Subsidiary has any present liability (as stated in **Schedule 6.22(a)** of the Disclosure Schedules, each, a "**Saint Mary's Benefit Plan**"). For the avoidance of any doubt, the term "Saint Mary's Benefit Plan" includes Saint Mary's Retirement Plan unless such Retirement Plan is excluded from the term "Saint Mary's Benefit Plan." In addition, where reference is made herein to Saint Mary's Retirement Plan, it is a reference to such Plan alone, and not to other Saint Mary's Benefits Plans.

With respect to each Saint Mary's Benefit Plan, except as disclosed on **Schedule 6.22(a)**, Saint Mary's has provided to Trinity Health a true, correct and complete copy of the following documents (if applicable): (i) each writing constituting all or any part of such Saint Mary's Benefit Plan, including all plan documents and amendments thereto (or, with respect to any unwritten Saint Mary's Benefit Plans, accurate descriptions thereof); (ii) any trust agreement, insurance contract, annuity contract, voluntary employees' beneficiary association as defined in Section 501(c)(9) of the Code, or other funding instrument related to such Saint Mary's Benefit Plan; (iii) the three most recent annual reports (Forms 5500 series), including all schedules and audited financial statements attached thereto, if any; (iv) the two most recent actuarial reports; (v) the current summary plan description, any summary of material modifications thereto, and any other material employee communications provided within the last three (3) years measured from the date hereof; (vi) any notices to or other material communications with any participants or any Governmental Authority, commission or regulatory body relative to the Saint Mary's Benefit Plan in the past three (3) years; (vii) the most recent determination letter or opinion letter issued by the IRS, if any; (viii) all rulings, no-action letters or advisory opinions from the IRS, U.S. Department of Labor, the Pension Benefit Guarantee Corporation ("**PBGC**"), or any other federal or state authority that pertain to any Saint Mary's Retirement Plan and any open requests therefore; and (ix) the Form PBGC-1 filed for each of the three most recent plan years, if such forms exist. Except as specifically provided in the foregoing documents provided to NE-RHM and Trinity Health, there are no amendments to any Saint Mary's Benefit Plan that have been adopted or approved.

(b) Except as listed in **Schedule 6.22(b)** of the Disclosure Schedules, each Saint Mary's Benefit Plan has been established, maintained, operated, and administered, in all material respects, in accordance with its terms and with all applicable Laws (including ERISA, if applicable, and the Code and the regulations promulgated thereunder) and the terms of all collectively bargaining agreements. Except as listed in **Schedule 6.22(b)** of the Disclosure Schedules, each Saint Mary's Benefit Plan that is intended to be qualified under Section 401(a) of the Code has been timely amended for all applicable legal requirements in order to maintain such tax-qualified status, is subject to a current favorable determination letter, or may rely upon an opinion or advisory letter, issued by the IRS with respect to such Saint Mary's Benefit Plan, and no such favorable determination letter or opinion letter has been revoked (or to the Knowledge of Saint Mary's has revocation been threatened) and there are no existing circumstances nor to the

Knowledge of Saint Mary's have any events occurred since the date of the most recent determination letter or opinion letter that could adversely affect the tax-qualified status of any such Saint Mary's Benefit Plan or the related trust or increase the costs relating thereto. Except as listed in **Schedule 6.22(b)** of the Disclosure Schedules, with respect to each such Saint Mary's Benefit Plan that is not in the form of a volume submitter or prototype plan, the current favorable determination letter evidences compliance with the most recent cumulative list of required amendments applicable to such Saint Mary's Benefit Plan, or the Saint Mary's Benefit Plan applied for such a favorable determination letter prior to the expiration of the requisite period under the applicable Treasury Regulations or IRS pronouncements, or the Saint Mary's Benefit Plan still has a remaining period of time under the applicable Treasury Regulations or IRS pronouncements in which to apply for such letter and to make any amendments necessary to obtain a favorable letter.

(c) Except as set forth in **Schedule 6.22(c)** of the Disclosure Schedules, none of Saint Mary's, any Saint Mary's Controlled Subsidiary or an ERISA Affiliate of Saint Mary's or a Saint Mary's Controlled Subsidiary sponsors, maintains or contributes to, or has any obligation to contribute to, or has any liability or potential liability under or with respect to, any "employee pension benefit plan" (as defined in Section 3(2) of ERISA), that is subject to Sections 412 or 4971 of the Code, Section 302 of ERISA or Title IV of ERISA (not including any Multiemployer Plan or Multiple Employer Plan), or otherwise has any liability or potential liability under Title IV of ERISA. With respect to each plan listed in **Schedule 6.22(c)** of the Disclosure Schedule, except as set forth in **Schedule 6.22(c)** of the Disclosure Schedule: (i) such plan is not currently, and is not reasonably expected to be, in "at risk status" within the meaning of Section 430(i) of the Code or Section 303(i) of ERISA; (ii) an election has not been made under Section 430(c)(2)(D) of the Code or Section 303(c)(2)(D) of ERISA; (iii) a copy of the most recent Certification of AFTAP has been delivered or made available to Trinity Health; (iv) no reportable event within the meaning of Section 4043(c) of ERISA (for which the disclosure requirements of Regulation Section 4043.1 et seq., promulgated by the PBGC, have not been waived) has occurred since January 1, 2009, and the consummation of the transactions contemplated by this Agreement will not result in the occurrence of any such reportable event; (v) since January 1, 2009, neither Saint Mary's, a Saint Mary's Controlled Subsidiary nor any of their ERISA Affiliates has incurred any liability under Title IV of ERISA other than for the payment of premiums to the PBGC, all of which have been paid when due; (vi) since January 1, 2009, such plan has not applied for or received a waiver of the minimum funding standards imposed by Section 412 of the Code; (vii) no notice of intent to terminate the plan has been given under Section 4041 of ERISA; (viii) the PBGC has not instituted proceedings to terminate the plan or to appoint a trustee or administrator of any such plan, and no circumstances exist that constitute grounds under Title IV of ERISA for any such proceeding; (ix) for each year beginning on or after January 1, 2008, Saint Mary's, the Saint Mary's Controlled Subsidiaries or ERISA Affiliates, as applicable, has made contributions that are not less than the minimum required contribution under Section 430 of the Code; (x) there is no "amount of unfunded benefit liabilities" as defined in Section 4001(a)(18) of ERISA as of the last day of such plan's most recent fiscal year; (xi) there is not now, and there are no existing circumstances that would give rise to, any requirement for the posting of security with respect to the plan under Sections 401(a)(29) and 436(f) of the Code or the imposition of any lien on the assets of Saint Mary's or a Saint Mary's Controlled Subsidiary or one of their ERISA Affiliates under ERISA or the Code; (xii) neither Saint Mary's, a Saint Mary's Controlled Subsidiary nor any of their ERISA Affiliates

has engaged in any transaction described in Section 4069 of ERISA; (xiii) none of Saint Mary's or any Saint Mary's Controlled Subsidiary has incurred any liability for any taxes under Section 4971 of the Code; and (xiv) there is no lien pursuant to Sections 303(k) or 4068 of ERISA or Section 430(k) of the Code in favor of, or enforceable by the PBGC or any other entity with respect to any of the assets of Saint Mary's or any Saint Mary's Controlled Subsidiary. "**ERISA Affiliate**" means, with respect to any entity, trade or business, any other entity, trade or business that is or was at the relevant time a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes or included the first entity, trade or business, or that is a member of the same "controlled group" as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA. "**Certification of AFTAP**" means the certification of an enrolled actuary meeting the requirements imposed under Treasury Regulations Section 1.436-1 that includes, without limitation, a certification of the applicable Saint Mary's Benefit Plan's "adjusted funding target attainment percentage" within the meaning of Section 436(j) of the Code.

(d) Except as listed in **Schedule 6.22(d)** of the Disclosure Schedules, none of Saint Mary's, any Saint Mary's Controlled Subsidiary or an ERISA Affiliate of Saint Mary's or a Saint Mary's Controlled Subsidiary has at any time sponsored, established, maintained, participated in, contributed to, or been obligated to contribute to, or has any liability or potential liability under or with respect to, any Multiemployer Plan or Multiple Employer Plan. A "**Multiemployer Plan**" has the meaning set forth in Sections 3(37) and 4001(a)(3) of ERISA. A "**Multiple Employer Plan**" is a plan that has two or more contributing sponsors, at least two of whom are not under common control within the meaning of Section 4063 of ERISA and Section 413(c) of the Code. To the Knowledge of Saint Mary's, with respect to each Multiemployer Plan identified pursuant to this **Section 6.22(d)**: (i) neither Saint Mary's, a Saint Mary's Controlled Subsidiary nor any of their ERISA Affiliates has engaged in any transaction that constitutes a withdrawal under Section 4201 et seq. of ERISA; (ii) if Saint Mary's, a Saint Mary's Controlled Subsidiary or any of their ERISA Affiliates have incurred any liability or responsibility under Title IV of ERISA, including Withdrawal Liability, or any other provision of ERISA, the Code or any other applicable Law, the liability or responsibility has been satisfied in full and all Withdrawal Liability payments have been duly and timely made; (iii) if Saint Mary's, a Saint Mary's Controlled Subsidiary or any of their ERISA Affiliates were to experience a withdrawal or partial withdrawal from such Multiemployer Plan, no Withdrawal Liability would be incurred; and (iv) neither Saint Mary's, a Saint Mary's Controlled Subsidiary nor any of their ERISA Affiliates have received any notification, nor have any reason to believe, that any such plan is in reorganization, is insolvent, has been terminated, or would be in reorganization, be insolvent or be terminated. "**Withdrawal Liability**" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as those terms are defined in Part I of Subtitle E of Title IV of ERISA.

(e) Except as listed in **Schedule 6.22(e)** of the Disclosure Schedules, no Saint Mary's Benefit Plan is a "church plan" as defined in Section 414(e) of the Code and Section 3(33) of ERISA that is a non-electing employee benefit plan under Section 4(b)(2) of ERISA ("**Church Plan**"). There is no pending or, to the Knowledge of Saint Mary's, threatened lawsuit, challenge or claim by any Person challenging the "church plan" status and ERISA exemption of any Saint Mary's Benefit Plan that is a Church Plan. Except as listed in **Schedule 6.22(e)** of the Disclosure Schedules, any Saint Mary's Plan listed in **Schedule 6.22(e)** that is a defined benefit pension plan is no less than 80% funded, as determined for financial accounting purposes, and except as listed

in the **Schedule 6.22(e)**, there are no other defined benefit pension plans sponsored or maintained by Saint Mary's Hospital.

(f) Except as listed in **Schedule 6.22(f)** of the Disclosure Schedules, with respect to any Saint Mary's Benefits Plan that is an employee welfare benefit plan within the meaning of Section 3(1) of ERISA (whether or not subject thereto), (i) no such Saint Mary's Benefit Plan is funded through a "welfare benefits fund" (as such term is defined in Section 419(e) of the Code), (ii) each such Saint Mary's Benefit Plan that is a "group health plan" (as such term is defined in Section 5000(b)(1) of the Code) complies in all material respects with the applicable requirements of COBRA (or any similar state or local Law) and HIPAA (including regulations thereunder) and (iii) each such Saint Mary's Benefit Plan complies in all material respects with the applicable provisions of the Patient Protection and Affordable Care Act and the regulations thereunder, and no such plan is grandfathered thereunder. Further, except as listed in **Schedule 6.22(f)** of the Disclosure Schedules, no Saint Mary's Benefit Plan provides and none of Saint Mary's, the Saint Mary's Controlled Subsidiaries and their ERISA Affiliates maintain, contribute to or have any present or future obligation to make any contribution or payment to, or with respect to, or have any other liability with respect to any plan or other arrangement that provides health, life or other welfare-type benefits following retirement or other termination of employment (other than death benefits when termination occurs upon death) to any Person (or any spouse or other dependent thereof), other than as required under COBRA or any similar state or local Law (and for which COBRA or other continuation coverage the Person, including any spouse or dependent thereof, pays the entire cost of coverage).

(g) Except as listed in **Schedule 6.22(g)** of the Disclosure Schedules, no Saint Mary's Benefit Plan exists that could: (i) result in the payment of any money or other property to an employee providing services for Saint Mary's or a Saint Mary's Controlled Subsidiary; or (ii) provide any additional rights or benefits (including funding of compensation or benefits through a trust or otherwise) to any employee providing services for Saint Mary's or a Saint Mary's Controlled Subsidiary, in either case as a result of the execution of this Agreement or the consummation of the transaction contemplated hereby (either alone or in conjunction with any other event, including as a result of any termination of employment). Except as listed in **Schedule 6.22(g)** of the Disclosure Schedules, neither the execution of this Agreement nor the consummation of the transaction contemplated hereby will (either solely as a result thereof or as a result of such transaction in conjunction with any other event, including as a result of any termination of employment) result in any "excess parachute payments" within the meaning of Section 280G(b) of the Code being made to any employees of Saint Mary's or a Saint Mary's Controlled Subsidiary. Further, except as listed in **Schedule 6.22(g)** of the Disclosure Schedules, execution and delivery of this Agreement nor the consummation of the transaction contemplated hereby will (either alone or in conjunction with any other event, including as a result of any termination of employment), except as contemplated pursuant to the terms of this Agreement, result in (iii) the acceleration or creation of any rights of any Person to benefits under any Saint Mary's Benefit Plan (including, without limitation, the acceleration of the accrual, vesting, or time of the payment of any benefits under any Saint Mary's Benefit Plan) or the acceleration or creation of any rights under any severance, parachute, or change in control agreement; (iv) forgiveness of indebtedness; (v) any limitation on the right of Saint Mary's or a Saint Mary's Controlled Subsidiary to amend, merge, terminate or receive a reversion of assets from any Saint Mary's Benefit Plan or related trust; (vi) the forfeiture of compensation or benefits under any

Saint Mary's Benefit Plan; (vii) Saint Mary's or a Saint Mary's Controlled Subsidiary being required to make a contribution to any Saint Mary's Benefit Plan; (viii) a conflict with the terms of any Saint Mary's Benefit Plan; (ix) any Person becoming entitled to severance or termination pay; (x) the acceleration of the funding (through a grantor trust or otherwise) of compensation or benefits under any Saint Mary's Benefit Plan; (xi) any other material obligation pursuant to any Saint Mary's Benefit Plan; or (xii) any breach or violation of, or a default under, any Saint Mary's Benefit Plan.

(h) Except as listed in **Schedule 6.22(h)** of the Disclosure Schedules, to the Knowledge of Saint Mary's, there have been no Prohibited Transactions with respect to any Saint Mary's Benefit Plan that are not exempt transactions pursuant to applicable law. Except as listed in **Schedule 6.22(h)**, to the Knowledge of Saint Mary's, no fiduciary of any Saint Mary's Benefit Plan 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 Saint Mary's Benefit Plan. No claim, action, lawsuit, charge, complaint, grievance, audit, proceeding, hearing, investigation or arbitration relating to any Saint Mary's Benefit Plan (other than routine claims for benefits) is pending or, to Saint Mary's Knowledge, threatened and, to Saint Mary's Knowledge, no set of circumstances exists that may reasonably give rise to a claim, action, lawsuit, charge, complaint, grievance, audit, proceeding, hearing, investigation or arbitration, relating to a Saint Mary's Benefit Plan or against a Saint Mary's Benefit Plan or the assets of any of trust under any Saint Mary's Benefit Plan, other than as listed in **Schedule 6.22(h)** of the Disclosure Schedules.

(i) To the Knowledge of Saint Mary's and other than with respect to the Saint Mary's Retirement Plan, all contributions (including all employer contributions and employee salary reduction contributions) that are due have been paid within the time periods prescribed by ERISA, to the extent ERISA is applicable, and the Code, and the plan's terms, to each Saint Mary's Benefit Plan that is a retirement type benefit plan and all contributions for any period ending on or before the Closing Date that are not yet due but which are due within legally allowable periods of time after the Closing Date have been paid to each such Saint Mary's Benefit Plan or have been properly accrued in the financial statements of SMH. All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to each Saint Mary's Benefit Plan that is a welfare benefit plan or accrued.

(j) There is no matter pending (other than routine filings) with respect to any Saint Mary's Benefit Plan before the IRS, Department of Labor, PBGC, or any other Governmental Authority.

(k) To the Knowledge of Saint Mary's, and other than as listed in **Schedule 6.22(k)**, each Saint Mary's Benefit Plan that is a "nonqualified deferred compensation plan" (as defined for purposes of Section 409A(d)(1) of the Code) has (i) been maintained and operated since January 1, 2005 in good faith compliance with Section 409A of the Code and all applicable IRS guidance promulgated thereunder so as to avoid any tax, penalty or interest under Section 409A of the Code and, since January 1, 2009, been in documentary and operational compliance with Section 409A of the Code and all applicable IRS guidance promulgated thereunder or (ii) as to any such plan in existence prior to January 1, 2005, not been "materially modified" (within the meaning of IRS Notice 2005-1) at any time after October 3, 2004. No amounts under any such plan have been subject to the interest and additional tax set forth under Code Section

409A(a)(1)(B). To the Knowledge of Saint Mary's, neither Saint Mary's nor a Saint Mary's Controlled Subsidiary has any actual or potential obligation to reimburse or otherwise "gross-up" any Person for the interest or additional tax set forth under Section 409A of the Code, nor has Saint Mary's or any Saint Mary's Controlled Subsidiary been obligated to report any corrections made with respect to any such Plan to any Governmental Authority.

(l) The representations and warranties set forth in this **Section 6.22** are the sole and exclusive representations and warranties of Saint Mary's regarding employee benefit matters.

Section 6.23 Employment Matters.

(a) Except as set forth in **Schedule 6.23** of the Disclosure Schedules, neither Saint Mary's nor any Saint Mary's Controlled Subsidiary is a party to, bound by, any collective bargaining or other agreement with a labor organization representing any of the employees providing services to Saint Mary's or any Saint Mary's Controlled Subsidiary. Except as set forth in **Schedule 6.23** of the Disclosure Schedules, during the past five years, there has not been, nor, to Saint Mary's Knowledge, has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor activity or dispute affecting any of the employees providing services to Saint Mary's or any Saint Mary's Controlled Subsidiary.

(b) To the Knowledge of Saint Mary's, Saint Mary's and the Saint Mary's Controlled Subsidiaries are in compliance with all applicable Laws pertaining to employment and employment practices, except to the extent that non-compliance would not have a Material Adverse Effect with respect to Saint Mary's.

(c) Copies of all written employment agreements to which Saint Mary's or a Saint Mary's Controlled Subsidiary is a party have been provided to NE-RHM prior to the Signature Date. Additionally, a written description of all oral employment agreements to which Saint Mary's or a Saint Mary's Controlled Subsidiary is a party have been provided NE-RHM prior to the Signature Date.

(d) The representations and warranties set forth in this **Section 6.23** are the sole and exclusive representations and warranties of Saint Mary's regarding employment matters.

Section 6.24 Taxes.

(a) Except as set forth in **Schedule 6.24** of the Disclosure Schedules, Saint Mary's and each Saint Mary's Controlled Subsidiary have each filed (taking into account any valid extensions) all Tax Returns applicable to such party and the applicable party has paid all Taxes shown thereon as owing. Such Tax Returns are true, complete and correct in all respects. Neither Saint Mary's nor any Saint Mary's Controlled Subsidiary is currently the beneficiary of any extension of time within which to file any Tax Return other than extensions of time to file Tax Returns obtained in the ordinary course of business. Except as set forth in **Schedule 6.24** of the Disclosure Schedules, to the Knowledge of Saint Mary's, Saint Mary's and each Saint Mary's Controlled Subsidiary have withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, or other third party, and all Internal Revenue Service Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed. There is no material dispute or claim

concerning any Tax liability of Saint Mary's or any Saint Mary's Controlled Subsidiary either claimed or raised in writing by any Governmental Authority that has not been settled or as to which Saint Mary's has Knowledge.

(b) Neither Saint Mary's nor any Saint Mary's Controlled Subsidiary is a "foreign person" as that term is used in Treasury Regulations Section 1.1445-2.

(c) Except for certain representations related to Taxes in **Section 6.22**, the representations and warranties set forth in this **Section 6.24** are the sole and exclusive representations and warranties of Saint Mary's regarding Tax matters.

Section 6.25 Insurance. **Schedule 6.25** of the Disclosure Schedules sets forth (i) a true and complete list of all current insurance or self-insurance policies of all risk properties, including fire, liability, product liability, errors and omissions, malpractice, workers' compensation, vehicular (often referred to as automobile liability), directors' and officers' liability, employment practices, fiduciary liability and any and all other forms of insurance maintained by or on behalf of Saint Mary's or any Saint Mary's Controlled Subsidiary to provide insurance protection for the assets and business thereof (collectively, the "**Saint Mary's Insurance Policies**"); and (ii) a list of all pending claims and the claims history related to Saint Mary's or any Saint Mary's Controlled Subsidiary for the ten (10) year period prior to the Signature Date. To the Knowledge of Saint Mary's, there are no claims related to Saint Mary's or any Saint Mary's Controlled Subsidiary under any such Saint Mary's Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. During the ten (10) years prior to the date hereof, to the Knowledge of Saint Mary's, neither Saint Mary's nor any Saint Mary's Controlled Subsidiary has received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Saint Mary's Insurance Policies. All Saint Mary's Insurance Policies are in full force and effect and enforceable in accordance with their terms and have not been subject to any lapse in coverage. To the Knowledge of Saint Mary's, none of Saint Mary's or any Saint Mary's Controlled Subsidiary is in default under, or has otherwise failed to comply with, in any material respect, any provision contained in any such Saint Mary's Insurance Policies. The Saint Mary's Insurance Policies are sufficient for compliance with all applicable Laws and Contracts to which either Saint Mary's or any Saint Mary's Controlled Subsidiary is a party. True and complete copies of the Saint Mary's Insurance Policies have been made available to Trinity Health.

Section 6.26 Medical Staff. SMH has an open medical staff other than with respect to hospital-based service lines where the medical staff has been closed for purposes of granting an exclusive contract or otherwise. Saint Mary's has made available to NE-RHM a true and complete copy of medical staff privilege and membership application forms used by the Saint Mary's Hospitals, including a description of medical staff privileges, all current medical staff bylaws, rules and regulations, and amendments thereto, all credentials and appeals procedures not incorporated therein, and copies of all written Contracts between SMH and physicians, physician groups, or other members of its medical staff. Except as previously disclosed by Saint Mary's to NE-RHM and Trinity Health in writing, there are no pending or, to the Knowledge of Saint Mary's, threatened appeals, challenges, disciplinary or corrective actions, or disputes involving applicants, staff members, or health professionals at SMH. To the Knowledge of Saint

Mary's, no member of the medical staff of SMH (i) is currently excluded, debarred or otherwise ineligible to participate in Government Programs, (ii) has been convicted of a criminal offense related to the provision of health care items or services but has not yet been excluded, debarred or otherwise declared ineligible to participate in the Government Programs, or (iii) is under an investigation that may result in exclusion from participation in the Government Programs.

Section 6.27 Brokers. Except for Hammond Hanlon Camp LLC, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transaction contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Saint Mary's or any Saint Mary's Controlled Subsidiary.

Section 6.28 Due Diligence. Saint Mary's has provided or caused to be provided to NE-RHM, Trinity Health and their Representatives all information and documents regarding the business operations and facilities of Saint Mary's and the Saint Mary's Controlled Subsidiaries that have been requested by NE-RHM and Trinity Health in connection with NE-RHM's and Trinity Health's due diligence review in connection with the transaction contemplated by this Agreement. In that regard, Saint Mary's acknowledges and agrees that the representations and warranties set forth in this **Article VI** apply with full force and effect regardless of any due diligence investigation conducted by NE-RHM, Trinity Health, or their Representatives, prior to the Closing Date.

Section 6.29 Full Disclosure. No representation or warranty by Saint Mary's in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to NE-RHM or Trinity Health by Saint Mary's pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

Section 6.30 No Other Representations and Warranties. Except for the representations and warranties contained in this **Article VI** (including the related portions of the Disclosure Schedules), neither Saint Mary's nor any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of Saint Mary's.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF NE-RHM AND TRINITY HEALTH

Except as set forth in the Disclosure Schedules or as otherwise set forth below, NE-RHM and Trinity Health, where applicable, represent and warrant to Saint Mary's that the statements contained in this **Article VII** are true and correct as of the Signature Date and will be true and correct as of the Closing Date subject to any updates in the Disclosure Schedules delivered by NE-RHM or Trinity Health prior to the Closing Date.

Section 7.01 Organization and Corporate Authority of NE-RHM and Trinity Health.

(a) NE-RHM is a non-stock corporation, duly organized and validly existing in good standing under the laws of Connecticut. NE-RHM has all requisite corporate power and

corporate authority to enter into this Agreement and the other Transaction Documents to which it will be a party and to perform its obligations hereunder and thereunder.

(b) Trinity Health is a nonprofit corporation, duly organized and validly existing in good standing under the laws of the State of Indiana. Trinity Health has all requisite corporate power and corporate authority to enter into this Agreement and the other Transaction Documents to which it will be a party and to perform its obligations hereunder and thereunder.

Section 7.02 Tax-Exempt Status. Each of NE-RHM and Trinity Health is exempt from federal income taxation pursuant to Section 501(a) of the Code, as an organization described in Section 501(c) (3) of the Code, and is not a “private foundation” as defined in Section 509(a) of the Code, as evidenced by either a determination letter from the IRS or a listing in the Official Catholic Directory. Neither NE-RHM nor Trinity Health has within the past three (3) most recent fiscal years received any written correspondence or notice from any taxing authority that any of its exemptions from Tax have been or may be revoked, modified or under consideration or review. Neither NE-RHM nor Trinity Health has taken any action that may cause it to lose its exemption from taxation under Section 501(a) of the Code.

Section 7.03 Authorization and Enforceability of this Agreement. The execution, delivery and performance of this Agreement by NE-RHM and Trinity Health (including the execution, delivery and performance of any Transaction Document to which it will be a party) have been duly authorized by all necessary corporate action as required by their Organizational Documents or policies. This Agreement has been duly executed and delivered by NE-RHM and Trinity Health and constitutes a valid and legally binding obligation of each of them, enforceable against each of them in accordance with its terms, subject to Applicable Exceptions.

Section 7.04 No Conflicts; Consents. The execution, delivery and performance by NE-RHM and Trinity Health of this Agreement and the other Transaction Documents to which each is a party, and the consummation of the transaction contemplated hereby and thereby, do not and will not: (a) result in a violation or breach of any provision of their Organizational Documents; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to either of them; or (c) except as set forth in **Schedule 7.04** of the Disclosure Schedules, require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default under or result in the acceleration of any agreement to which NE-RHM or Trinity Health is a party, except in the cases of clauses (b) and (c), where the violation, breach, conflict, default, acceleration or failure to give notice would not have a Material Adverse Effect with respect to NE-RHM or Trinity Health, as the case may be. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to NE-RHM or Trinity Health in connection with the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transaction contemplated hereby and thereby, except for such filings as set forth in **Schedule 7.04** of the Disclosure Schedules and such consents, approvals, Permits, Governmental Orders, declarations, filings or notices which would not have a Material Adverse Effect with respect to NE-RHM or Trinity Health, as the case may be.

Section 7.05 Brokers. Except for Kaufman, Hall & Associates, LLC, no broker, finder or investment banker is entitled to any brokerage, finder’s or other fee or commission in

connection with the transaction contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of NE-RHM or Trinity Health.

Section 7.06 Legal Proceedings. There are no actions, suits, claims, investigations or other legal proceedings pending or, to NE-RHM's or Trinity Health's Knowledge, threatened against or by NE-RHM or Trinity Health or any Affiliate of either of them that challenge or seek to prevent, enjoin or otherwise delay the transaction contemplated by this Agreement. No event has occurred nor do any circumstances exist that may give rise to, or serve as a basis for, any such action, suit, claim, investigation or other legal proceeding except for such actions, suits, claims, investigations or other legal proceedings that would not, in the aggregate, have a Material Adverse Effect with respect to NE-RHM or Trinity Health, as the case may be.

Section 7.07 Financial Statements.

(a) NE-RHM has made available to Saint Mary's copies of the audited consolidated financial statements for NE-RHM as of September 30, for each of the years 2012, 2013, and 2014 (collectively the "NE-RHM Financial Statements"). The NE-RHM Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved. The NE-RHM Financial Statements fairly present in all material respects the financial condition of NE-RHM and the NE-RHM Controlled Subsidiaries as of the respective dates they were prepared and the results of the operations of NE-RHM and the NE-RHM Controlled Subsidiaries for the periods indicated.

(b) Trinity Health has (i) made available the following to Saint Mary's: (1) copies of the audited consolidated financial statements for Trinity Health as of June 30, for each of the years 2012, 2013, and 2014, and (2) copies of the audited consolidated financial statements of Catholic Health East as of December 31, for each of the years 2011 and 2012, and (ii) made publicly available unaudited consolidated financial statements of Trinity Health on a quarterly basis following the end of its most recent fiscal year (collectively the "**Trinity Health Financial Statements**"). The Trinity Health Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved. The Trinity Health Financial Statements fairly present in all material respects the financial condition of Trinity Health and the Trinity Health Controlled Subsidiaries as of the respective dates they were prepared and the results of the operations of Trinity Health and the Trinity Health Controlled Subsidiaries for the periods indicated.

Section 7.08 Compliance with Laws; Permits.

(a) Except as set forth in **Schedule 7.08(a)** of the Disclosure Schedules, NE-RHM and the NE-RHM Controlled Subsidiaries are in material compliance with all Laws applicable to their respective businesses, properties and assets including, without limitation, the False Claims Act (31 U.S.C. § 3729, et seq.), the Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a), federal and state anti-kickback statutes (including 42 U.S.C. § 1320a 7b), federal and state referral laws (including 42 U.S.C. §1395nn), criminal false claims statutes (e.g. 18 U.S.C. §§ 287 and 1001), and the Beneficiary Inducement Statute (42 U.S.C. §1320a-7a(a)(5)). NE-RHM has not received notice of any violation of any such Laws nor, to the Knowledge of NE-RHM, does there exist any facts which would provide a basis for such claims.

(b) All Permits required for NE-RHM and the NE-RHM Controlled Subsidiaries to conduct their respective businesses as currently conducted or for the ownership and use of their assets have been obtained and are valid and in full force and effect, except where the failure to obtain such Permits would not have a Material Adverse Effect with respect to NE-RHM. All fees and charges with respect to such Permits have been paid in full. NE-RHM has disclosed to Saint Mary's all current material Permits issued to NE-RHM and the NE-RHM Controlled Subsidiaries which relate to their operations as currently conducted or the ownership and use of their assets, including the names of the Permits and their respective dates of issuance and expiration. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any such Permit except such revocations, suspensions, lapses or limitations that would not in the aggregate result in a Material Adverse Effect.

(c) NE-RHM has made available to Saint Mary's pursuant to due diligence requests a copy of the most recent state licensing reports and lists of deficiencies, if any, and the most recent fire marshal surveys and list of deficiencies, if any, for the NE-RHM Controlled Subsidiaries. Each NE-RHM Controlled Subsidiary is in compliance in all material respects with applicable fire code regulations. NE-RHM has cured or submitted a plan of correction with respect to the deficiencies noted in any such licensure surveys and fire marshal reports and shall provide documentation that such cures and/or plans of correction have been accepted by the appropriate Governmental Authority as of the Closing Date.

(d) There are no outstanding patient complaints with respect to any NE-RHM Controlled Subsidiary which have been substantiated by a Governmental Authority and which have not been cured or are not the subject of a plan of correction accepted by the applicable Governmental Authority, except such complaints as would not in the aggregate result in a Material Adverse Effect. All fines imposed, if any, against the NE-RHM Controlled Subsidiaries with respect to any patient complaints have been paid in full.

Section 7.09 Medicare Participation/Accreditation

(a) Each NE-RHM Provider is eligible without restriction for participation in the Government Programs and have current and valid provider contracts with the Government Programs and are each in compliance with the applicable conditions of participation for the Government Programs in all material respects. There is neither pending, nor, to the Knowledge of NE-RHM, threatened, any proceeding or investigation under the Government Programs involving any NE-RHM Provider. NE-RHM has made available to Saint Mary's true and complete copies of the most recent Government Program survey reports and all plans of correction, if any, which were required in response to such surveys and, except as set forth in **Schedule 7.09(a)** of the Disclosure Schedules, all such plans of correction have been accepted by the applicable Government Program and all have been or are in the process of being implemented.

(b) Each of the NE-RHM Providers has timely filed all required Government Program cost reports for all the fiscal years through and including the most current fiscal year. To the Knowledge of NE-RHM, all of such cost reports are complete and correct in all material respects and such cost reports do not claim, and none of the NE-RHM Providers have received, reimbursement in excess of the amounts provided by Law or any applicable agreement. True and

complete copies of all such cost reports for the three (3) most recent fiscal years of the NE-RHM Providers have been furnished to Saint Mary's. Except for routine claims for reimbursement made in the ordinary course of business and except as set forth in **Schedule 7.09(b)** of the Disclosure Schedules, there are no claims, actions or appeals pending before any commission, board or agency, including any fiscal intermediary or carrier, the Provider Reimbursement Review Board or the Administrator of the Centers for Medicare and Medicaid Services, with respect to Government Program claims filed on behalf of those providers.

(c) The billing practices of the NE-RHM Providers with respect to all third party payors, including the Government Programs and private insurance companies, have been performed in the ordinary course of business and, to the Knowledge of NE-RHM, are in compliance in all material respects with all applicable Law and billing requirements of such third party payors and Government Programs, and none of the NE-RHM Providers have knowingly billed or received any material payment or reimbursement in excess of amounts allowed by Law other than underpayments and overpayments arising in the ordinary course of business.

Section 7.10 Compliance Programs

(a) To the Knowledge of NE-RHM, during the past five (5) years, the NE-RHM Providers have maintained and adhered in all material respects to a compliance program designed to promote compliance with all Laws and ethical standards, to improve the quality and performance of operations, and to detect, prevent, and address violations of legal or ethical standards, as applicable.

(b) Upon hiring employees and regularly thereafter, searches of the Office of Inspector General's List of Excluded Individuals/Entities are performed by NE-RHM or its designee to confirm that all employees, independent contractors, consultants, medical staff members, and other Persons providing any services under any Contract with NE-RHM or a NE-RHM Subsidiary are not, as of the date of such search, excluded, debarred or otherwise ineligible to participate in the Government Programs. Neither NE-RHM nor any NE-RHM Subsidiary has received written notice that (i) any Person providing services under a contract with NE-RHM or any NE-RHM Subsidiary or (ii) any employee, contractor, or medical staff member performing services for NE-RHM or any NE-RHM Subsidiary is charged with or has been convicted of a criminal offense related to the Government Programs, but has not yet been excluded, debarred or otherwise declared ineligible to participate in such programs or is proposed for exclusion therefrom.

(c) NE-RHM has made available to Saint Mary's all records, audit reports and logs maintained by or on behalf of the NE-RHM Providers in connection with their respective compliance programs. Except for matters set forth in such records, audit reports and logs, or as otherwise disclosed to Saint Mary's, to the Knowledge of NE-RHM, there are no actual or potential violations by any of the NE-RHM Providers or any of their directors, officers or employees of any Law applicable to the Government Programs for which criminal penalties, civil monetary penalties or exclusion may be authorized.

Section 7.11 Corporate Integrity Agreements. Neither NE-RHM nor any NE-RHM Controlled Subsidiary (i) is a party to a corporate integrity agreement or to a Certification of Compliance Agreement with the Office of the Inspector General of the United States Department

of Health and Human Services, (ii) has any reporting obligations pursuant to any settlement agreement entered into with any Governmental Authority, (iii) to the Knowledge of NE-RHM, is the subject of any Government Program investigation, (iv) has been a defendant in any qui tam/False Claims Act litigation, (v) to the Knowledge of NE-RHM, has been served with or received any search warrant, subpoena, civil investigation demand, contact letter or telephone or personal contact by or from any Governmental Authority, and (vi) to the Knowledge of NE-RHM, has received any complaints through any compliance “hotlines” from employees, independent contractors, vendors, physicians, or any other Persons that would indicate, based on due inquiry by NE-RHM, that NE-RHM or any NE-RHM Controlled Subsidiary, or any of their respective directors, officers, or employees, has violated any Law which has not been (or are not being) addressed in accordance with the applicable party’s compliance program.

Section 7.12 HIPAA. To the Knowledge of NE-RHM, each NE-RHM Controlled Subsidiary that is a “**Covered Entity**” (as defined in HIPAA) is in material compliance with the applicable rules and regulations promulgated under HIPAA pursuant to 45 CFR Parts 160, 162, and 164 (subparts A, D and E) and the changes thereto imposed by HITECH. None of these entities have been the subject of an enforcement action by or resolution agreement with the U.S. Department of Health & Human Services, Office for Civil Rights or any other Governmental Authority related to HIPAA within the past three (3) years. A list of all breach notifications made by any of these entities pursuant to HIPAA is set forth on **Schedule 7.12**.

Section 7.13 Financial Capacity. NE-RHM and Trinity Health currently have the financial capacity to perform all of their obligations under this Agreement without any conditions or contingencies.

Section 7.14 Due Diligence. NE-RHM and Trinity Health have provided or caused to be provided to Saint Mary’s and its Representatives all information and documents regarding the business operations and facilities of NE-RHM and Trinity Health that have been requested by Saint Mary’s in connection with Saint Mary’s due diligence review in connection with the transaction contemplated by this Agreement. In that regard, NE-RHM and Trinity Health acknowledge and agree that the representations and warranties set forth in this **Article VII** apply with full force and effect regardless of any due diligence investigation conducted by Saint Mary’s, or its Representatives, prior to the Closing Date.

Section 7.15 Full Disclosure. No representation or warranty by NE-RHM or Trinity Health in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to Saint Mary’s pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

Section 7.16 No Other Representations and Warranties. Except for the representations and warranties contained in this **Article VII** (including the related portions of the Disclosure Schedules), neither NE-RHM, Trinity Health nor any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of NE-RHM or Trinity Health.

ARTICLE VIII
COVENANTS

Section 8.01 Conduct of Operations Prior to the Effective Date.

(a) From the Signature Date until the Effective Date, except as otherwise provided in this Agreement or consented to in writing by NE-RHM and Trinity Health (which consent shall not be unreasonably withheld, conditioned or delayed), Saint Mary's shall, and shall cause the Saint Mary's Controlled Subsidiaries to, (i) conduct the business of Saint Mary's and the Saint Mary's Controlled Subsidiaries in the ordinary course of business; and (ii) use commercially reasonable efforts to maintain and preserve intact the current organization and operations and to preserve the rights and relationships of the employees, physicians, patients, suppliers, regulators and others having relationships with Saint Mary's and the Saint Mary's Controlled Subsidiaries.

(b) From the date hereof until the Effective Date, except as consented to in writing by NE-RHM and Trinity Health, Saint Mary's (i) shall not take any action that would cause any of the changes, events or conditions described in **Section 6.08(a), (b), (c), (o), or (q)** to occur, (ii) shall not take any action that would cause any of the changes, events or conditions described in **Section 6.08(d), (e), (h), (i), (k), (m), (n), or (p)** to occur without NE-RHM's and Trinity Health's prior written consent, which will not be unreasonably withheld, conditioned or delayed, and (iii) shall notify NE-RHM and Trinity Health of any event or condition described in **Section 6.08(f), (g), (j), or (l)**. Saint Mary's shall promptly notify NE-RHM and Trinity Health of any Material Adverse Effect or any events that, individually or in the aggregate, with or without the lapse of time, could be reasonably expected to result in a Material Adverse Effect.

Section 8.02 Regional Strategy/Structure and Integration Plan. As soon as legally permissible following the Signature Date, the Parties will begin developing the framework for an integration plan to facilitate a smooth operational and administrative transition of Saint Mary's becoming part of the Regional Health Ministry. The integration plan will identify and prioritize near-term and long-term integration and planning needs as well as strategic opportunities and operational improvements that could be developed and implemented after the Effective Date.

Section 8.03 Access to Information.

(a) From the date hereof until the Closing, Saint Mary's shall (a) afford NE-RHM, Trinity Health and their Representatives reasonable access to and the right to inspect all of the Real Property, properties, assets, premises, books and records, Contracts and other documents and data related to Saint Mary's and the Saint Mary's Controlled Subsidiaries; (b) furnish NE-RHM and Trinity Health and their Representatives with such financial, operating and other data and information related to Saint Mary's and the Saint Mary's Controlled Subsidiaries as NE-RHM, Trinity Health or any of their Representatives may reasonably request; and (c) instruct the Representatives of Saint Mary's to cooperate with NE-RHM and Trinity Health in their investigation of Saint Mary's and the Saint Mary's Controlled Subsidiaries; provided, however, that any such investigation shall be conducted during normal business hours upon reasonable advance notice to Saint Mary's, under the supervision of Saint Mary's' personnel and in such a manner as not to interfere with the conduct of the business of Saint Mary's and the Saint Mary's Controlled Subsidiaries.

(b) From the date hereof until the Closing, NE-RHM and Trinity Health shall furnish Saint Mary's and its Representatives with such financial, operating and other data and information as is reasonably necessary in the reasonable opinion of Saint Mary's to demonstrate NE-RHM's and Trinity Health's ability to satisfy their obligations under this Agreement.

Section 8.04 Efforts to Consummate. Subject to the terms and conditions of this Agreement, the Parties shall (and shall cause their respective Affiliates to) use commercially reasonable efforts to take all actions and to do all things necessary, proper or advisable to consummate the transaction contemplated by this Agreement as promptly as practicable, including using commercially reasonable efforts to (a) provide all required notices to third parties, (b) make any filing with and obtain any consent, authorization, order or approval of, or any exemption by, any Governmental Authority that is required to be made or obtained in connection with the transaction contemplated by this Agreement, including, without limitation, those required under the HSR Act and obtaining all certificates of need ("CONS"), as described below, (c) obtain any church and canonical approvals required in connection with the alienation of property arising from the transaction contemplated by this Agreement, (d) obtain the approval of the Archbishop of Hartford to the transaction contemplated by this Agreement, (e) obtain any consent, waiver, approval or authorization from any other third party required in order to maintain in full force and effect any of the contracts, licenses or other rights of Saint Mary's Indemnity Company, LLC, the Saint Mary's Providers, and the Joint Ventures, including hospital licenses, following the Effective Date, and (f) cause the conditions in **Article IX** applicable to it to be satisfied at or prior to Closing. Without limiting the foregoing, NE-RHM and Saint Mary's shall collaborate on the development and prosecution of a joint CON application to be filed with the State of Connecticut Office of Health Care Access ("OHCA") for approval of the transactions contemplated by this Agreement. The parties agree that NE-RHM will prepare the first draft of the CON application, including all documents and exhibits related thereto, which shall be subject to review by the Parties and shall be approved by Trinity Health, NE-RHM, and Saint Mary's before the final CON application is filed with OHCA.

Section 8.05 Updated Financial Statements. Within twenty (20) days following the end of each calendar month ending prior to the Closing Date, Saint Mary's will deliver to NE-RHM true and complete copies of the unaudited consolidated financial statements for Saint Mary's and the Saint Mary's Controlled Subsidiaries, in each case prepared in a manner consistent with the Financial Statements described in **Section 6.06** hereof, and which shall fairly present the financial condition and results of operations of Saint Mary's and the Saint Mary's Controlled Subsidiaries as of, and for the month ended on, the date thereof and which shall properly reflect all liabilities incurred by Saint Mary's and the Saint Mary's Controlled Subsidiaries since the date of the Financial Statements described in **Section 6.06**. The last such updated financial statements to be delivered shall be as of and for the month ended on the day prior to the Closing Date. Additionally, Saint Mary's shall deliver to NE-RHM a copy of the audited financial statements of Saint Mary's and each Saint Mary's Controlled Subsidiary for the fiscal year ending September 30, 2015, within five (5) days of their completion.

Section 8.06 Employment Matters.

(a) Subject to NE-RHM's and Trinity Health's due diligence review, (i) all active employees of Saint Mary's and the Saint Mary's Controlled Subsidiaries as of the Effective Date

(the “**Saint Mary’s Employees**”) will retain their current employment pursuant to terms and conditions substantially similar to the terms and conditions of such employees’ employment immediately prior to the Effective Date, and (ii) all current employment policies, commitments and benefit plans of Saint Mary’s and the Saint Mary’s Controlled Subsidiaries will remain in effect after the Effective Date until the same are amended, modified, replaced or terminated. The employment of the Saint Mary’s Employees will continue to be at-will following the Effective Date and NE-RHM or a Saint Mary’s Controlled Subsidiary (with the consent of NE-RHM) shall have the authority to make changes regarding the terms or conditions of employment of the Saint Mary’s Employees consistent with the business needs of NE-RHM.

(b) As soon as reasonably practicable, the Saint Mary’s Employees shall be provided benefits comparable to those provided to other similarly situated employees of NE-RHM. Service credit will be granted to the Saint Mary’s Employees under NE-RHM or Trinity Health, as the case may be, employee benefit plans or programs including, but not limited to, any retirement, 403(b), 401(k), profit sharing, health and welfare (other than any post-employment health or post-employment welfare plan eligibility), life, disability, vacation or paid time-off, severance and similar plans of NE-RHM or of Trinity Health, as the case may be, in which the Saint Mary’s Employees are eligible to participate after the Effective Date for their continuous employment with Saint Mary’s or a Saint Mary’s Controlled Subsidiary from their most recent hire date by Saint Mary’s or a Saint Mary’s Controlled Subsidiary through the Effective Date for purposes of (i) satisfying any and all eligibility and participation requirements under such plans; (ii) determining the vested status of the Saint Mary’s Employees under such plans; and (iii) determining the amount and duration of any benefits under such plans to the extent that service or seniority is a consideration in calculating benefits, but no credit for any service will be required that would result in a duplication of benefits, such as pension or retirement benefits, or an accrual of such a benefit for a period of time prior to the Effective Date. Notwithstanding the foregoing, such service credit will be granted only to the extent service with NE-RHM or Trinity Health is recognized under any such plan, program, policy or arrangement, and will not be granted to the extent such service is prior to a specific date before which service would not have been credited for employees of Trinity Health. In addition, such service credit will be provided only to the extent that Saint Mary’s provides to Trinity Health comprehensive and complete records of such prior service that includes the duration of service and the hours worked.

(c) No provision of this **Section 8.06** shall be treated as an amendment to any Saint Mary’s Benefit Plan or any employee benefit plan, program, policy, arrangement or agreement of Trinity Health. Notwithstanding anything else contained in this **Section 8.06**, the Parties do not intend for this **Section 8.06**, or any term, provision, condition or agreement contained herein, to amend any plans or arrangements or create any rights or obligations except as between the Parties to this Agreement and no provisions of this Agreement shall constitute such an amendment to any plan or arrangement, whether directly, by implication or impliedly, or by interpretation thereof, and no past, present or future director, owner, employee or other service provider (or such Person’s spouse, dependent or beneficiary) will be treated as a third-party beneficiary of this Agreement.

Section 8.07 Insurance.

(a) From and after the date hereof through: (i) the end of the statute of limitations period applicable to an insurable claim in the case of a “claims made” policy, and (ii) the Effective Date for an “occurrence-based” policy, Saint Mary’s, on behalf of itself and each Saint Mary’s Controlled Subsidiary, shall at its expense maintain or caused to be maintained in effect policies of insurance (together with evidence of paid premiums with respect to such binders) providing substantially the same coverage as in effect on the date hereof as listed on **Schedule 6.25** which insure potential liability of Saint Mary’s and the Saint Mary’s Controlled Subsidiaries arising from the conduct of their business operations for any acts, omissions, events, claims or occurrences arising out of or otherwise related thereto prior to the Effective Date, including, without limitation, any general liability insurance policies. In the event that Saint Mary’s or an applicable Saint Mary’s Controlled Subsidiary does not replace or maintain a policy that is a “claims-made” policy, Saint Mary’s will or cause the applicable Saint Mary’s Controlled Subsidiary to negotiate an extended reporting period for a period of not less than the end of the applicable statute of limitations period or six (6) years, whichever is greater, following the Effective Date.

(b) Saint Mary’s shall or shall cause the applicable Saint Mary’s Controlled Subsidiaries to, as promptly as possible, notify such carriers of any claims affecting such policies.

(c) If any of the policies of insurance described in **Schedule 6.25** are due to expire or renew prior to the Closing Date, Saint Mary’s will provide the binder of insurance that demonstrates that the policy terms and conditions have not been changed, and that the full premium has been paid, and Trinity Health shall have the right to review these policies prior to the Closing Date. Additionally, Saint Mary’s will or cause the applicable Saint Mary’s Controlled Subsidiary to obtain and provide tail insurance for any policy that is on a claims-made basis and provide Trinity Health with evidence of such tail insurance.

(d) For any and all insurance policies described in **Schedule 6.25** with a provision that may cause a policy to be cancelled or go into automatic “run-off” (e.g., management liability such as directors and officers, fiduciary, employment practices, and cyber) due to a change in control of ownership, Saint Mary’s will provide evidence that tail, either through endorsement to an existing policy or under a separate policy affording the same terms and conditions that were in place prior to the Closing, has been purchased for a minimum of six (6) years. Such binder and evidence of payment for this tail will be presented to Trinity Health prior to the Closing Date.

Section 8.08 Title and Survey Matters.

(a) Prior to the Closing Date, Saint Mary’s shall obtain a current title commitment (the “**Title Commitment**”) issued by a national title insurance company selected by Saint Mary’s but acceptable to NE-RHM (the “**Title Company**”), together with legible copies of all exceptions to title referenced therein, with respect to the Owned Real Property listed in **Schedule 8.08(a)** (the “**Insured Real Property**”). The Title Commitment shall contain the express commitment of the Title Company to issue a standard form ALTA Owner’s Title Policy (each a “**Title Policy**”) in an amount equal to the allocated value of the Insured Real Property, insuring good and marketable fee simple title to such Insured Real Property with the standard printed exceptions deleted in

accordance with **Section 8.08(c)** below. Saint Mary's shall promptly upon receipt provide a copy of the Title Commitment and, upon request, each exception document to NE-RHM.

(b) NE-RHM may, at its expense, obtain current as built surveys of any parcels of Insured Real Property (each a "Survey"), as it elects. NE-RHM shall promptly upon its receipt furnish a copy of any Survey to Saint Mary's and to the Title Company. NE-RHM shall, with respect to each Insured Real Property, have forty-five (45) days after receipt of both the Title Commitment and copies of all documents constituting exceptions to title to such Insured Real Property and the Survey of such Insured Real Property to review such Title Commitment and Survey (each, the "**Review Period**"). If NE-RHM objects to any matters (other than Permitted Encumbrances) in the Title Commitment or Survey of the applicable Insured Real Property, NE-RHM shall notify Saint Mary's in writing prior to the expiration of the applicable Review Period. In the event NE-RHM objects to such matters contained in any Title Commitment or Survey, then Saint Mary's shall either (i) cure or cause such objections to be cured, or (ii) within fifteen (15) days following NE-RHM's notification to Saint Mary's of its objection regarding such Insured Real Property, inform NE-RHM that it is unwilling or unable to cure some or all of such objections. If Saint Mary's is unable or unwilling to cure such matters, then NE-RHM may either (A) consummate the transaction contemplated by this Agreement, in which event such uncured matters to which NE-RHM has objected shall be deemed to constitute Permitted Encumbrances, or (B) terminate this Agreement, but only if the uncured matters have a material adverse effect on (1) the ownership or value of the Insured Real Property, taken as a whole, or (2) the continued use and operation of the Insured Real Property, taken as a whole, following the Closing for the same purposes as used and operated prior to Closing. Notwithstanding the foregoing, the procurement by Saint Mary's of affirmative insurance coverage insuring that an exception to title reflected in the Existing Title Policies provided to NE-RHM does not materially interfere with the use or operation of the premises for its intended or current use or operation shall cause such exception to be deemed a Permitted Encumbrance.

(c) On or before the Closing Date, Saint Mary's shall cause the Title Company to issue a pro forma Title Policy (or marked Title Commitment) for the Insured Real Property. If any such pro forma or marked Title Commitment contains exceptions to title in addition to the Permitted Encumbrances for such Insured Real Property, and such additional exceptions have a material adverse effect on (1) the ownership or value of the Insured Real Property, taken as a whole, or (2) the continued use and operation of the Insured Real Property, taken as a whole, following the Closing for the same purposes as used and operated prior to Closing, then NE-RHM shall have fifteen (15) days after receipt of such pro forma or marked Title Commitment, as applicable, to object in writing to such additional exceptions, and the process set forth in the last three (3) sentences of **Section 8.08(b)** shall be followed with respect to such additional exceptions. The Title Policy, if issued, shall be issued on a standard form ALTA Owner's Title Policy with the standard printed exceptions deleted (other than the standard printed exceptions that can be removed by the Title Company based only upon an accurate survey of the property, unless NE-RHM provides the survey required by the Title Company to remove such standard printed exceptions), providing insurance in an amount equal to the allocated value of the Insured Real Property and shall insure good and marketable fee simple title to the Insured Real Property subject only to Permitted Encumbrances. At Closing, Saint Mary's shall pay the premiums for the Title Policies.

(d) NE-RHM also shall exercise good faith efforts to notify Saint Mary's within 45 days of the Signature Date of any objections that it has to related to any exceptions to title reflected in the Existing Title Policies that Saint Mary's has made available to NE-RHM as of the Signature Date as part of NE-RHM's due diligence review.

Section 8.09 Transfer Taxes. All transfer or similar taxes (including any penalties and interest) and recording fees of any type incurred in connection with the transfer of the Owned Real Property pursuant to this Agreement, if any, and the other Transaction Documents shall be paid in accordance with state law and practice.

Section 8.10 Public Announcements. Unless otherwise required by applicable Law (based upon the reasonable advice of counsel), no Party to this Agreement shall make any public announcements in respect of this Agreement or the transaction contemplated hereby or otherwise communicate with any news media without the prior written consent of the other Party (which consent shall not be unreasonably withheld or delayed), and the Parties shall cooperate as to the timing and contents of any such announcement.

Section 8.11 Confidentiality.

(a) **"Confidential Information"** means all confidential and proprietary information, including data, documents, agreements, files and other materials, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," which is obtained from or disclosed by either Party (a **"Disclosing Party"**) or its Representatives to the other Party (a **"Recipient"**) and its Representatives in connection with this Agreement and the transaction contemplated by this Agreement, including information relating to any Saint Mary's Benefit Plan. The term Confidential Information includes, without limitation, all Confidential Information, as such term is defined in the Confidentiality Agreement, exchanged between the Parties pursuant to the Confidentiality Agreement. The term **"Confidential Information"** does not include information that: (i) at the time of disclosure or thereafter is generally available to and known by the public (other than as a result of its disclosure directly or indirectly by the Recipient or its Representatives in violation of this Agreement); (ii) was available to the Recipient from a source other than the Disclosing Party or its Representatives, provided that such source, to the Recipient's knowledge after reasonable inquiry, is not and was not bound by a confidentiality agreement with the Disclosing Party; or (iii) has been independently acquired or developed by the Recipient without violating any of its obligations under this Agreement or the Confidentiality Agreement.

(b) The Recipient shall keep the Confidential Information strictly confidential and shall not use the Confidential Information for any purpose other than to consummate the transaction contemplated by this Agreement. The Recipient shall not disclose or permit its Representatives to disclose any Confidential Information except: (i) as permitted by this Agreement, (ii) if required by Law, but only in accordance with **Section 8.11(d)**, or (iii) to its Representatives, to the extent necessary to permit such Representatives to assist the Recipient in consummating the transaction contemplated by this Agreement; provided, that the Recipient shall require each such Representative to be bound by the terms of this Agreement to the same extent as if they were parties hereto and the Recipient shall be responsible for any breach of this Agreement by any of its Representatives.

(c) Except for such disclosure as is necessary not to be in violation of any applicable Law, Governmental Order or other similar requirement of any Governmental Authority, or except as otherwise permitted by this Agreement, the Recipient shall not, and shall not permit any of its Representatives to, without the prior written consent of the Disclosing Party, disclose to any person: (i) the fact that the Confidential Information has been made available to it or that it has received or inspected any portion of the Confidential Information, (ii) the existence or contents of this Agreement, (iii) the fact that investigations, discussions or negotiations are taking or have taken place concerning the transaction contemplated by this Agreement, including the status thereof, or (iv) any terms, conditions or other matters relating to the transaction contemplated by this Agreement.

(d) If the Recipient or any of its Representatives is required, in the written opinion of the Recipient's counsel, to disclose any Confidential Information by Law, the Recipient shall (i) take all reasonable steps to preserve the privileged nature and confidentiality of the Confidential Information, including requesting that the Confidential Information not be disclosed to non-Parties or the public; (ii) give the Disclosing Party prompt prior written notice of such request or requirement so that the Disclosing Party may seek, at its sole cost and expense, an appropriate protective order or other remedy; and (iii) cooperate with the Disclosing Party, at the Disclosing Party's sole cost and expense, to obtain such protective order. In the event that such protective order or other remedy is not obtained, the Recipient (or such other persons to whom such request is directed) will furnish only that portion of the Confidential Information which, on the advice of the Recipient's counsel, is legally required to be disclosed and, upon the Disclosing Party's request, use its best efforts to obtain assurances that confidential treatment will be accorded to such information.

(e) Following the termination of this Agreement, both Parties will, as soon as reasonably practicable, (i) return or destroy or cause to be returned or destroyed all documents or other materials furnished by one Party to the other constituting Confidential Information, together with all copies and summaries thereof in the possession or under control of the Recipient or its Representatives, and (ii) destroy materials generated by the Recipient and its Representatives that include or refer to any part of Confidential Information in the possession or control of the Recipient or its Representatives. Notwithstanding the above, both Parties may retain one (1) copy of the Confidential Information and related summaries and analyses in their secure files solely for retention purposes. The Recipient and its Representatives shall continue to be bound by their obligations of confidentiality and other obligations hereunder.

(f) To the extent that any Confidential Information includes materials subject to the attorney-client privilege, none of the Company or the Disclosing Party is waiving, and shall not be deemed to have waived or diminished, its attorney work-product protections, attorney-client privileges or similar protections and privileges as a result of disclosing any Confidential Information (including Confidential Information related to pending or threatened litigation) to the Recipient or any of its Representatives.

(g) This Agreement sets forth the entire agreement regarding the Confidential Information, and supersedes the Confidentiality Agreement, which is hereby terminated in its entirety. If this Agreement is, for any reason, terminated prior to the Closing, the provisions of this **Section 8.11** shall nonetheless continue in full force and effect.

Section 8.12 Updated Disclosure Schedules. Not later than ten (10) business days prior to the Closing Date, Saint Mary's and NE-RHM/Trinity Health shall disclose to each other in writing any updates, supplements, or modifications to the Disclosure Schedules for which they are responsible for under this Agreement such that the Disclosure Schedules are current through that date. Saint Mary's and NE-RHM/Trinity Health shall further update such Disclosure Schedules so that they are current through the Closing Date and are reasonably acceptable to NE-RHM/Trinity Health and Saint Mary's, as applicable.

Section 8.13 Further Assurances. Following the Closing, each of the Parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transaction contemplated by this Agreement and the other Transaction Documents.

Section 8.14 No Shop. The Parties agree that, for the period commencing upon the execution of this Agreement and ending on the effective date of any termination of this Agreement, neither Saint Mary's nor its officers, directors, employees, or agents will, directly or indirectly: (a) solicit or initiate, directly or indirectly, or encourage submission of any inquiries, proposals or offers from any potential acquirors relating to a merger, reorganization, recapitalization, consolidation or other similar transaction of Saint Mary's or any disposition of the assets or membership interest of Saint Mary's, or any part thereof; or (b) participate in any discussions or negotiations regarding, or furnish to, any Person and information with respect to the merger, consolidation, reorganization, recapitalization or similar transaction of Saint Mary's or any disposition of the assets or membership interest of Saint Mary's, or any part thereof. Saint Mary's shall immediately notify NE-RHM and Trinity Health of any contact between Saint Mary's, its officers, directors, employees or agents, and any other Person regarding any such offer, proposal or related inquiry which proposal or inquiry are received by Saint Mary's after the execution of this Agreement and prior to the Effective Date.

ARTICLE IX CONDITIONS TO CLOSING

Section 9.01 Conditions to Obligations of NE-RHM and Trinity Health. The obligations of NE-RHM and Trinity Health to consummate the transaction contemplated by this Agreement shall be subject to the fulfillment or NE-RHM's and Trinity Health's waiver, at or prior to the Closing, of each of the following conditions:

(a) The transaction by which Trinity Health will become the corporate member of NE-RHM shall have been completed;

(b) The representations and warranties set forth in **Article VI** are true, accurate and complete in all material respects as of the Closing Date; provided, however, that any representation containing a materiality limitation must be true, accurate and complete in all respects as of the Closing Date;

(c) All of the covenants and obligations that Saint Mary's is required to perform or to comply with pursuant to this Agreement at or prior to the Closing Date must have been duly performed and complied with in all material respects;

(d) From the Signature Date, there shall not have occurred any Material Adverse Effect with respect to Saint Mary's, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could be reasonably expected to result in a Material Adverse Effect with respect to Saint Mary's;

(e) Saint Mary's shall have executed and delivered to NE-RHM and Trinity Health all of the documents, agreements, certificates and deliverables required to be executed or delivered by Saint Mary's pursuant to **Section 5.02**;

(f) All corporate approvals necessary to effectuate this Agreement and the transaction contemplated by this Agreement have been obtained by Saint Mary's;

(g) No action or proceeding before a court or any other governmental agency or body shall have been instituted or threatened to restrain or prohibit the transaction contemplated by this Agreement, and no Governmental Authority shall have taken any other action or made any request of either Trinity Health or Saint Mary's as a result of which Trinity Health reasonably and in good faith deems it inadvisable to proceed with the transaction;

(h) Neither Saint Mary's nor any Saint Mary's Controlled Subsidiary shall (i) be in receivership or dissolution, (ii) have made any assignment for the benefit of creditors, (iii) have admitted inability to pay debts as they mature, (iv) have been adjudicated insolvent or bankrupt, or (v) have 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 Law or statute of the United States or any state, nor shall any such petition have been filed against Saint Mary's or any Saint Mary's Controlled Subsidiary;

(i) The filings of the Parties pursuant to the HSR Act, if any, shall have been made and the applicable waiting period and any extensions thereof shall have expired or been terminated;

(j) All material consents, waivers and estoppels of any third parties or Government Authorities which are reasonably necessary, in the opinion of NE-RHM and Trinity Health, to effectively complete the transaction contemplated by this Agreement or to operate Saint Mary's and the Saint Mary's Controlled Subsidiaries in the ordinary course of business subsequent to the Closing Date, including all CONs, shall have been obtained or otherwise mutually addressed by NE-RHM, Trinity Health and Saint Mary's pursuant to a separate agreement;

(k) NE-RHM, Trinity Health and Saint Mary's shall have received documentation, assurances, or other satisfactory evidence from all Governmental Authorities that, upon the Effective Date, all Permits required by Law to operate the licensed components of Saint Mary's and the Saint Mary's Controlled Subsidiaries will have been received by NE-RHM or will continue without interruption in the name of NE-RHM or in the names in which the licenses are currently issued without further action on the part of NE-RHM;

(l) NE-RHM and Trinity Health shall have received documentation, assurances, or other satisfactory evidence that the Medicare and Medicaid certifications of the Saint Mary's Providers and the Joint Ventures will continue without interruption as of and after the Effective Date and that the facilities and operations of Saint Mary's and the Saint Mary's Controlled Subsidiaries that are providers in the Government Programs as of the Signature Date shall continue to participate as providers in and be eligible to continue to receive reimbursement from the Government Programs as of and after the Effective Date;

(m) All canonical approvals for Saint Mary's to consummate the transaction contemplated by this Agreement shall have been received; and

(n) Saint Mary's shall have furnished NE-RHM and Trinity Health with:

(i) complete and accurate copies of the Disclosure Schedules for which Saint Mary's is responsible under this Agreement current as of the Closing Date that are reasonably acceptable to NE-RHM and Trinity Health; provided, however, (1) NE-RHM and Trinity Health shall exercise good faith efforts to notify Saint Mary's of any objections to the Disclosure Schedules provided as of the Signature Date by Saint Mary's, and (2) all such Disclosure Schedules and any new Disclosure Schedules or updates to the Disclosure Schedules shall be deemed reasonably acceptable to NE-RHM and Trinity Health unless one or more matters disclosed on such Disclosure Schedules constitutes a Material Adverse Effect;

(ii) custody of the corporate record book and all records of Saint Mary's and the Saint Mary's Controlled Subsidiaries;

(iii) custody of all Contracts of Saint Mary's and the Saint Mary's Controlled Subsidiaries;

(iv) custody of all keys, security codes and entry cards, and other items of information necessary to gain access to and occupy the Real Property in the normal course;

(v) certificates signed by the authorized officers of the Saint Mary's, reasonably satisfactory in form and substance to NE-RHM, certifying that (a) each covenant and agreement to be performed by Saint Mary's prior to or as of the Closing Date has been performed, and (b) as of the Closing Date, all of the representations and warranties by or on behalf of the Saint Mary's contained in this Agreement are true, accurate and complete in all material respects, subject to the qualification set forth in subsection (a) above; and

(vi) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to NE-RHM and Trinity Health, as may be required to give effect to this Agreement.

Section 9.02 Conditions Precedent to Obligations of Saint Mary's. The obligations of Saint Mary's to consummate the transaction contemplated by this Agreement shall be subject to the fulfillment or Saint Mary's' waiver, at or prior to the Closing, of each of the following conditions:

(a) The transaction by which Trinity Health will become the corporate member of NE-RHM shall have been completed;

(b) The representations and warranties set forth in **Article VII** are true, accurate and complete in all material respects as of the Closing Date; provided, however, that any representation containing a materiality limitation must be true, accurate and complete in all respects as of the Closing Date;

(c) All of the covenants and obligations that NE-RHM and Trinity Health are required to perform or to comply with pursuant to this Agreement at or prior to the Closing Date must have been duly performed and complied with in all material respects;

(d) From the Signature Date, there shall not have occurred any Material Adverse Effect with respect to NE-RHM or Trinity Health, as the case may be, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could be reasonably expected to result in a Material Adverse Effect with respect to NE-RHM or Trinity Health as the case may be;

(e) NE-RHM and Trinity Health shall have executed and delivered to Saint Mary's all of the documents, agreements, certificates and deliverables required to be executed or delivered by them pursuant to **Section 5.02**;

(f) All corporate approvals necessary to effectuate this Agreement and the transaction contemplated by this Agreement have been obtained by NE-RHM and Trinity Health;

(g) No action or proceeding before a court or any other governmental agency or body shall have been instituted or threatened to restrain or prohibit the transaction contemplated by this Agreement, and no Governmental Authority shall have taken any other action or made any request of either NE-RHM or Saint Mary's as a result of which Saint Mary's reasonably and in good faith deems it inadvisable to proceed with the transaction;

(h) Neither Trinity Health nor NE-RHM shall (i) be in receivership or dissolution, (ii) have made any assignment for the benefit of creditors, (iii) have admitted inability to pay debts as they mature, (iv) have been adjudicated insolvent or bankrupt, or (v) have 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 Law or statute of the United States or any state, nor shall any such petition have been filed against NE-RHM or Trinity Health;

(i) The filings of the Parties pursuant to the HSR Act, if any, shall have been made and the applicable waiting period and any extensions thereof shall have expired or been terminated;

(j) All material consents, waivers and estoppels of any third parties which are reasonably necessary, in the opinion of Saint Mary's, to effectively complete the transaction contemplated by this Agreement, including without limitation all CONs and other required approvals of Governmental Authorities, shall have been obtained or otherwise mutually addressed by Saint Mary's, NE-RHM and Trinity Health pursuant to a separate agreement;

(k) NE-RHM, Trinity Health and Saint Mary's shall have received documentation, assurances, or other satisfactory evidence from all Governmental Authorities that, upon the Effective Date, all Permits required by Law to operate the licensed components of Saint Mary's and the Saint Mary's Controlled Subsidiaries will have been received by NE-RHM or will continue without interruption in the name of NE-RHM or in the names in which the licenses are currently issued without further action on the part of NE-RHM;

(l) All canonical approvals for Saint Mary's to consummate the transaction contemplated by this Agreement shall have been received;

(m) The Wable Employment Agreement shall have been fully executed and delivered; and

(n) NE-RHM and Trinity Health shall have furnished Saint Mary's with:

(i) complete and accurate copies of the Disclosure Schedules for which they are responsible under this Agreement current as of the Closing Date; provided, however, (1) Saint Mary's shall exercise good faith efforts to notify NE-RHM and Trinity Health of any objections to the Disclosure Schedules provided as of the Signature Date by NE-RHM and Trinity Health to Saint Mary's, and (2) all such Disclosure Schedules and any new Disclosure Schedules or updates to the Disclosure Schedules shall be deemed reasonably acceptable to Saint Mary's unless one or more matters disclosed on such Disclosure Schedules constitutes a Material Adverse Effect with respect to NE-RHM;

(ii) certificates signed by authorized officers of NE-RHM and Trinity Health, reasonably satisfactory in form and substance to Saint Mary's, certifying that (a) each covenant and agreement to be performed by NE-RHM and Trinity Health prior to or as of the Closing Date has been performed, and (b) as of the Closing Date, all of the representations and warranties by or on behalf of NE-RHM and Trinity Health contained in this Agreement are true, accurate and complete in all material respects, subject to the qualification set forth in subsection (a) above; and

(iii) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Saint Mary's, as may be required to give effect to this Agreement.

ARTICLE X TERMINATION

Section 10.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Saint Mary's, NE-RHM and Trinity Health;

(b) by NE-RHM or Trinity Health by written notice to Saint Mary's if:

(i) Neither NE-RHM nor Trinity Health is then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to

perform any representation, warranty, covenant or agreement made by Saint Mary's pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Article IX** and such breach, inaccuracy or failure cannot be cured by Saint Mary's by December 31, 2016; or

(ii) any of the conditions set forth in **Section 9.01** shall not have been fulfilled by December 31, 2016, unless such failure shall be due to the failure of NE-RHM or Trinity Health to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;

(c) by Saint Mary's by written notice to NE-RHM and Trinity Health if:

(i) Saint Mary's is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by NE-RHM or Trinity Health pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Article IX** and such breach, inaccuracy or failure cannot be cured by NE-RHM or Trinity Health, as the case may be, by December 31, 2016; or

(ii) any of the conditions set forth in **Section 9.02** shall not have been fulfilled by December 31, 2016, unless such failure shall be due to the failure of Saint Mary's to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing; or

(d) by NE-RHM, Trinity Health or Saint Mary's in the event that:

(i) there shall be any Law that makes consummation of the transaction contemplated by this Agreement illegal or otherwise prohibited; or

(ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transaction contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable; or

(iii) the transaction by which Trinity Health will become the corporate member of NE-RHM is not completed by January 1, 2016.

Section 10.02 Effect of Termination. In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any Party hereto except:

(a) as set forth in this **Article X**, **Section 8.11** and **Article XI** hereof; and

(b) that nothing herein shall relieve any Party hereto from liability for any breach of any provision hereof.

**ARTICLE XI
MISCELLANEOUS**

Section 11.01 Survival. None of the representations and warranties contained herein shall survive the Closing, except for any instances of fraud or intentional misrepresentation. None of the covenants or other agreements contained in this Agreement shall survive the Effective Date other than those which by their terms contemplate performance after the Effective Date, and each such surviving covenant and agreement shall survive the Effective Date for the period contemplated by its terms. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching Party to the breaching Party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of such survival period and such claims shall survive until finally resolved.

Section 11.02 Expenses. Except as otherwise expressly provided herein (including **Section 8.09** hereof), all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transaction contemplated hereby shall be paid by the Party incurring such costs and expenses, whether or not the Closing shall have occurred. Notwithstanding the foregoing, Saint Mary's and NE-RHM agree to split equally the filing fees incurred by Saint Mary's and NE-RHM in connection with (i) any filings or submissions under the HSR Act; (ii) obtaining all CONs necessary to transfer ownership of the Saint Mary's Providers and the Joint Ventures, and (iii) obtaining all Permits required by Law to operate the licensed components of Saint Mary's and the Saint Mary's Controlled Subsidiaries following the Effective Date.

Section 11.03 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this **Section 11.03**):

If to Saint Mary's
Saint Mary's Health System
56 Franklin Street
Waterbury, Connecticut 06706
Attn: President and Chief Executive
Officer

With a copy to:
Robert J. Anthony, Esq.
Brown Rudnick LLP
185 Asylum Street, 38th Floor

Hartford, Connecticut 06103

If to NE-RHM:

Saint Francis Care, Inc.
Attention: President and CEO
114 Woodland Street
Hartford, Connecticut 06105

With a copy to:

Saint Francis Care, Inc.
Attention: General Counsel
114 Woodland Street
Hartford, Connecticut 06105

If to Trinity Health:

President and CEO
Trinity Health
20555 Victor Parkway
Livonia, MI 48152

With a copy to:

General Counsel
Trinity Health
20555 Victor Pkwy
Livonia, MI 48152

Section 11.04 Interpretation. For purposes of this Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (a) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (b) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (c) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

Section 11.05 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 11.06 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable

such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transaction contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 11.07 Entire Agreement. This Agreement and the other Transaction Documents constitute the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous representations, warranties, understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 11.08 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. No Party may assign its rights or obligations hereunder without the prior written consent of the other Parties, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning Party of any of its obligations hereunder.

Section 11.09 No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 11.10 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 11.11 Governing Law; Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Connecticut without giving effect to any choice or conflict of Law provision or rule (whether of the State of Connecticut or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Connecticut. The Parties to this Agreement irrevocably agree and consent to the exclusive jurisdiction of the courts of the State of Connecticut and the federal courts of the United States, sitting in the State of Connecticut for the adjudication of any matters arising under or in connection with this Agreement.

Section 11.12 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at Law or in equity.

Section 11.13 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, and intending to be legally bound, each of the Parties hereto has caused this Agreement to be executed as of the Signature Date.

SAINT MARY'S HEALTH SYSTEM, INC.

By: _____

Name: Chad W. Wable

Title: President and Chief Executive Officer

TRINITY HEALTH CORPORATION

By: _____

Name: James R. O'Connell

Title: Executive Vice President

SAINT FRANCIS CARE, INC.

By: _____

Name: Christopher M. Dadlez

Title: President and Chief Executive Officer

**EXHIBITS AND DISCLOSURE SCHEDULES TO
MEMBERSHIP TRANSFER AGREEMENT**

by and among

TRINITY HEALTH CORPORATION

and

**SAINT MARY'S HEALTH SYSTEM, INC. and
SAINT MARY'S HOSPITAL, INC.**

Dated as of September 18, 2015

EXHIBITS

- Exhibit A.....Saint Mary’s Exempt Subsidiaries
- Exhibit B.....Saint Mary’s Controlled Subsidiaries
- Exhibit C.....Trinity Health System Authority Matrix
- Exhibit D.....SMH Amended and Restated Certificate of
Incorporation and Amended and Restated
Bylaws

EXHIBIT A

SAINT MARY'S EXEMPT SUBSIDIARIES

Saint Mary's Hospital, Inc.

Saint Mary's Hospital Foundation, Inc.

EXHIBIT B

SAINT MARY'S CONTROLLED SUBSIDIARIES

Saint Mary's Hospital, Inc.

Saint Mary's Physician Partners, LLC

Saint Mary's Indemnity Company, LLC

Franklin Medical Group, P.C.

Diagnostic Imaging of Southbury, LLC

Naugatuck Valley MRI, LLC

EXHIBIT C

TRINITY HEALTH SYSTEM AUTHORITY MATRIX

See attached

June 25, 2015

**TRINITY HEALTH
System Authority Matrix**

This Authority Matrix summarizes a number of important activities that might be taken by an entity within the Trinity Health System and the corresponding actions or approvals that must be taken before proceeding with such activity. Many of these actions are delegations from the Board of Trinity Health to management, to Committees of the Board of Directors of Trinity Health and to governance of entities affiliated with Trinity Health. Trinity Health has adopted the following Operating Principles which apply to these delegations:

Principles which apply to these delegations:

Unity: We act as a unified system, recognizing the interdependency of all its parts in fulfillment of its mission and vision while promoting the strength of our ministries serving our unique communities.

Excellence: We seek to continually innovate and improve our performance excellence and to add value by leveraging our skill and scale.

Simplicity and Clarity: Local, regional and system office leadership work in partnership to make decisions in a timely and collaborative manner that takes into account the variety of interests being affected.

Accountability: We are flexible in shaping roles, responsibilities and accountabilities at all leadership levels of the organization.

The Trinity Health Board retains control over its statutory obligations in carrying out the purposes of the corporation as the parent of a large Catholic health system. The Board is responsible for key strategic decisions and issues that will significantly impact the Trinity Health System. Delegations are established taking into account the balance between making efficient decisions close to the business activity and the need for the board and management to oversee areas of significant impact on the system as a whole in terms of Catholic identity, strategic direction, risk and value.

The Board has adopted a process of Mission Discernment, which is intended to ensure that in the course of making major decisions, the Mission and Core Values are used as a measure to evaluate the effect of the proposed action.

This Authority Matrix is not intended to be an exclusive listing of the various actions reserved to Trinity Health or its affiliated entities. Trinity Health may clarify these delegations through policies. State law may confer additional rights or require additional actions. Those variations will be set forth in the governing documents of the entity and prevail over any conflicting authorities described in this System Authority Matrix. Different rights may also be set forth in the terms of joint venture organizing documents or other agreements. Decisions related to those joint venture entities should be made in accordance with the organizing documents; however, decisions which exceed financial thresholds or which may, in management's judgment, affect the reputation or identity of the Trinity Health System are required to be reviewed by Trinity Health management, regardless of the minority position held by the CHE Trinity affiliate in the joint venture.

Entities:

Catholic Health Ministries or CHM means the public juridic person that sponsors the Trinity Health system and exercises all canonical responsibilities related to its operations, subject to certain rights retained by sponsoring congregations or public juridic persons until such time as the stable patrimony (property) under the control of those sponsoring congregations or public juridic persons is alienated (transferred) to CHM.

Trinity Health means Trinity Health Corporation, an Indiana nonprofit corporation, which is the parent of the Trinity Health System.

Trinity Health System means Trinity Health, together with its subsidiaries and affiliates.

Ministry or Ministries means any or all RHMs, NHMs, and MHMs.

Mission Health Ministry or MHM means a first tier subsidiary of Trinity Health that maintains a governing body and which has oversight of non-institutional health operations and/or grant making. A list of MHMs is set forth on Exhibit A to this Matrix.

National Health Ministry or NHM means a first tier (direct) subsidiary that maintains a governing body that has day to day management oversight of a business line throughout the Trinity Health System. A list of NHMs is set forth on Exhibit A to this Matrix.

Regional Health Ministries or RHM means a first tier (direct) subsidiary, affiliate or operating division of Trinity Health that maintains a governing body that has day to day management oversight of a designated portion of the Trinity Health System within a geographical market. A list of RHMs is set forth Exhibit A to this Matrix.

Group 1 RHM means an RHM which had a minimum total operating revenue of \$300 million in the previous fiscal year or an RHM that has been selected by management for inclusion in Group 1 RHMs based on operational objectives.

Group 2 RHM means an RHM which is not a Group 1 RHM.

Second Tier Subsidiaries means subsidiaries and affiliates of Ministries.

Actions:

Approve means to have ultimate authority over an action. Approval includes the authority to adopt, accept, modify, disapprove or send back for further consideration an action recommended or approved by another entity in the Trinity Health System. Some actions required approval at more than one level. Final approval authority is exercised by the highest level independently of any recommendation or participation actions. If more than one entity has Approval authority, the matter may be initiated and approved by the highest level of Approval authority when permitted by law.

Participate means a timely, meaningful, collaborative and consultative process among interested parties to inform the decision under consideration.

Ratify means to confirm and adopt the act of another even if it was not approved beforehand. It also means final decision making authority, but without the power to initiate or change a recommendation.

Recommend means to review and present a matter for approval by another entity in the Trinity Health System. Recommending authority does not limit the right of the approving entity to initiate an action without a recommendation.

Other:

Governing documents are documents which establish and describe an entity, including the purposes, the powers reserved to the members or shareholders, and which set forth the rights of partners or joint owners relative to each other. Governing documents include documents

filed with the state (such as articles or certificates of incorporation), bylaws (whether a corporation or an unincorporated division which has its own governing body), operating agreements and partnership agreements.

Key Bylaws Provisions are variations from the standard Governing Documents that concern any of the following: (a) the Ministry name and corporate purposes; (b) the Mission, Core Values and Catholic Identity of the Ministry and powers exercisable by CHM; (c) the identity of, reserved powers exercisable by and other matters pertaining to Trinity Health; and (d) the authority and membership (including election, composition and removal) of the Ministry Board of Directors. All other variations are not Key Bylaw Provisions.

	Action	Ministry Management	Ministry Governance	Trinity Health Management	Trinity Health Governance	Catholic Health Ministries
I	Statements of Identity					
I a	Trinity Health System Mission Statement	-	-	-		Approve
1 b	Trinity Health System Core Values	-	-	-		Approve
II	Governing Documents					
II a	Articles and Bylaws of Trinity Health Corporation	-	-	Recommend	Approve and Recommend	Ratify
II b	Governing Documents of Ministries consistent with standard form approved by Trinity Health Board	-	Approve and Recommend	Approve variations from the approved standard Bylaws which are not Key Bylaws Provisions (determination by the General Counsel)	Approval of Governing Documents by Executive and Governance Committee, except as to Bylaws limited to approval of variations from the approved standard which are Key Bylaws Provisions	-

	Action	Ministry Management	Ministry Governance	Trinity Health Management	Trinity Health Governance	Catholic Health Ministries
II c	Governing Documents of Second Tier Subsidiary which operates licensed healthcare facilities consistent with standard form approved by Trinity Health Board	-	Approve and Recommend	Approve variations from the approved standard Bylaws which are not Key Bylaws Provisions (determination by the General Counsel)	Approval of Governance Documents by Executive and Governance Committee, except as to Bylaws limited to approval of variations from the approved standard which are Key Bylaws Provisions	-
II d	Governing Documents of Second Tier Subsidiary	Recommend	Approve	Approve		
III	Appointments and Removals					
III a	Appointment or removal of CHM Members (which comprise the Trinity Health Board of Directors)					Approve
III b	Appointment or removal of Trinity Health Board Chair				Approve	Ratify
III c	Appointment or removal of Ministry Boards of Directors		Recommend	Recommend	Approve (Executive and Governance Committee)	

	Action	Ministry Management	Ministry Governance	Trinity Health Management	Trinity Health Governance	Catholic Health Ministries
III d	Appointment or removal of Ministry Board Chairs		Approve		Ratify (Executive and Governance Committee)	
III e	Appointment or removal of Second Tier Subsidiaries Governing Body	Recommend	Approve			
III f	Appointment or removal of Trinity Health CEO				Approve	Ratify
III g	Appointment or removal of Ministry CEOs	Participate	Recommend	Approve		
III h	Appointment or removal of Second Tier Subsidiaries CEOs	Approve				
IV	Strategy					
IV a	Trinity Health System Strategic Plans			Recommend	Approve	
IV b	Group 1 RHM and NHM Strategic Plans	Recommend	Approve	Approve		
IV c	Group 2 RHM and MHM Strategic Plans	Recommend	Approve	Participate		

	Action	Ministry Management	Ministry Governance	Trinity Health Management	Trinity Health Governance	Catholic Health Ministries
V	Finance Matters					
V a	Group I RHM and NHM Capital Acquisitions and Dispositions	Recommend	Approve up to 2% of net assets with a maximum of \$5million	Approve above the RHM Governance level up to \$25 million	Approval \$25-\$50 million by Stewardship Committee and above that level by Board (upon recommendation by Stewardship Committee)	Approval as required by Canon Law
V b	Group II RHM and MHM Capital Acquisitions and Dispositions	Recommend	Approve up to 2% of net assets with a minimum of \$250,000 and a maximum of \$2 million	Approve above the RHM Governance level up to \$25 million	Approval \$25-\$50 million by Stewardship Committee and above that level by Board (upon recommendation by Stewardship Committee)	Approval as required by Canon Law
V c	Additional Debt and System Five Year Plan of Finance			Recommends	Approval up to \$50 million by the Stewardship Committee and above that level by the Board (upon recommendation by Stewardship Committee)	

	Action	Ministry Management	Ministry Governance	Trinity Health Management	Trinity Health Governance	Catholic Health Ministries
V d	System Operating and Capital Budget			Recommend	Approve (upon recommendation by Stewardship Committee)	
V e	RHM Operating and Capital Budget	Recommend	Approve	Approve		
V f	Second Tier Operating and Capital Budget	Recommend	Approve			
V g	Contracts (including leases) in which the Trinity Health is the financially obligated			Approve up to \$25 million	Approval up to \$50 million by the Stewardship Committee and above that level by the Board (upon recommendation by Stewardship Committee)	
V h	Contracts (including leases) in which a Group I RHM or a NHM is financially obligated	Recommend	Approve up to 2% of net assets with a maximum of \$5million	Approve above the RHM Governance level up to \$25 million	Approval \$25-\$50 million by Stewardship Committee and above that level by Board (upon recommendation by Stewardship Committee)	

	Action	Ministry Management	Ministry Governance	Trinity Health Management	Trinity Health Governance	Catholic Health Ministries
V i	Contracts (including leases) in which a Group II RHM or MHM is financially obligated	Recommend	Approve up to 2% of net assets with a minimum of \$250,000 and a maximum of \$2 million	Approve above the RHM Governance level up to \$25 million	Approval \$25-\$50 million by Stewardship Committee and above that level by Board (upon recommendation by Stewardship Committee)	
V j	Auditor Selection (Trinity Health System and separate audits)			Recommend	Approve (upon recommendation by the Audit Committee)	
V k	Annual Trinity Health System Audit			Recommend	Approve (upon recommendation by the Audit Committee)	
VI	New Organizations and Major Transactions					
VI a	Major change affecting Trinity Health (merger, consolidation, creation, transfer, sale of substantially all assets)			Recommend	Approve	Approve

	Action	Ministry Management	Ministry Governance	Trinity Health Management	Trinity Health Governance	Catholic Health Ministries
VI b	Major change affecting Ministry (merger, consolidation, creation, transfer, sale of all assets) not related to an Trinity Health System reorganization	Recommend	Recommend (Approve if required by State law)	Recommend	Approve	Approve as related to Sponsorship obligations
VI c	Major change affecting Ministry (merger, consolidation, creation, transfer, sale of all assets) related to a Trinity Health System reorganization	Recommend	Recommend (Approve if required by State law)	Recommend	Stewardship Committee Approve	Approve as related to Sponsorship obligations
VI d	Major change affecting Second Tier Subsidiaries (merger, consolidation, creation, transfer, sale of all assets)	Recommend	Approve	Approve		Approve as related to Sponsorship obligations
VI e	Internal operational reorganization affecting tier structure	Participate	Recommend	Approve		

	Action	Ministry Management	Ministry Governance	Trinity Health Management	Trinity Health Governance	Catholic Health Ministries
VI f	Formation or acquisition of an entity in which Trinity Health will be the sole parent			Recommend	Approve	Approve as related to Sponsorship obligations
VI g	Joint venture or other enterprise affecting ownership of a Group I RHM or NHM	Recommend	Approve	Recommend	Approve	Approve as related to Sponsorship obligations
VI h	Joint venture or other enterprise affecting ownership of a Group II RHM or MHM	Recommend	Approve	Recommend	Approval by Stewardship Committee	Approve as related to Sponsorship obligations
VII	People Centered Care					
VII a	Trinity Health System Wide Quality and Safety Standards	Participates		Recommends	Approves (upon recommendation of the People Centered Care Committee	

	Action	Ministry Management	Ministry Governance	Trinity Health Management	Trinity Health Governance	Catholic Health Ministries
VII b	RHM Quality and Safety Standards (consistent with Trinity Health System Quality Standards)	Recommends	Approves			
VII c	Annual review of Trinity Health System Quality and Safety			Recommends	People Centered Care Committee Approves, Board Receives Report	
VII d	Annual review of RHM Quality and Safety	Recommends	Approves	Receive Report		

EXHIBIT A

MINISTRIES

Based on the FY 2014 Income Statement

REGIONAL HEALTH MINISTRIES (RHMs) – GROUP I

Holy Cross Health (Maryland)
Holy Cross Hospital (Florida)
Loyola University Health System (Illinois)
Mercy Health (Michigan)
Mercy Health Services – Iowa (Iowa)
Mercy Health System of Southeastern Pennsylvania (Pennsylvania)
Mount Carmel Health System (Ohio)
Our Lady of Lourdes Health Care Services (New Jersey)
Saint Agnes Medical Center (California)
Saint Alphonsus Health System (Idaho)
Saint Joseph Mercy Health System (Michigan)
Saint Joseph Regional Medical Center (Indiana)
Sisters of Providence Health System (Massachusetts)
St. Mary Medical Center (Pennsylvania)
St. Mary's Health Care System (Georgia)
St. Peter's Health Partners (New York)

REGIONAL HEALTH MINISTRIES (RHMs) – GROUP II

Mercy Health System of Chicago (Illinois)
Saint James Mercy Health System (New York)
Saint Michael's Medical Center (New Jersey)
St. Francis Hospital (Delaware)
St. Francis Medical Center (New Jersey)

NATIONAL HEALTH MINISTRIES (NHMs)

Trinity Home Health Services (multi-state)
Trinity Senior Living Communities (multi-state)
Trinity PACE

MISSION HEALTH MINISTRIES (MHMs)

Allegheny Franciscan Ministries (Florida)
Global Health Ministry (Pennsylvania)
Mercy Medical (Alabama)
Pittsburgh Mercy Health System (Pennsylvania)
Saint Joseph's Health System (Georgia)

Approved by Trinity Health Executive and Governance Committee 6/18/14, effective 7/1/14; revised and approved by the Trinity Health Executive and Governance Committee on January 27, 2015; revised and approved by the Trinity Health Board of Directors on February 25, 2015; revised and approved by the Trinity Health Executive and Governance Committee on April 9, 2015; approved by Catholic Health Ministries on June 25, 2015.

EXHIBIT D

**SAINT MARY'S HOSPITAL, INC. AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION AND AMENDED AND RESTATED BYLAWS**

[SEE ATTACHED]

Restated Certificate of Incorporation of Saint Mary's Hospital, Inc.

A Connecticut Nonstock Corporation

1. The present name of the Corporation is Saint Mary's Hospital, Inc., which was incorporated on April 11, 1907.
2. This Restated Certificate of Incorporation integrates and amends the previous Certificate of Incorporation and is executed pursuant to the provisions of the Connecticut Nonstock Corporation Act (the "Act"), as amended.
3. The text of the Restated Certificate of Incorporation is as follows:

ARTICLE I

Name

The name of the Corporation is Saint Mary's Hospital, Inc.

ARTICLE II

Definitions

For the purposes of this Certificate, the following defined terms shall have the following meanings:

"Affiliate" means a corporation or other entity that is subject to the direct or indirect Control or Ownership (as defined in the Bylaws) of the Corporation.

"Board" or "Board of Directors" means the Board of Directors of the Corporation, and the term "Director" means an individual member of the Board.

"Catholic Health Ministries" or "CHM" means Catholic Health Ministries, a public juridic person that is the religious sponsor of the Corporation under the canon law of the Roman Catholic Church.

"Catholic Identity" means the theological, ethical, and canonical underpinnings of a Catholic-sponsored organization without which the entity cannot be considered a Roman Catholic church-related ministry.

"Certificate of Incorporation" means the Certificate of Incorporation of the Corporation, as amended or restated from time to time.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Corporation” shall mean Saint Mary’s Hospital, Inc., a Connecticut nonstock corporation.

"Governance Documents" means the Articles of Incorporation, Certificate of Incorporation, Code of Regulations, System Authority Matrix, Bylaws or equivalent organizational documents of a corporation or other entity.

“Health System” or “Trinity Health System” means the health system which consists of Trinity Health and its subsidiaries and Affiliates.

"Member" shall refer to Saint Francis Care, Inc., a Connecticut nonstock corporation which is the sole member of the Corporation.

“Significant Finance Matters” shall refer to the following matters which pursuant to the System Authority Matrix are subject to the approval of Trinity Health: (a) capital expenditures and dispositions; (b) incurrence of additional debt; and (c) execution of contracts and leases.

“System Authority Matrix” refers to the document that sets forth an allocation of corporate governance authority that is binding on the Corporation and its Affiliates as part of the Health System, as may be amended by Trinity Health from time to time.

“Trinity Health” means Trinity Health Corporation, an Indiana nonprofit corporation, its successors and assigns.

ARTICLE III

Purposes

The Corporation shall be organized and operated exclusively for religious, charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Code. The Corporation shall not have or issue shares of stock or make distributions. The Corporation shall have no power to act in a manner which is not exclusively within the contemplation of Section 501(c)(3) of the Code, and the Corporation shall not engage directly or indirectly in any activity which would prevent it from qualifying, and continuing to qualify, as a Corporation as described in Section 501(c)(3) of the Code. Without limiting the generality of the foregoing, the purposes for which the Corporation is organized are to advance, promote, support, and carry out the purposes of Trinity Health Corporation, an Indiana nonprofit corporation, or its successor, and to further the apostolate and charitable works of Catholic Health Ministries on behalf of and as an integral part of the Roman Catholic Church in the United States. Without limiting the generality of the foregoing, the specific purposes of the Corporation shall include the following:

- A. To carry out the purposes of Saint Francis Care, Inc., a Connecticut nonstock corporation, or its successor, which is the Member of the Corporation, and to further the apostolate of Catholic Health Ministries on

behalf of and as an integral part of the Roman Catholic Church in the United States;

- B. To engage in the delivery of and to carry on, sponsor or participate, directly or through one or more affiliates, in any activities related to the delivery of health care and health care related services of every kind, nature and description which, in the opinion of the Directors of the Corporation, are appropriate in carrying out the health care mission of the Trinity Health and Catholic Health Ministries. The Corporation shall take all such actions including, but not limited to, support and assistance of affiliates, as may be necessary or desirable to accomplish the foregoing purpose within the restrictions and limitations of this Certificate of Incorporation, the Bylaws of the Corporation or applicable law, including, without limitation, promoting and carrying on scientific research and educational activities related to the care of the sick and promotion of health, and establishing, maintaining, owning, managing, operating, transferring, conveying, supporting, assisting and acquiring institutions, facilities and programs in several states, directly or through one or more affiliates, including, but not limited to, hospitals and clinics, which shall provide diagnosis and treatment to inpatients and outpatients and shall provide such support services as, but not limited to, extended care, shared services, pastoral care, home care, long-term care, operation of senior residences, care of the elderly and the handicapped, care of the economically needy, child care, social services, mental health and substance abuse services;
- C. To promote, support and further any and all charitable, scientific, religious and educational purposes within the meaning of Section 501(c)(3) of the Code;
- D. To coordinate and oversee the activities of Affiliates, and to allocate the assets, liabilities and resources of the Corporation and its Affiliates within the Health System;
- E. To acquire, purchase, own, loan and borrow, erect, maintain, hold, use, control, manage, invest, exchange, convey, transfer, sell, mortgage, lease and rent all real and personal property of every kind and nature, which may be necessary or incidental to the accomplishment of any and all of the above purposes;
- F. To accept, receive and hold, in trust or otherwise, all contributions, legacies, bequests, gifts and benefactions which may be left, made or given to the Corporation, or its predecessor or constituent corporations, by any person, persons or organizations;
- G. To take all such actions as may be necessary or desirable to accomplish the foregoing purposes within the restrictions and limitations of this

Certificate of Incorporation, the Bylaws of the Corporation and applicable law, provided that no substantial part of the activities of the Corporation shall be to carry out propaganda, or to otherwise attempt to influence legislation; and the Corporation shall not participate or intervene in any political campaign on behalf of or in opposition of any candidate for public office (by the publishing or distribution of statements or otherwise), in violation of any provisions applicable to corporations exempt from taxation under Section 501(c)(3) of the Code and the regulations promulgated thereunder as they now exist or as they may be amended;

- H. The Corporation shall not be operated for the pecuniary gain or profit, incidental or otherwise, of any private individual, and no part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its Directors, Officers or other private individuals, except the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to or for the Corporation and to make payments and distributions in furtherance of the purposes set forth herein consistent with applicable law; and
- I. Notwithstanding any other provisions of this Certificate of Incorporation, the Corporation shall not carry on any activity not permitted to be carried on by: (i) a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (ii) a corporation, contributions to which are deductible under Section 170(c)(2) of the Code; and a corporation described in Section 509(a)(3) of the Code (or, if the Corporation is classified, Section 509(a)(1) or 509(a)(2) of the Code).

ARTICLE IV **Catholic Identity**

The activities of the Corporation shall be carried out in a manner consistent with the teachings of the Roman Catholic Church and "Founding Principles of Catholic Health Ministries" or successor documents which set forth principles describing how the apostolic and charitable works of Catholic Health Ministries are to be carried out, as well as the values and principles inherent in the medical-moral teachings of the Roman Catholic Church (such as the *Ethical and Religious Directives for Catholic Health Care Services* as promulgated from time to time by the United States Conference of Catholic Bishops (or any successor organization), as amended from time to time). Under Canon Law, Catholic Health Ministries shall retain its canonical stewardship with respect to those facilities, real or personal property, and other assets that constitute the temporal goods belonging, by operation of Canon Law, to Catholic Health Ministries. No alienation, within the meaning of Canon Law, of property considered to be stable patrimony of Catholic Health Ministries shall occur without prior approval of Catholic Health Ministries.

ARTICLE V

Organization

The Corporation is a religious corporation, organized on a non-stock basis as a membership corporation. The Corporation's sole member is Saint Francis Care, Inc., a Connecticut nonstock corporation.

ARTICLE VI

Registered Office and Resident Agent

The address of the Corporation's registered office is _____. The resident agent of the Corporation is _____. The address of the Corporation's registered office and/or name of the Corporation's resident agent may be changed from time to time by the Board of Directors of the Corporation.

ARTICLE VII

Membership

Saint Francis Care, Inc., a Connecticut nonstock corporation ("Member") is the sole member of the Corporation. The Member shall be entitled to all rights and powers of a member under Connecticut law, this Certificate of Incorporation and the Bylaws of the Corporation. Certain rights and powers related to the Corporation are reserved to the Member and Trinity Health under the Corporation's Governance Documents. Action by the Corporation shall not be taken or authorized until the Member and Trinity Health, as required, shall have exercised their respective reserved powers in the manner provided in the Governance Documents. The following powers are reserved to the Member and Trinity Health:

- a. As reserved to the Member:
 - (a) Approve the amendment or restatement of the Certificate of Incorporation and Bylaws of the Corporation, in whole or in part, and recommend the same to Trinity Health for adoption;
 - (b) Appoint and remove members of the Corporation's Board of Directors;
 - (c) Appoint and remove the President of the Corporation;
 - (d) Approve the strategic plan of the Corporation, and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption as part of the consolidated strategic plan of the Regional Health Ministry in which the Corporation participates;

- (e) Approve those Significant Finance Matters which pursuant to the System Authority Matrix are subject to the authority of the Member, and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;
- (f) Approve the annual operating and capital budgets of the Corporation, and recommend the same to Trinity Health for adoption as part of the consolidated operating and capital budgets of the Regional Health Ministry in which the Corporation participates;
- (g) Approve any merger, consolidation, transfer or relinquishment of membership rights, or the sale of all or substantially all of the operating assets of the Corporation (certain transactions and transfers of real property and immovable goods may also be subject to the approval of Catholic Health Ministries), and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;
- (h) Approve any dissolution, winding up or abandonment of operations, liquidation, filing of action in bankruptcy, receivership or similar action affecting the Corporation, and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;
- (i) Approve any formation or dissolution of Affiliates, partnerships, cosponsorships, joint membership arrangements, and other joint ventures involving the Corporation, and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;
- (j) Approve any pledge or encumbrance of assets whether pursuant to a sale, capital lease, mortgage, disposition, hypothecation, or other transaction in excess of limits established by Trinity Health (pledges or encumbrances of certain real property and immovable goods may also be subject to the approval of Catholic Health Ministries), and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;
- (k) Approve any change to the structure or operations of the Corporation which would affect its status as a nonprofit entity, exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and recommend the same to Trinity Health for approval; and
- (l) Approve all other matters and take all other actions reserved to members of nonstock corporations (or shareholders of for-profit-corporations, as the case may be) by the laws of the state in which the Corporation is domiciled or as reserved in the Governance Documents of the Corporation.

b. As reserved to Trinity Health:

- (a) Adopt, amend, modify or restate the Certificate of Incorporation and Bylaws of the Corporation, in whole or in part, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;
- (b) Approve those Significant Finance Matters which pursuant to the System Authority Matrix are subject to the authority of Trinity Health, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;
- (c) Approve any merger, consolidation, transfer or relinquishment of membership rights, or the sale of all or substantially all of the operating assets of the Corporation (certain transactions and transfers of real property and immovable goods may also be subject to the approval of Catholic Health Ministries), or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;
- (d) Approve any dissolution, winding up or abandonment of operations, liquidation, filing of action in bankruptcy, receivership or similar action affecting the Corporation, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;
- (e) Approve any formation or dissolution of Affiliates, partnerships, cosponsorships, joint membership arrangements, and other joint ventures involving the Corporation, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;
- (f) Approve any pledge or encumbrance of assets whether pursuant to a sale, capital lease, mortgage, disposition, hypothecation, or other transaction in excess of limits established by Trinity Health (pledges or encumbrances of certain real property and immovable goods may also be subject to the approval of Catholic Health Ministries), or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;
- (g) Approve any change to the structure or operation of the Corporation which would affect its status as a nonprofit entity, exempt from taxation under Section 501(c) of the Internal Revenue Code, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;
- (h) Appoint and remove the independent fiscal auditor of the Corporation;
- (i) In recognition of the benefits accruing to the Corporation from Trinity Health, and in addition to any other rights reserved to Trinity Health under applicable

law or Governance Documents of the Corporation, Trinity Health shall have the power to transfer assets of the Corporation, or to require the Corporation to transfer assets, to Trinity Health or an entity Controlled by, Controlling or under common Control with Trinity Health, whether within or without the state of domicile of the Corporation, to the extent necessary to accomplish Trinity Health's goals and objectives. The Corporation shall not be required to violate its corporate or charitable purposes, the terms of any restricted gifts, the covenants of its debt instruments, or the law of any applicable jurisdiction as a result of any asset transfers to be made to or directed by the Member or Trinity Health pursuant to this provision; and

- (j) Neither the Corporation, nor any of its Affiliates, shall transfer assets to entities other than Trinity Health without the approval of Trinity Health, except for (i) transfers previously approved by Trinity Health, either individually or as part of Trinity Health's budget process, (ii) transfers to any entity which is a direct or indirect subsidiary of Trinity Health and that is subject to the reserved powers set forth in this Certificate, or (iii) transfers in the ordinary course of business.

ARTICLE VIII

Indemnification and Standard of Care

Section 1. Indemnification. The Corporation shall, to the maximum extent allowed by law, indemnify those persons who are serving or have served as members, trustees, directors, religious congregations or other canonical persons serving as sponsors, officers, employees, committee members, or agents of the Corporation, and those who are serving or have served at the request of the Corporation as a trustee, director, religious congregation or other canonical person serving as sponsor, officer, manager, partner, employee, committee member, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise, whether for profit or nonprofit, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit, or proceeding.

Section 2. Insurance. Except as may be limited by law, the Corporation may purchase and maintain insurance on behalf of any person who is or was a member, director, trustee, religious congregation or other canonical person serving as sponsor, officer, director, committee member, employee, or agent of the Corporation, or who is or was serving at the request of the Corporation as a trustee, religious congregation or other canonical person serving as sponsor, officer, director, committee member, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, to protect against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have power to indemnify him or her against such liability under state law.

Section 3. Standard of Care. Each Director shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a Director, including his or her duties as a

member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

Section 4. Justifiable Reliance. In performing his or her duties, a Director (including when such Director is acting as an officer of the Corporation) shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- a. One or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented.
- b. Counsel, public accountants or other persons on matters that the Director reasonably believes to be within the professional or expert competence of such person.
- c. A committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.
- d. A Director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

Section 5. Consideration of Factors. In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual Directors may, in considering the best interests of the Corporation, consider the effects of any action upon employees, upon suppliers and customers of the Corporation and upon communities in which offices or other establishments of the Corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of the standards described herein.

Section 6. Presumption. Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director or any failure to take any actions shall be presumed to be in the best interests of the Corporation.

Section 7. Personal Liability of Director. No Director shall be personally liable for monetary damages for any action taken, or any failure to take any action, unless the Director has breached or failed to perform the duties of his or her office under the standards described herein, has engaged in self-dealing, or the action or inaction constitutes willful misconduct or recklessness. The provisions of this Section shall not apply to the responsibility or liability of a Director pursuant to any criminal statute or the liability of a Director for the payment of taxes pursuant to local, state or federal law.

Nothing in this Article is intended to preclude or limit the application of any other provision of law that may provide a more favorable standard or higher level of protection for the Corporation's Directors.

ARTICLE IX

Dissolution

Subject to any approvals described in this Certificate of Incorporation or the Bylaws of the Corporation, upon the dissolution and final liquidation of the Corporation, all of its assets, after paying or making provision for payment of all its known debts, obligations and liabilities, and returning, transferring or conveying assets held by the Corporation conditional upon their return, transfer or conveyance upon dissolution of the Corporation, shall be distributed to the Member of this Corporation or its successor, so long as such distributee is an organization exempt from federal income tax by virtue of being an organization as described in Section 501(c)(3) of the Code. Any such assets not disposed of in accordance with the foregoing shall be distributed to Trinity Health Corporation, an Indiana nonprofit corporation or its successor, so long as such distributee is an organization exempt from federal income tax by virtue of being an organization as described in Section 501(c)(3) of the Code. Any assets not so disposed of in accordance with the foregoing shall be distributed to one or more corporations, trusts, funds or organizations which at the time appear in the Official Catholic Directory published annually by P.J. Kenedy & Sons or any successor publication, or are controlled by any such corporation, trust, fund or organization that so appears, and are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code, as in the sole judgment of the Catholic Health Ministries have purposes most closely aligned to those of the Corporation, subject to any approvals described in this Certificate of Incorporation or the Bylaws of the Corporation and applicable law. Any assets not so disposed of shall be disposed of by a court of competent jurisdiction exclusively to one or more corporations, trusts, funds or other organizations as said court shall determine, which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code and which are organized and operated exclusively for such purposes. No private individual shall share in the distribution of any Corporation assets upon dissolution of the Corporation.

ARTICLE X

Effective Date of This Restated Certificate of Incorporation

This Restated Certificate of Incorporation is effective as _____, 201_.

BYLAWS
OF
SAINT MARY'S HOSPITAL, INC.
A CONNECTICUT NONSTOCK CORPORATION

Effective Date: _____, 201_

TABLE OF CONTENTS

	Page
ARTICLE I. DEFINITIONS	4
ARTICLE II. PURPOSES	6
Section 2.01 Purposes	6
Section 2.02 Catholic Identity	6
Section 2.03 Mission Statement	6
Section 2.04 Alienation of Property	6
ARTICLE III. MEMBER	6
Section 3.01 Sole Member	6
Section 3.02 Member Authority	7
Section 3.03 Reserved Powers of Trinity Health	8
Section 3.04 Meetings of the Member	9
ARTICLE IV. BOARD OF DIRECTORS	10
Section 4.01 Duties and Powers	10
Section 4.02 Appointments and Composition	10
Section 4.03 Term	11
Section 4.04 Annual Meeting of the Board of Directors	11
Section 4.05 Regular Meetings and Notice	11
Section 4.06 Special Meetings and Notice	11
Section 4.07 Waiver of Notice	12
Section 4.08 Quorum and Valid Director Action	12
Section 4.09 Written Consents	12
Section 4.10 Communication Equipment	12
Section 4.11 Resignation	12
Section 4.12 Removal	12
Section 4.13 Periodic Performance Review	13
ARTICLE V. MEDICAL/DENTAL STAFF	13
Section 5.01 Medical/Dental Staff Bylaws	13
Section 5.02 Medical/Dental Staff of Operating Units	13
ARTICLE VI. COMMITTEES	14
Section 6.01 Committees	14

Section 6.02 Executive Committee	14
Section 6.03 Service on Committees	14
Section 6.04 Quorum, Meetings, Rules and Procedures.....	15
Section 6.05 Committee Composition	15
ARTICLE VII. OFFICERS	15
Section 7.01 Officers.....	15
Section 7.02 Appointment and Election of Officers	15
Section 7.03 Vacancies	16
Section 7.04 Chair.....	16
Section 7.05 President.....	16
Section 7.06 Secretary.....	16
Section 7.07 Treasurer	16
ARTICLE VIII. INDEMNIFICATION AND STANDARD OF CARE	17
Section 8.01 Indemnification	17
Section 8.02 Insurance	17
Section 8.03 Standard of Care.....	17
Section 8.04 Justifiable Reliance	18
Section 8.05 Consideration of Factors	18
Section 8.06 Presumption	18
Section 8.07 Personal Liability of Directors.....	18
ARTICLE IX. SUBSIDIARIES AND VOLUNTARY HOSPITAL SERVICE ORGANIZATIONS	19
Section 9.01 Authority	19
Section 9.02 Voluntary Hospital Service Organizations.....	19
ARTICLE X. OPERATING UNITS	19
Section 10.01 Authority.....	19
ARTICLE XI. MISCELLANEOUS	19
Section 11.01 Fiscal Year.....	19
Section 11.02 Required Records	19
Section 11.03 Confidentiality	20
Section 11.04 Conflict of Interest.....	20

ARTICLE I. DEFINITIONS

For the purposes of these Bylaws, the following defined terms shall have the following meanings:

“Affiliate” means a corporation or other entity that is subject to the direct or indirect Control or Ownership of the Corporation.

"Board" or "Board of Directors" means the Board of Directors of the Corporation, and the term “Director” means an individual member of the Board.

"Catholic Health Ministries" or "CHM" means Catholic Health Ministries, a public juridic person that is the religious sponsor of the Corporation under the canon law of the Roman Catholic Church.

"Catholic Identity" means the theological, ethical, and canonical underpinnings of a Catholic-sponsored organization without which the entity cannot be considered a Roman Catholic church-related ministry.

“Certificate of Incorporation” means the Certificate of Incorporation of the Corporation, as amended or restated from time to time.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Control” or “Ownership” will be deemed to exist:

(i) as to a corporation: (a) through ownership of the majority of voting stock or the ownership of the class of stock which exercises reserved powers, if it is a stock corporation; or (b) through serving as member and having the power to appoint (including through appointing one’s own directors or officers who then serve *ex officio* as to the Affiliate) the majority of the voting members or the class of members which exercises reserved powers, if it is a corporation with members; or (c) through having the power to appoint (including through appointing one’s own directors or officers who then serve *ex officio* as to the Affiliate) the majority of the voting directors or trustees or the controlling class of directors or trustees, if it is a corporation without members; or

(ii) as to a partnership or other joint venture: through the possession of sufficient controls over the activities of the partnership or joint venture that the entity having control is permitted to consolidate the activities of the partnership or joint venture on its financial statements under generally accepted accounting principles.

The terms “Controlled,” “Controlling,” “Owned” or “Owning” shall be subsumed within the definitions of “Control” or “Ownership.”

“Corporation” shall mean Saint Mary’s Hospital, Inc., a Connecticut nonstock corporation.

“Governance Documents” means the Articles of Incorporation, Certificate of Incorporation, Bylaws, System Authority Matrix, Code of Regulations or equivalent organizational documents of a corporation or other entity.

“Health System” or “Trinity Health System” means the health system which consists of Trinity Health and its subsidiaries and Affiliates.

“Key Bylaws Provisions” shall refer to sections of these Bylaws that concern any of the following: (a) the name and corporate purposes of the Corporation; (b) the Catholic Identity and Mission and Core Values of the Corporation and the powers exercisable by CHM; (c) the identity of, reserved powers exercisable by, and other matters pertaining to, the Member and Trinity Health; and (d) the authority and membership (including election, composition and removal) of the Board of Directors of the Corporation.

“Member” shall refer to Saint Francis Care, Inc., a Connecticut nonstock corporation which is the sole member of the Corporation.

“Operating Unit” shall have the definition set forth in Section 5.04 of these Bylaws.

“Regional Health Ministry” or “RHM” is an Affiliate or operating division within the Health System that maintains a governing body that has day to day management oversight of a designated portion of the Health System, subject to certain authorities that are reserved to Trinity Health. RHMs may be based on a geographical market or dedicated to a service line or business.

“Significant Finance Matters” shall refer to the following matters which pursuant to the System Authority Matrix are subject to the approval of Trinity Health: (a) capital expenditures and dispositions; (b) incurrence of additional debt; and (c) execution of contracts and leases.

“System Authority Matrix” refers to the document that sets forth an allocation of corporate governance authority that is binding on the Corporation and its Affiliates as part of the Health System, a copy of which is attached and incorporated into these Bylaws as Exhibit A, and as may be amended by Trinity Health from time to time.

“Trinity Health” means Trinity Health Corporation, an Indiana nonprofit corporation, its successors and assigns.

Article II. PURPOSES

Section 2.01 Purposes

The purposes of the Corporation are set forth in the Certificate of Incorporation of the Corporation.

Section 2.02 Catholic Identity

The activities of the Corporation shall be carried out in a manner consistent with the teachings of the Roman Catholic Church and "Founding Principles of Catholic Health Ministries" or successor documents which set forth principles describing how the apostolic and charitable works of Catholic Health Ministries are to be carried out, as well as the values and principles inherent in the medical-moral teachings of the Roman Catholic Church (such as the Ethical and Religious Directives for Catholic Health Care Services as promulgated from time to time by the United States Conference of Catholic Bishops (or any successor organization), as amended from time to time).

Section 2.03 Mission Statement

The Mission and Core Values of the Corporation shall be as adopted and approved from time to time by Catholic Health Ministries. The mission statement may by action of the Corporation's Board of Directors be supplemented by reference to the purposes of the Corporation. The mission statement of the Corporation shall be as follows:

"We serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities."

The mission statement may by action of the Corporation's Board of Directors be supplemented by reference to the purposes of the Corporation.

Section 2.04 Alienation of Property

Under Canon Law, Catholic Health Ministries shall retain its canonical stewardship with respect to those facilities, real or personal property, and other assets that constitute the temporal goods belonging, by operation of Canon Law, to Catholic Health Ministries. No alienation, within the meaning of Canon Law, of property considered to be stable patrimony of Catholic Health Ministries shall occur without prior approval of Catholic Health Ministries.

ARTICLE III. MEMBER

Section 3.01 Sole Member

The sole member of the Corporation is Saint Francis Care, Inc., a Connecticut nonstock corporation, or its successors or assigns.

Section 3.02 Member Authority

The following actions shall be reserved exclusively to the Member of the Corporation. Subject to the reserved powers of Trinity Health, the Member may initiate and implement any proposal with respect to any of the following, or if any proposal with respect to any of the following is otherwise initiated, it shall not become effective unless the requisite approvals and other actions shall have been taken by the Member and Trinity Health, as required pursuant to the Corporation's Governance Documents:

- (a) Approve the amendment or restatement of the Certificate of Incorporation and Bylaws of the Corporation, in whole or in part, and recommend the same to Trinity Health for adoption;
- (b) Appoint and remove members of the Corporation's Board of Directors;
- (c) Appoint and remove the President of the Corporation;
- (d) Approve the strategic plan of the Corporation, and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption as part of the consolidated strategic plan of the Regional Health Ministry in which the Corporation participates;
- (e) Approve those Significant Finance Matters which pursuant to the System Authority Matrix are subject to the authority of the Member, and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;
- (f) Approve the annual operating and capital budgets of the Corporation, and recommend the same to Trinity Health for adoption as part of the consolidated operating and capital budgets of the Regional Health Ministry in which the Corporation participates;
- (g) Approve any merger, consolidation, transfer or relinquishment of membership rights, or the sale of all or substantially all of the operating assets of the Corporation (certain transactions and transfers of real property and immovable goods may also be subject to the approval of Catholic Health Ministries), and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;
- (h) Approve any dissolution, winding up or abandonment of operations, liquidation, filing of action in bankruptcy, receivership or similar action affecting the Corporation, and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;
- (i) Approve any formation or dissolution of Affiliates, partnerships, cosponsorships, joint membership arrangements, and other joint ventures involving the Corporation, and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;

(j) Approve any pledge or encumbrance of assets whether pursuant to a sale, capital lease, mortgage, disposition, hypothecation, or other transaction in excess of limits established by Trinity Health (pledges or encumbrances of certain real property and immovable goods may also be subject to the approval of Catholic Health Ministries), and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;

(k) Approve any change to the structure or operations of the Corporation which would affect its status as a nonprofit entity, exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and recommend the same to Trinity Health for approval; and

(l) Approve all other matters and take all other actions reserved to members of nonprofit corporations (or shareholders of for-profit corporations, as the case may be) by the laws of the state in which the Corporation is domiciled or as reserved in the Governance Documents of the Corporation.

Section 3.03 Reserved Powers of Trinity Health

The following actions shall be reserved exclusively to Trinity Health. Trinity Health may initiate and implement any proposal with respect to any of the following, or if a proposal with respect to any of the following is otherwise initiated, it shall not become effective unless the requisite approval and other actions shall have been taken by Trinity Health, as required pursuant to the Corporation's Governance Documents:

(a) Adopt, amend, modify or restate the Certificate of Incorporation and Bylaws of the Corporation, in whole or in part, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;

(b) Approve those Significant Finance Matters which pursuant to the System Authority Matrix are subject to the authority of Trinity Health, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;

(c) Approve any merger, consolidation, transfer or relinquishment of membership rights, or the sale of all or substantially all of the operating assets of the Corporation (certain transactions and transfers of real property and immovable goods may also be subject to the approval of Catholic Health Ministries), or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;

(d) Approve any dissolution, winding up or abandonment of operations, liquidation, filing of action in bankruptcy, receivership or similar action affecting the Corporation, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;

(e) Approve any formation or dissolution of Affiliates, partnerships, cosponsorships, joint membership arrangements, and other joint ventures involving the Corporation, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;

(f) Approve any pledge or encumbrance of assets whether pursuant to a sale, capital lease, mortgage, disposition, hypothecation, or other transaction in excess of limits established by Trinity Health (pledges or encumbrances of certain real property and immovable goods may also be subject to the approval of Catholic Health Ministries), or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;

(g) Approve any change to the structure or operation of the Corporation which would affect its status as a nonprofit entity, exempt from taxation under Section 501(c) of the Internal Revenue Code, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;

(h) Appoint and remove the independent fiscal auditor of the Corporation;

(i) In recognition of the benefits accruing to the Corporation from Trinity Health, and in accordance to any other rights reserved to Trinity Health under applicable law or Governance Documents of the Corporation, Trinity Health shall have the power to transfer assets of the Corporation, or to require the Corporation to transfer assets, to Trinity Health or an entity Controlled by, Controlling or under common Control with Trinity Health, whether within or without the state of domicile of the Corporation, to the extent necessary to accomplish Trinity Health's goals and objectives. The Corporation shall not be required to violate its corporate or charitable purposes, the terms of any restricted gifts, the covenants of its debt instruments, or the law of any applicable jurisdiction as a result of any asset transfers to be made to or directed by the Member or Trinity Health pursuant to this provision; and

(j) Neither the Corporation, nor any of its Affiliates, shall transfer assets to entities other than Trinity Health without the approval of Trinity Health, except for (i) transfers previously approved by Trinity Health, either individually or as part of Trinity Health's budget process, (ii) transfers to any entity which is a direct or indirect subsidiary of Trinity Health and that is subject to the reserved powers set forth in Sections 3.02 and 3.03 of these Bylaws, or (iii) transfers in the ordinary course of business.

Section 3.04 Meetings of the Member

Meetings of the Member shall be held at the principal office of the Member or as otherwise provided in the bylaws of the Member at such time and date determined in accordance with the bylaws of the Member. Notice of meetings of the Member shall be given in accordance with the bylaws of the Member.

ARTICLE IV. BOARD OF DIRECTORS

Section 4.01 Duties and Powers

With the exception of the powers reserved to the Member, Trinity Health or Catholic Health Ministries under the Corporation's Governance Documents or applicable law, the Board of Directors shall govern, regulate and direct the affairs and business of the Corporation, carry out such policies and guidelines as adopted by the Member and Trinity Health and carry out such responsibilities as shall be delegated to it by the Member and Trinity Health, all in a manner consistent with the Mission and Core Values of the Corporation. Additional descriptions of the duties and powers of the Board of Directors are set forth in the System Authority Matrix. Among the matters under the direction of the Corporation's Board of Directors are the following actions:

- (a) Elect the officers of the Corporation (except the President);
- (b) Approve the Medical/Dental staff credentials for the hospital facilities owned and operated by the Corporation;
- (c) Oversee the Corporation's relationship with the Medical/Dental staff as contemplated in Article V of these Bylaws;
- (d) Adopt, amend, or repeal the Medical/Dental staff bylaws;
- (e) Adopt and amend from time to time rules, regulations, and policies for the conduct of the operations and affairs of the Corporation;
- (f) Develop and monitor the Corporation's quality improvement programs and approve quality and safety standards that shall be consistent with Trinity Health System quality and safety standards;
- (g) Conduct an annual review of the Corporation's quality and safety performance; and
- (h) Recommend to the Member or Trinity Health matters relating to the Corporation that require the approval or other action of the Member or Trinity Health pursuant to the Corporation's Governance Documents.

Section 4.02 Appointments and Composition

The Member shall appoint a Board of Directors on the basis of qualifications and criteria established by the Member. Except as otherwise authorized by action of the Member, the members of the Corporation's Board of Directors shall include: (i) at least one representative of the Member, designated by the Member (who shall serve ex officio with vote) (the "Member Director"), and, unless the Chief Executive Officer/Executive Vice Chief Executive Officer of the Corporation is designated as the Member Director, the

Chief Executive Officer/Executive Vice Chief Executive Officer of the Corporation (who shall serve ex officio with vote), (ii) at least one physician, and (iii) members of the local community or members or associates of a Roman Catholic religious congregation who need not reside in the local community. Any exception to the Board composition requires the approval of the Member. The size of the Board shall be established by the Member, by policy or otherwise.

Section 4.03 Term

Directors shall serve a three-year term, or such shorter term as may be determined by the Member in order to achieve continuity in board composition. Ex officio members of the Board of Directors shall cease to be Directors upon the termination of their service in the office resulting in their ex officio service on the Board of Directors. Other than ex officio members, no Directors may serve for more than nine (9) consecutive years, unless appointed to complete the unexpired term of another Director, in which case a Director may serve for up to ten (10) consecutive years. Former Directors are eligible for reappointment after a one-year absence from service.

Section 4.04 Annual Meeting of the Board of Directors

An annual meeting of the Board of Directors shall be held at any time during the last six months of the calendar year for the purpose of the appointment of officers and the transaction of such other business as may properly come before the meeting. Notice of the annual meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting. The meeting notice shall specify the date, time and place of the meeting. Presence at any such meeting shall be deemed to be waiver of notice of said meeting.

Section 4.05 Regular Meetings and Notice

Regular meetings of the Board of Directors shall be held as determined by the Board but no less frequently than quarterly at such time, place and date as determined from time to time by the Board of Directors. An agenda, indicating items requiring a vote of the members of the Board of Directors, together with copies of reports, statements and other supporting information shall be mailed by the Chief Executive Officer prior to meetings. No notice of regular meetings shall be required other than the resolution setting the time, place and date of the meeting.

Section 4.06 Special Meetings and Notice

Special meetings of the Board may be called by or at the request of the Chair, by written request of any two (2) members of the Board, or by the Member. The special meeting shall be held within five (5) days after receipt of such request. Notice of the special meeting shall be given in writing, personally, by telephone, electronic transmission or by facsimile transmission at least forty-eight (48) hours prior to the special meeting. The notice of any special meeting shall state the purpose for which it is called. No other business shall be transacted at the special meeting except for that business stated in the notice.

Section 4.07 Waiver of Notice

Attendance of a Director at a meeting constitutes a waiver of notice of the meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Notice also may be waived in writing, either before or after the meeting.

Section 4.08 Quorum and Valid Director Action

At all meetings of the Board, a simple majority of the Directors then in office shall constitute a quorum for the transaction of business. The vote of a majority of the Directors present and voting at any meeting at which a quorum is present shall constitute the act of the Board, unless the vote of a larger number is specifically required by law, or by the Certificate of Incorporation, Bylaws or policies of the Corporation.

Section 4.09 Written Consents

Any action required or permitted to be taken by vote at any meeting of the Board or of any committee thereof may be taken without a meeting, if before or after the action, all members of the Board or committee consent in writing. The written consents shall be filed with the minutes of proceedings of the Board or committee. Such consents shall have the same effect as a vote of the Board or committee for all purposes.

Section 4.10 Communication Equipment

Members of the Board of Directors, or any committee designated by the Board, may participate in a meeting of the Board or committee by means of teleconference, video conference or similar communications equipment by virtue of which all persons participating in the meeting may hear each other if all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

Section 4.11 Resignation

Any Director may resign by written notice to the Chair of the Board. The Chair of the Board may resign by written notice to the Corporation's President who shall promptly thereafter notify the entire Board of Directors. Resignations shall be effective upon receipt or at a subsequent time if specified in the notice of resignation.

Section 4.12 Removal

Any Director may be removed with or without cause at any time by the Member. Absences of a Director from three (3) consecutive regular meetings of the Board of Directors may constitute cause for removal from the Board of Directors.

Section 4.13 Periodic Performance Review

The Board of Directors shall periodically review its own performance and issue reports to Trinity Health summarizing the results of its review.

ARTICLE V. MEDICAL/DENTAL STAFF

Section 5.01 Medical/Dental Staff Bylaws

The Medical/Dental staff of the hospital operated by the Corporation shall be organized pursuant to the bylaws of the Medical/Dental staff. The bylaws shall (i) describe the organization of the medical staff, (ii) describe the qualifications and criteria for Medical/Dental staff appointment and privilege determinations, (iii) state the duties and privileges of each category of the Medical/Dental staff, (iv) include procedures for recommendations by the Medical/Dental staff on the appointment of members of the Medical/Dental staff, the delineation of their staff privileges and the initiation of corrective action taken against any member, and (v) state the requirements for completion and documentation of patient histories and physical exams. The Medical/Dental staff bylaws also shall contain procedures for the resolution of disputes that may arise regarding the granting, denial or limitation of staff privileges or corrective action taken against any member of the Medical/Dental staff, including a hearing and appeal process and the circumstances in which such hearing/appeal rights will be made available. Bylaws, rules, regulations, and policies of the Medical/Dental staff may be proposed and adopted by the Medical/Dental staff of the hospital (or other health care provider that has a Medical/Dental staff), but the bylaws, rules, regulations, policies, and amendments thereto shall not become effective until approved by the Corporation's Board of Directors.

The Board of Directors shall have final responsibility for (i) appointment and reappointment of the members of the Medical/Dental staff and delineation of their staff privileges; (ii) taking such corrective action relating to Medical/Dental staff members as it deems appropriate; (iii) ratifying the selection of Medical/Dental staff officers made by the Medical/Dental staff; (iv) ratifying the selection of heads of the departments of the Medical/Dental staff; (v) reviewing and monitoring the quality improvement programs developed by the Medical/Dental staff; and (vi) determining which categories of practitioners are eligible for appointment to the Medical/Dental Staff. The Medical/Dental staff bylaws are not deemed to be a contract and are not intended to create contractual rights or responsibilities. The Board of Directors reserves the authority to take any direct action with respect to any Medical/Dental staff appointee action it deems to be in the best interests of the hospital operated by the Corporation, whether initiated by the Medical/Dental staff or not, and the decision of the Board shall be final.

Section 5.02 Medical/Dental Staff of Operating Units

The powers described in this Article V may be delegated to the governing body of an unincorporated operating division of governance and management of the Corporation

("Operating Unit") where such Operating Unit governing body is responsible for the operation of a hospital under applicable state law or standards of accrediting agencies. Such delegation may be accomplished by resolution or by setting forth the powers and duties of such governing body in the bylaws of the Operating Unit.

ARTICLE VI. COMMITTEES

Section 6.01 Committees

The Executive Committee of the Board of Directors and such other committees as state law may require shall be standing committees of the Corporation. The Board of Directors may establish such additional standing or special committees from time to time as it shall deem appropriate to conduct the activities of the Corporation and shall define the powers and responsibilities of such committees. Those other committees shall serve at the pleasure of the Board. The Corporation shall not have a separate audit committee as matters related to the audit of the Corporation's finances are consolidated at the Trinity Health level. The Board shall establish the purpose, composition, term and other operating matters relative to each such other committee. Each committee shall keep minutes in some manner reasonably intended to record the business that occurred at the meeting and shall forward these minutes to the Board of Directors.

Section 6.02 Executive Committee

There shall be an Executive Committee, consisting of the Chair of the Board, who shall serve as chair of the Executive Committee, the Chief Executive Officer, and at least two (2) other Directors selected by vote of the Board of Directors. All members of the Executive Committee must be members of the Board of Directors. The Executive Committee shall meet on the call of the Chair or President. Except as otherwise provided by resolution of the Board or as limited by law, the Executive Committee shall exercise the power and authority of the Board when necessary or advisable between meetings of the Board and shall exercise such other powers as may be assigned from time to time by the Board. The Executive Committee shall report on its actions at the next meeting of the Board and such actions shall be subject to revision and alteration of the Board; provided, however, that the rights of third parties shall not be affected by any such revision or alteration.

Section 6.03 Service on Committees

The committees shall establish rules and regulations for meetings and shall meet at such times as are necessary, provided that a reasonable notice of all meetings shall be given to committee members. No act of a committee shall be valid unless approved by the vote or written consent of a majority of its members. Committees shall keep regular minutes of their proceedings and report the same to the Board from time to time as the Board may require. Members of the committees (except the Executive Committee) shall be appointed for one (1) year by the Chair of the Board of Directors as soon as possible after the annual meeting of the Board. Members of the committees shall serve on their respective

committees through the next annual meeting or until their successors are appointed. The Chair of the Board shall fill vacancies on committees (except the Executive Committee) and appointees shall serve through the next annual meeting. The President shall be an ex officio member of all committees, except for any committee that reviews compliance or executive compensation matters.

Section 6.04 Quorum, Meetings, Rules and Procedures

A quorum for any meeting of a committee shall be a simple majority of the committee members or as otherwise required by applicable law, except that any ex officio members of the committee shall not be included in calculating the quorum requirement unless they are present at the meeting, in which event they shall be included towards meeting the quorum requirement. The affirmative vote of a majority of the quorum is necessary to take action of the committee, including the affirmative vote of at least one (1) member of the Board present at the meeting of the committee in order to take any action other than recommendation by the committee to the Board or Executive Committee. Minutes of all committee meetings shall be kept and forwarded to the Board. Each committee shall adopt rules for its own governance not inconsistent with these Bylaws or the acts of the Board.

Section 6.05 Committee Composition

The members and all chairs of committees other than the Executive Committee shall be appointed by the Chair of the Board. The chair of each committee shall be a Director. Committees, other than the Executive Committee, may include persons other than members of the Board of Directors; provided that each standing committee shall have at least two (2) Director members in addition to the Chair and Chief Executive Officer who shall serve ex officio; and provided further, that no authority of the Board may be delegated to a committee unless the majority of the members of such committee with Board delegated authority are members of the Board of Directors and otherwise in accordance with applicable law.

ARTICLE VII. OFFICERS

Section 7.01 Officers

The officers of the Corporation shall be the Chair, President, Secretary and Treasurer. Additionally, upon recommendation of the President, the Board of Directors may appoint a Vice Chair, an Assistant Secretary, an Assistant Treasurer, and such other officers of the Corporation as shall be deemed necessary and appropriate from time to time. Officers shall hold their respective offices until their successors are chosen and qualified.

Section 7.02 Appointment and Election of Officers

The President of the Corporation shall be appointed, evaluated, reappointed and/or removed by the Member. The President shall be Chief Executive Officer of the Corporation and any vacancy in the office of President shall be filled by the Member. The

Chair shall serve a term of one (1) year and may be elected for a total of three (3) consecutive complete one year terms. The Chair, Treasurer and Secretary of the Corporation shall be elected at the annual meeting of the Directors by the Board of Directors. The Directors and Secretary need not be members of the Board.

Section 7.03 Vacancies

Vacancies, occurring for any reason, shall be filled in the same manner as appointment or election and the officer so appointed or elected shall hold office until a successor is chosen and qualified.

Section 7.04 Chair

The Chair shall preside at the Board meetings and shall be an ex-officio voting member of all committees.

Section 7.05 President

The President shall have general and active management responsibility for the business of the Corporation and shall see that all orders and resolutions of the Board of Directors and the policies of the Member are carried into effect, consistent with the Mission and Core Values of the Corporation. The President shall be responsible for the appointment, evaluation, compensation and removal of the respective executive officers of those corporations of which the Corporation is the member or other controlling shareholder or owner. The President shall be a voting ex officio member of all committees and shall have the general powers and duties of supervision and management usually vested in the office of President of a corporation.

Section 7.06 Secretary

The Secretary of the Corporation shall issue, or cause to be issued, notices of all Board meetings, shall be responsible for the keeping and the reporting of adequate records of all transactions of the Board, and shall record the minutes of all meetings of the Board of Directors. The Secretary shall further perform such other duties incident to his or her office and as the Board of Directors may from time to time determine.

Section 7.07 Treasurer

The Treasurer of the Corporation shall be responsible for all funds of the Corporation, shall make reports to the Board of Directors as requested by the Board of Directors, and shall see that an accounting system is maintained in such a manner as to give a true and accurate accounting of the financial transactions of the Corporation. The Treasurer shall further perform such other duties incident to his or her office as the Board of Directors may from time to time determine. The Treasurer may delegate any of the functions, powers, duties, and responsibilities to any agent or employee of the Corporation. In the event of such

delegation, the Treasurer shall thereafter be relieved of all responsibility for the proper performance or exercise thereof.

ARTICLE VIII. INDEMNIFICATION AND STANDARD OF CARE

Section 8.01 Indemnification

The Corporation shall, to the maximum extent allowed by law, indemnify those persons (including religious congregations and their members or other canonical persons and their members) who

(a) are serving or have served as members, trustees, directors, sponsors, officers, employees, committee or subcommittee members, or agents of the Corporation, or

(b) are serving or have served at the request of the Corporation as a member, trustee, director, sponsor, officer, employee, committee or subcommittee member, agent, manager, or partner of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise, whether for profit or nonprofit, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit, or proceeding.

Section 8.02 Insurance

Except as may be limited by law, the Corporation may purchase and maintain insurance on behalf of any person (including religious congregations and their members or other canonical persons and their members) who

(a) is or was a member, trustee, director, sponsor, officer, employee, committee or subcommittee member, or agent of the Corporation, or

(b) is or was serving at the request of the Corporation as a member, trustee, director, sponsor, officer, employee, committee or subcommittee member, agent, manager, or partner of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise, whether for profit or nonprofit, to protect against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not this Corporation would have power to indemnify him or her against such liability under state law.

Section 8.03 Standard of Care

Each Director shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation, the Member and Trinity Health, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

Section 8.04 Justifiable Reliance

In performing his or her duties, a Director (including when such Director is acting as an officer of the Corporation) shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- (a) One or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented.
- (b) Counsel, public accountants or other persons on matters that the Director reasonably believes to be within the professional or expert competence of such person.
- (c) A committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

Section 8.05 Consideration of Factors

In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual Directors may, in considering the best interests of the Corporation, the Member and Trinity Health, consider the effects of any action upon employees, upon suppliers and customers of the Corporation and upon communities in which offices or other establishments of the Corporation, the Member and Trinity Health are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of the standards described herein.

Section 8.06 Presumption

Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director or any failure to take any actions shall be presumed to be in the best interests of the Corporation, the Member and Trinity Health.

Section 8.07 Personal Liability of Directors

No Director shall be personally liable for monetary damages for any action taken, or any failure to take any action, unless the Director has breached or failed to perform the duties of his or her office under the standards described herein, has engaged in self-dealing, or the action or inaction constitutes willful misconduct or recklessness. The provisions of this Section shall not apply to the responsibility or liability of a Director pursuant to any criminal statute or the liability of a Director for the payment of taxes pursuant to local, state or federal law.

Nothing in this Article is intended to preclude or limit the application of any other provision of law that may provide a more favorable standard or higher level of protection for the Corporation's Directors.

ARTICLE IX. SUBSIDIARIES AND VOLUNTARY HOSPITAL SERVICE ORGANIZATIONS

Section 9.01 Authority

In accordance with policies of Trinity Health, including without limitation those referenced in the System Authority Matrix, each organization of which the Corporation is the sole or majority member or owner shall have reserved certain powers to be exercised by this Corporation.

Section 9.02 Voluntary Hospital Service Organizations

The Board of Directors may authorize the establishment or dissolution of voluntary service organizations, such as an auxiliary to the Corporation or any Operating Unit of the Corporation. Such organization may be a non-profit corporation or voluntary association. No service organization may be established without approval of the Board of Directors, subject to the reserved powers of the Member and Trinity Health and any guidelines or policies established by Trinity Health with respect to voluntary organizations.

ARTICLE X. OPERATING UNITS

Section 10.01 Authority

The Board of Directors of the Corporation may organize the operations of the Corporation into one or more other Operating Units of governance and management that shall have such powers and shall carry out such responsibilities as shall be delegated to them pursuant to the policies of the Corporation and Trinity Health in effect from time to time.

Article XI. MISCELLANEOUS

Section 11.01 Fiscal Year

The fiscal year of the Corporation shall end on the 30th day of September of each year and shall begin on the 1st day of October of each year.

Section 11.02 Required Records

The officers, agents and employees of the Corporation shall maintain such books, records and accounts of the Corporation's business and affairs as may be from time to time

required by the Board of Directors, or required by the laws of the state in which the Corporation is domiciled.

Section 11.03 Confidentiality

Except as otherwise publicly disclosed, or in order to appropriately conduct the Corporation's business, the records and reports of the Corporation shall be held in confidence by those persons with access to them.

Section 11.04 Conflict of Interest

Each of the Corporation's officers and members of the Board shall at all times act in a manner that furthers the Corporation's charitable purposes and shall exercise care that he or she does not act in a manner that furthers his or her private interests to the detriment of the Corporation's community benefit purposes. The Corporation's officers and members of the Board shall fully disclose to the Corporation any potential or actual conflicts of interest, if such conflicts cannot be avoided, so that such conflicts are dealt with in the best interests of the Corporation. Conflicts of interest shall be resolved in accordance with the Corporation's conflict of interest policy. The Corporation and all its officers and members of the Board shall comply with any policies of the Corporation and Trinity Health regarding conflicts of interest, as well as the requirements of applicable state law regarding such conflicts, and shall complete any and all disclosure forms as may be deemed necessary or useful by the Corporation for identifying potential conflicts of interest.

ARTICLE XII. AMENDMENT AND REVIEW

Section 12.01 Amendment

These Bylaws may be amended only in accordance with Article III of these Bylaws.

Section 12.02 Periodic Review

These Bylaws shall be reviewed periodically by the Board of Directors and any recommended revisions shall be forwarded to the Member and Trinity Health for action.

EXHIBIT A

System Authority Matrix

DISCLOSURE SCHEDULE

This Disclosure Schedule (this "Disclosure Schedule") is being delivered pursuant to the terms of that certain Membership Transfer Agreement (the "Agreement"), dated as of September 18, 2015, by and among Trinity Health Corporation, an Indiana nonprofit corporation ("Trinity Health"), Saint Francis Care, Inc., a Connecticut nonstock corporation ("NE-RHM"), and Saint Mary's Health System, Inc. ("SMHS") and Saint Mary's Hospital, Inc. ("SMH"), both Connecticut nonstock corporations (collectively, "Saint Mary's"). The substitution of NE-RHM for the Archbishop of Hartford as the sole member of Saint Mary's and the other transactions contemplated by the Agreement are referred to collectively in this Disclosure Schedule as the "Transaction."

Capitalized terms used in this Disclosure Schedule and not otherwise defined herein shall have the respective meaning ascribed thereto in the Agreement. Any headings herein are included for convenience of reference only and shall be ignored in the construction and interpretation hereof. Any summary of or reference to a written document in this Disclosure Schedule shall be deemed to refer to the version of such document in the form that it has been made available to NE-RHM and Trinity Health via the electronic data room set up for this transaction at <https://datasite.merrillcorp.com>.

DISCLOSURE SCHEDULES

Schedule 1A	Knowledge of Saint Mary's
Schedule 1B	Knowledge of NE-RHM
Schedule 1C	Knowledge of Trinity Health
Schedule 2.01	Board of Directors and Officers of SMH
Schedule 3.02	Board of Directors and Officers of RHM
Schedule 6.04	Conflicts/Consents
Schedule 6.05	Organizational Chart
Schedule 6.08	Absence of Certain Changes, Events and Conditions
Schedule 6.09(a)	Contracts of Saint Mary's and the Saint Mary's Controlled Subsidiaries
Schedule 6.09(c)	Material Contracts
Schedule 6.10	Permitted Encumbrances
Schedule 6.12(a)	Owned Real Property/Encumbrances
Schedule 6.12(b)	Leased Real Property
Schedule 6.14(a)	Legal Proceedings
Schedule 6.14(b)	Governmental Orders, Judgments, Penalties, Awards
Schedule 6.15(a)	Compliance With Laws/Permits
Schedule 6.16(a)	Government Program Survey Reports
Schedule 6.16(b)	Reimbursement Claims
Schedule 6.16(d)	Accreditation Survey Report and Deficiency List
Schedule 6.19	Breach Notifications
Schedule 6.22(a)	Employee Benefit Plans
Schedule 6.22(c)	Employee Pension Benefit Plans
Schedule 6.22(d)	Multiemployer Plans
Schedule 6.22(e)	Church Plans
Schedule 6.22(f)	Employee Welfare Benefit Plans
Schedule 6.22(g)	Agreements with Employees, Etc.
Schedule 6.22(h)	Prohibited Transactions
Schedule 6.22(k)	Nonqualified Deferred Compensation Plans
Schedule 6.23	Collective Bargaining Agreements; Threats of Strike, Slowdown, etc.

Schedule 6.24Tax Returns, Tax Payments
Schedule 6.25Insurance Policies
Schedule 7.04Conflicts/Consents
Schedule 7.08(a)Compliance with Laws
Schedule 7.09(a)Government Program Survey Reports
Schedule 7.09(b)Reimbursement Claims
Schedule 7.12Breach Notification
Schedule 8.08(a)Owned Real Property



Office of the President
Chad W. Wable, FACHE

September 18, 2015

JANEANNE LUBIN-SZAFRANSKI
SAINT FRANCIS CARE, INC.
114 WOODLAND ST
HARTFORD, CT 06105

TRINITY HEALTH CORPORATION
20555 VICTOR PARKWAY
LIVONIA, MI 48152

RE: Supplemental Disclosure Letter

Dear Ms. Lubin-Szafranski:

In connection with the Transfer Agreement, dated September 18, 2015, by and among Saint Francis Care, Inc. ("Saint Francis"), Trinity Health Corporation ("Trinity"), Saint Mary's Health System, Inc., and Saint Mary's Hospital, Inc. ("Saint Mary's") (collectively, the "Parties"), Saint Mary's has requested to make several supplemental disclosures herein and Trinity Health and Saint Francis have agreed thereto. By signing below, the Parties agree the below disclosures are valid disclosures to the Transfer Agreement and have the same force and effect as the Transfer Agreement Disclosure Schedules. Based on the foregoing, Saint Mary's makes the following supplemental disclosures:

6.15

Saint Mary's is party to the Cardiology Services Agreement by and between Waterbury Area Heart Center, Inc., Saint Mary's Hospital, and Waterbury Hospital, and Cardiology Associates of Waterbury, P.C., dated November 1, 2004. The current Agreement is exclusive to Cardiology Associates of Waterbury, with parallel exclusivity to Quality Cardiovascular Care, and limits the number of interventionalists to four. It should be noted that both hospitals have agreed to the participation of additional Waterbury cardiologists in the Heart Program (all credentialed at both hospitals) to maintain a ratio of one interventional cardiologist to 100 PTCA procedures, provided that each performs no fewer than 75 procedures annually. Schedule A to the agreement lists a number of Medical Directorships and services to be provided by Cardiology Associates of Waterbury and requires the physicians to complete monthly timesheets.

After Waterbury Hospital acquired the group in around 2011, Saint Mary's decided it would be best to develop its own agreement for coverage, rather than continue with the current agreement involving Waterbury Hospital and the Heart Center which, as drafted, does not appear to accurately reflect the services being provided, nor the addition of other interventionalists. For those reasons, Saint Mary's prepared a draft agreement but has not yet taken steps to implement said agreement.

56 Franklin Street, Waterbury, Connecticut 06706 (203) 709-6000 www.stmh.org

AFFILIATED ORGANIZATIONS

Saint Mary's Hospital Saint Mary's Hospital Foundation Franklin Medical Group Diagnostic Imaging of Southbury
Harold Leever Regional Cancer Center Heart Center of Greater Waterbury Naugatuck Valley MRI Naugatuck Valley Surgical Center Saint Mary's Indemnity Company

6.19:

Initial Breach Report, dated February 28, 2014, individual patient - unauthorized access/disclosure

Initial Breach Report, dated February 28, 2014, five patients affected - mail incorrectly addressed

6.22(b)

The current determination letter for the 401(k) Plan, dated January 18, 2012, is conditioned upon the timely execution of certain amendments. Exact evidence of the timely execution of these amendments has not been provided.

6.22(f):

Policies and procedures to comply with the HIPAA privacy and security regulations have not been specifically adopted for group health plans.

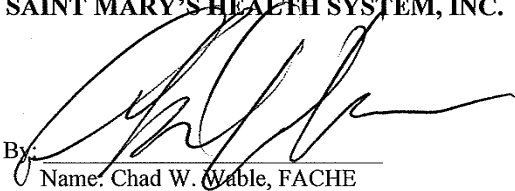
6.22(k):

Saint Mary's Hospital has a number of individual non-competition, non-disclosure and severance payment agreements in effect with a number of Officers and Executives of Saint Mary's Hospital. The Agreements, and certain amendments, are generally dated from 2008 to 2014. The severance payment obligations vary by agreement and often are measured based on years of service at the time of termination with maximum dollar amount limits. However, because the individual payments by Saint Mary's Hospital are incurred for employment terminations which occur with or without cause, and because the agreements contain required terminated employee release of claims provisions for the payments to occur, it appears likely that Section 409A compliance issues will therefore exist. Such Agreements may be viewed by the IRS as deferred compensation agreements in substance, and because of the required releases of claims, as well as the total amounts to be paid by Saint Mary's Hospital, IRS Notices 2010-6 and 2010-80 may provide relief for any desired amendments to be implemented for purposes of complying with Section 409A, and so as to legally avoid potential IRS penalties, individual income tax liabilities, interest and non-payment penalties.

Very truly yours,

Dated: 9-18-15, 2015

SAINT MARY'S HEALTH SYSTEM, INC.

By: 
Name: Chad W. Wable, FACHE
Title: Chief Executive Officer

Dated: 9-18-15, 2015

TRINITY HEALTH CORPORATION

By: _____
Name:
Title:

Dated: 9-18-15, 2015


SAINT FRANCIS CARE, INC.

By: _____
Name:
Title:

A large, stylized handwritten signature in black ink is written over the signature line and extends downwards into the title field.

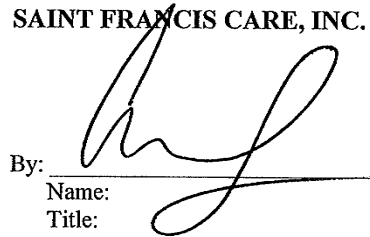
Dated: 9-18-15, 2015

TRINITY HEALTH CORPORATION

By: 
Name:
Title:

Dated: 9-18-15, 2015

SAINT FRANCIS CARE, INC.

By: 
Name:
Title:

CLOSING DISCLOSURE SCHEDULE

This Closing Disclosure Schedule is being delivered in anticipation of Closing pursuant to Section 5.01 the terms of that certain Transfer Agreement (the "**Agreement**"), dated as of September 18, 2015, by and among Trinity Health Corporation, an Indiana nonprofit corporation ("**Trinity Health**"), Trinity Health – New England, Inc. (f/k/a Saint Francis Care, Inc.), a Connecticut nonstock corporation ("**NE-RHM**"), and Saint Mary's Health System, Inc. ("**SMHS**") and Saint Mary's Hospital, Inc. ("**SMH**"), both Connecticut nonstock corporations (collectively, "**Saint Mary's**").

Capitalized terms used in this Disclosure Schedule and not otherwise defined herein shall have the respective meaning ascribed thereto in the Agreement. Any headings herein are included for convenience of reference only and shall be ignored in the construction and interpretation hereof. Any summary of or reference to a written document in this Disclosure Schedule shall be deemed to refer to the version of such document in the form that it has been made available to NE-RHM and Trinity Health via the electronic data room set up for this transaction at <https://datasite.merrillcorp.com>.

DISCLOSURE SCHEDULES

- Schedule 1A _____ Knowledge of Saint Mary's
- Schedule 1B _____ Knowledge of NE-RHM
- Schedule 1C _____ Knowledge of Trinity Health
- Schedule 2.01 _____ SMH Board Members
- Schedule 3.02 _____ NE-RHM Board of Directors - Saint Mary's Members
- Schedule 6.04 _____ Conflicts/Consents
- Schedule 6.05 _____ Organizational Chart
- Schedule 6.07 _____ Undisclosed Liabilities
- Schedule 6.08 _____ Absence of Certain Changes, Events, Conditions
- Schedule 6.09 _____ Material Contracts
- Schedule 6.09(c) _____ Material Contracts - Validity
- Schedule 6.10 _____ Permitted Encumbrances
- Schedule 6.11 _____ Condition and Sufficiency of the Saint Mary's Assets
- Schedule 6.12(a) _____ Owned Real Property
- Schedule 6.12(b) _____ Leased Real Property
- Schedule 6.14(a) _____ Legal Proceedings
- Schedule 6.14(b) _____ Governmental Orders
- Schedule 6.15(a) _____ Compliance With Laws
- Schedule 6.16(a) _____ Medicare - Plans of Correction
- Schedule 6.16(b) _____ Medicare - Claims
- Schedule 6.16(d) _____ Medicare - Accreditation Surveys/Deficiency List
- Schedule 6.19 _____ HIPAA - Breach Notifications
- Schedule 6.20 _____ Affiliate Transactions
- Schedule 6.21(e) _____ Environmental
- Schedule 6.22(a) _____ Employee Benefit Plans
- Schedule 6.22(b) _____ Benefit Plans - Compliance
- Schedule 6.22(c) _____ Employee Pension Benefit Plan Liability
- Schedule 6.22(d) _____ Multiemployer Plan Liability
- Schedule 6.22(e) _____ Church Plans
- Schedule 6.22(f) _____ Employee Welfare Benefit Plans
- Schedule 6.22(g) _____ Effect of Execution and Consummation of Agreement on Saint Mary's Benefit Plans

- Schedule 6.23 _____ Employment Matters
- Schedule 6.24 _____ Taxes
- Schedule 6.25 _____ Insurance
- Schedule 7.04 _____ Conflicts - Trinity Health and NE-RHM
- Schedule 7.08(a) _____ Compliance with Laws - NE-RHM
- Schedule 7.09(a) _____ Medicare - Plans of Correction - NE-RHM
- Schedule 7.09(b) _____ Medicare/Medicaid - NE-RHM Claims
- Schedule 7.12 _____ HIPAA - Breach Notifications - NE-RHM
- Schedule 8.08(a) _____ Insured Real Property

Schedule 1A

Knowledge of Saint Mary's

No updates.

Schedule 1B

Knowledge of NE-RHM

1. Christopher M. Dadlez, President and CEO
2. David Bittner, Senior Vice President and CFO
3. Janeanne C. Lubin-Szafranski, Senior Vice President and General Counsel
4. Jennifer S. Schneider, Vice President of Finance

Schedule 1C

Knowledge of Trinity Health

No updates.

Schedule 2.01

SMH Board Members

Directors and Officers

- Mengacci, Esq., Joseph
- Pugh, Richard
- Wable, Chad
- Mattie, Angela
- Roscoe, Robert

Directors

- Albert, Eric
- Albin, M.D., S. Mark
- Bachhuber, Theresa M.
- Ford, Father Christopher
- Gumbardo, M.D., Robert
- Richi, M.D., Aziz
- Rodriguez, Felix
- Roer, M.D., David
- Sullivan, Esq., Christine
- Summa, Esq., Kara

Schedule 3.02

Board of Directors of NE-RHM - Saint Mary's Members

Notwithstanding the provisions of the Transfer Agreement, the Parties hereto agree that the following individuals will be added to the Board of Directors of NE-RHM effective as of September 1, 2016:

Garret Casey, Jr.

Stephen R. Griffin, Esq.

Schedule 6.04

Conflicts/Consents

(a) No updates.

(b) No updates.

(c)(i) No updates.

(1) Waterbury Hospital, as member of the Harold Leever Regional Cancer Center, Inc., provided consent in September 2015. Waterbury Hospital and SMH recently filed a CON modification in anticipation of the transaction contemplated in the Transfer Agreement.

(2) NVRA consent provided to NE-RHM and Trinity Health

(3) Notice to DSS required within 35 days post-closing

(4) Craneware consent letter sent out. Awaiting receipt

(5) Notice letter to McKesson provided to NE-RHM, Trinity Health

(6)

- a. Consent of Archdiocese provided to NE-RHM, Trinity Health.
- b. Consent of Holy See, Roman Catholic Church provided to NE-RHM, Trinity Health
- c. OHCA approval received and provided to all parties
- d. Notice provided to Connecticut Attorney General
- e. FTC did not provide comment

(7) Upon further review, consent of Diagnostic Imaging of Southbury, LLC is not required.

(8) Per Section 10.01 of the Indenture of Lease by and between Park West, LLC and Saint Mary's Hospital, Park West, LLC required consent to transfer the Indenture of Lease. Proof of Park West, LLC's consent to the transfer has been provided to NE-RHM and Trinity Health.

(9) Per Section 21(a) of the Lease by and between RPH Highland LLC and Saint Mary's Hospital, RPG Highland LLC required consent to assign the Lease. Proof of RPH Highland LLC's consent to the assignment has been provided to NE-RHM and Trinity Health.

(c)(ii) No updates.

(c)(iii) No updates.

(c)(iv) No updates.

(c)(v) Pursuant to Section 18.d. of the Master Service Agreement, dated January 5, 2009, by and between SMH and Connecticut Children's Medical Center ("CCMC"), CCMC may terminate the Master Service Agreement by providing written notice to SMH upon a Change of Control. Change of Control includes a change in the membership of SMH. SMH and CCMC remain on good terms and CCMC is not terminating the agreement.

(d) No updates.

Schedule 6.05

Organizational Chart

No updates.

Schedule 6.07

Undisclosed Liabilities

Webster Loan to be paid on August 1, 2016 and all necessary releases filed thereafter.

Schedule 6.08

Absence of Certain Changes, Events, Conditions

Schedule 6.08 is limited to changes, events, conditions from Balance Sheet Date (6/30/2015) until Signature Date (9/18/15) and thus no update is required

Schedule 6.09

Material Contracts

- (i) Each Contract involving aggregate consideration in excess of \$100,000
See attached.
- (ii) All Contracts that relate to the acquisition of any business, a material amount of equity or assets of any other Person or any real property (whether by merger, sale of stock or equity, sale of assets or otherwise), in each case involving amounts in excess of \$100,000
 - 1. Purchase and Sale Agreement by and between Peter Greco, M.D., Thomas Greco, M.D., and Saint Mary's Health System, Inc., for the Units 3-G and 3-F in the Medical Office Building located at 133 Scovill Street in Waterbury, CT.
- (iii) All Contracts with any Governmental Authority
No updates.
- (iv) Any Contracts to which Saint Mary's or a Saint Mary's Controlled Subsidiary is a party that provide for any joint venture, partnership or similar arrangement
No updates.
- (v) All Contracts between or among Saint Mary's on the one hand and any Affiliate of Saint Mary's on the other hand
No updates.
- (vi) All collective bargaining agreements or Contracts with any union, works council, or labor organization to which SMH or a SMH Controlled Subsidiary is a party
No updates.
- (vii) All Contracts relating to indebtedness having an outstanding principal amount of \$100,000
No updates.

SAINT MARY'S HOSPITAL ATTACHMENT TO CLOSING SCHEDULE 6.09(a)(i)

CONTRACT NUMBER	VENDOR OTHER PARTY
1001.1319C	Yale University School of Medicine
1001.1323C	Press Ganey
1001.1326E	PAC Planning Services, LLC
1002.1328C	Michael Malinics, MD
1002.1330C	Mary L. Aquavia, MD
1001.1341E	NVLM, Inc
1001.1351C	Berkeley Research Group (BRG)
1002.1354C	Pruner, Joseph MD
1001.1355C	Surgical Monitoring Services, Inc. d/b/a Sentient
1002.1358C	Ghisa, MD Adriana
1002.1368C	Nicolescu, Mirela MD
1002.1372C	1389 West Main Street, Suite 224, Waterbury CT
1002.1370C	Gniadek, Thomas MD
1002.1371C	Gniadek, Thomas MD Asset Purchase Agreement
1001.1381C	H2C (Hammond)
1002.1382C	Kett, Kevin MD
1002.1383C	Chang, MD Yueming
1001.1385C	RelayHealth
1002.1389C	United Health Care
1001.1401C	Atrion Networking Corporation
1001.1409C	Medtronic, Inc.
1002.1410C	Singanamala, MD Santhi
1002.1417C	Patel, MD Kush

1002.1416C	Rosado, MD Ana
1002.1418C	Cheema, Rabia
1002.1420C	1389 West Main Street, Suite 224, Waterbury CT 06708
1002.1421C	Shetty, Shopa MD
1002.1423C	Gnanaraj, Joseph MD

UPDATE TO SCHEDULE 6.09(a)(i) AS REFLECTED IN INITIAL DISCLOSURE SCHEDULES

MASTER COMMERCIAL CONTRACTS

CONTRACT NO.	SAINT MARY'S ENTITY	VENDOR / PROVIDER / NON-PROVIDER
1001.1002C	Saint Mary's Hospital	Geonetric Technology
1001.1007E	Saint Mary's Hospital	McKesson Corporation
1001.1008E	Saint Mary's Hospital	McKesson Corporation
1001.1009E	Saint Mary's Hospital	McKesson Corporation
1001.1012C	Saint Mary's Hospital	McKesson Corporation
1001.1016C	Saint Mary's Hospital	Medtronic, Inc.
1001.1017C	Saint Mary's Hospital	Medtronic, Inc.
1001.1019C	Saint Mary's Hospital	Quinnipiac University
1001.1024E	Saint Mary's Hospital	Nuance Powerscribe
1001.1025E	Saint Mary's Hospital	Naugatuck Valley Community College
1001.1050C	Saint Mary's Hospital	RelayHealth
1001.1053C	Saint Mary's Hospital	RelayHealth
1001.1054C	Saint Mary's Hospital	Connecticut Hospital Association
1001.1060C	Saint Mary's Hospital	Roche Diagnostics Corporation
1001.1063E	Saint Mary's Hospital	Nuance Communications, Inc.
1001.1064E	Saint Mary's Hospital	McKesson Corporation
1001.1065C	Saint Mary's Hospital	McKesson Technologies, Inc.
1001.1071C	Saint Mary's Hospital	Leidos Health LLC
1001.1085C	Saint Mary's Hospital	JVK Operations
1001.1092C	Saint Mary's Hospital	WB Mason
1001.1099C	Saint Mary's Physician Partners, LLC	Naugatuck Valley Women's Health Specialists, PC
1001.1100E	Saint Mary's Hospital	Wellsoft Corporation
1001.1120C	Saint Mary's Hospital	Medtronic USA, Inc.
1001.1121C	Saint Mary's Hospital	Allscripts Healthcare, LLC
1001.1160C	Saint Mary's Hospital	Cardinal Health 200, LLC
1001.1165C	Saint Mary's Hospital	Kronos
1001.1168C	Saint Mary's Hospital	Siemens Healthcare Diagnostics Inc.
1001.1171C	Saint Mary's Hospital	Grainger Industrial Supply
1001.1173C	Saint Mary's Hospital	Anthelio Healthcare Solutions, Inc.
1001.1177C	Saint Mary's Hospital	Truven Health
1001.1178C	Saint Mary's Hospital	Spendadvisor
1001.1185C	Saint Mary's Hospital	Universal Background Screening
1001.1189C	Saint Mary's Hospital	Intuitive Surgical, Inc.

CONTRACT NO.	SAINT MARY'S ENTITY	VENDOR / PROVIDER / NON-PROVIDER
1001.1191C	Saint Mary's Hospital	Beckman Coulter
1001.1193C	Saint Mary's Hospital	Draeger Medical, Inc.
1001.1204C	Saint Mary's Hospital	Cross Country Staffing
1001.1221C	Saint Mary's Hospital	Bard Peripheral Vascular, Inc.
1001.1225C	Saint Mary's Hospital	NVMRI
1001.1226C	Saint Mary's Hospital	Edwards Lifesciences LLC
1001.1237C	Saint Mary's Hospital	Covidien Sales, LLC
1001.1248C	Saint Mary's Hospital	McKesson Technologies, Inc.
1001.1250C	Saint Mary's Hospital	St. Jude Medical
1001.1274C	Saint Mary's Hospital	PMA Management Corp. of New England
1001.1275C	Saint Mary's Hospital	Neuro Enterprises, LLC
1001.1286C	Saint Mary's Hospital	Baxter Healthcare Corporation
1001.190C	Saint Mary's Hospital	St. Jude Medical US Division
1001.210C	Saint Mary's Hospital	Craneware, Inc.
1001.216C	Saint Mary's Hospital	University of Connecticut School of Medicine
1001.219C	Saint Mary's Hospital	Cardinal Health 200, LLC
1001.228C	Saint Mary's Hospital	Naugatuck Valley Lawn Maintenance, Inc.
1001.235E	Saint Mary's Hospital	School Readiness Grant Program
1001.266E	Saint Mary's Hospital	Connecticut Children's Medical Center
1001.287C	Saint Mary's Hospital	Naugatuck Valley Community College
1001.304E	Saint Mary's Hospital	Stryker
1001.332C	Saint Mary's Hospital	Heart Center of Greater Waterbury, Inc.
1001.354E	Saint Mary's Hospital	Sodexho Operations, LLC
1001.367E	Saint Mary's Hospital	Yale University School of Medicine
1001.393C	Saint Mary's Hospital	3M Health Care Service Center
1001.411C	Saint Mary's Hospital	Cardinal Health 200, LLC
1001.420C	Saint Mary's Hospital	Western Connecticut State University
1001.427C	Saint Mary's Hospital	Sodexho Operations, LLC
1001.430C	Saint Mary's Hospital	Yale University School of Medicine
1001.433C	Saint Mary's Hospital	Yale University School of Medicine
1001.44C	Saint Mary's Hospital	Toshiba America Medical Systems Inc.
1001.44C	Saint Mary's Hospital	Toshiba America Medical Systems Inc.
1001.468C	Saint Mary's Hospital	University of Connecticut, Department of Allied Health Sciences
1001.469C	Saint Mary's Hospital	University of Connecticut School of Nursing
1001.474C	Saint Mary's Hospital	Haemonetics Corporation
1001.47C	Saint Mary's Hospital	Siemens Medical Solutions USA, Inc.
1001.482C	Saint Mary's Hospital	Department of Public Health
1001.489C	Saint Mary's Hospital	Gateway Community College

CONTRACT NO.	SAINT MARY'S ENTITY	VENDOR / PROVIDER / NON-PROVIDER
1001.490C	Saint Mary's Hospital & Health System	Santa Buckley Energy, Inc.
1001.495E	Saint Mary's Hospital	GE Healthcare
1001.519C	Saint Mary's Hospital	University of Connecticut School of Social Work
1001.521C	Saint Mary's Hospital	Department of Social Services
1001.525C	Saint Mary's Hospital	Naugatuck Valley Community College
1001.541C	Saint Mary's Hospital	Waterbury Department of Education
1001.54C	Saint Mary's Hospital	3M Health Care Service Center
1001.590C	Saint Mary's Hospital	bioMerieux, Inc.
1001.592C	Saint Mary's Hospital	American National Red Cross
1001.603C	Saint Mary's Hospital	Unitex Textile Rental Services
1001.608C	Saint Mary's Hospital	City-Wide Delivery Service, Inc.
1001.632C	Saint Mary's Hospital	McKesson Health Solutions, LLC
1001.633E	Saint Mary's Hospital	Otis Elevator Company
1001.653C	Saint Mary's Hospital	Siemens Industry, Inc.
1001.668C	Saint Mary's Hospital	Yale University School of Medicine
1001.676E	Saint Mary's Hospital	SkillSurvey
1001.679C	Saint Mary's Hospital	3M Health Care Service Center
1001.681C	Heart Center of Greater Waterbury	University of Connecticut Health Center Department of Finance
1001.682C	Saint Mary's Hospital	Med3000, Inc.
1001.688C	Saint Mary's Hospital	Yale University School of Medicine
1001.691C	Saint Mary's Hospital	Naugatuck Valley Community College
1001.694C	Saint Mary's Hospital	Healthstream, Inc.
1001.749C	Saint Mary's Hospital	Connecticut Light and Power Company
1001.750C	Saint Mary's Hospital	Connecticut Light and Power Company
1001.768C	Saint Mary's Health System	Axiom Group, LLC
1001.783C	Saint Mary's Hospital	Best Practices, Inc.
1001.786C	Saint Mary's Hospital	Precyse Solutions, LLC
1001.787E	Saint Mary's Hospital	GE Medical Systems
1001.788C	Saint Mary's Hospital	Financial Health Strategies, Inc.
1001.811C	Saint Mary's Hospital	Department of Public Health
1001.814C	Saint Mary's Hospital	Executive Health Resources, Inc. (E.H.R.)
1001.820E	Saint Mary's Hospital	Dell
1001.8221C	Saint Mary's Hospital	Naugatuck Valley Community College
1001.825E	Saint Mary's Hospital	Diagnostic Equipment Service Corporation (DESCO)
1001.829C	Saint Mary's Hospital	Precyse Solutions, LLC
1001.840C	Saint Mary's Hospital	University of Connecticut School of Allied Health

CONTRACT NO.	SAINT MARY'S ENTITY	VENDOR / PROVIDER / NON-PROVIDER
1001.852C	Saint Mary's Hospital	Bay State Anesthesia
1001.853C	Saint Mary's Hospital	Department of Public Health
1001.858C	Saint Mary's Hospital	Anthelio Healthcare Solutions, Inc.
1001.860C	Saint Mary's Hospital	Syntrac Cardinal Health
1001.861C	Saint Mary's Hospital	Sunquest Information Systems, Inc.
1001.866C	Saint Mary's Health System	VPNE Parking Solutions, LLC
1001.882C	Saint Mary's Hospital	Naugatuck Valley Community College
1001.884C	Saint Mary's Hospital	Olympus America, Inc.
1001.886C	Saint Mary's Hospital	Telephone Nurse Triage - Kanagaratnam Jegathesan, MD
1001.890E	Saint Mary's Hospital	Corepoint
1001.891C	Saint Mary's Hospital	Advantage RN
1001.944C	Saint Mary's Hospital	RelayHealth
1001.950C	Saint Mary's Hospital	Xtend Healthcare, LLC
1001.962C	Saint Mary's Hospital	Precyse Solutions, LLC
1001.979C	Saint Mary's Hospital	Yale University School of Medicine
1001.997C	Saint Mary's Health System, Inc.	McKesson Corporation
1002.1048C	Franklin Medical Group, P.C.	Nuance Communications, Inc.
1002.1090C	Franklin Medical Group, P.C.	Digestive Disease Center of CT, LLC
1002.244C	Franklin Medical Group, P.C.	Naugatuck Valley OB-GYN Associates, PC
1002.448C	Franklin Medical Group, P.C.	Department of Public Health
1002.530C	Franklin Medical Group, P.C.	Napiello, Virginia APRN
1002.888E	Franklin Medical Group, P.C.	Phoenix Internal Medicine Associates, LLC
1002.958C	Franklin Medical Group, P.C.	VENDOR INCORRECTLY LABELED ON LIST AS: University of Connecticut Health Center Department of Finance. CORRECT VENDOR is Night Nurse, Inc.
1002.959C	Franklin Medical Group, P.C.	Thames Records Management
1002.967C	Franklin Medical Group, P.C.	City-Wide Delivery Service, Inc.
1002.974C	Franklin Medical Group, P.C.	Intuitive Surgical, Inc.
1010.966C	Saint Mary's Hospital	Healogics Wound Care & Hyperbaric Services, Inc.
1010.968C	Saint Mary's Hospital	Commerce Bank
1010.978C	Saint Mary's Hospital	Central Connecticut State University
1010.985C	Saint Mary's Hospital	Jackson & Coker Permanent, LLC

NON-PROVIDER LEASES

CONTRACT NO.	SAINT MARY'S ENTITY	VENDOR / PROVIDER / NON-PROVIDER
2005.445C	Saint Mary's Hospital, Inc.	Union Square Southbury, LLC (Landlord)
2005.445C	Saint Mary's Hospital, Inc.	Associated Physicians of Southbury, P.C. (Subtenant)
2005.762C	Saint Mary's Hospital, Inc.	146 Highland Associates, LLC (Landlord)
2005.934E	Saint Mary's Hospital, Inc.	1981 East Main Street, LLC (Landlord)
2005.934E	Saint Mary's Hospital, Inc. (Sublandlord)	Inwelligent Healthcare, Inc. (Subtenant)
2007.104C	Saint Mary's Hospital, Inc.	Scovill Commons Partners, LLC (Landlord)
2007.1186E	Saint Mary's Hospital, Inc.	Subway Real Estate Corp. (Tenant)
2007.1227C	Saint Mary's Hospital, Inc.	Northwest CT Public Safety Communications Center Inc. (Tenant)
2007.245C	Saint Mary's Hospital Corporation	Spectrum Square, LLC (Landlord)
2007.273E	Saint Mary's Hospital, Inc.	Fraydun Enterprises, LLC (Landlord)
2007.285E	Saint Mary's Hospital, Inc.	Fraydun Enterprises, LLC (Landlord)
2007.509E	Saint Mary's Hospital Corporation	Scovill Commons Partners, LLC (Landlord)
2007.760C	Saint Mary's Hospital	JPMCC 2003-ML1 Naugatuck Retail, LLC (Landlord)
2007.761C	Saint Mary's Hospital	Park West, LLC (Landlord)
2007.765E APPRAISAL/OPINION - NOT REVIEWED	N/A	N/A
2013.1129C	Franklin Medical Group, P.C.	1177, LLC (Landlord)

PROVIDER CONTRACTS

CONTRACT NO.	SAINT MARY'S ENTITY	VENDOR / PROVIDER / NON-PROVIDER
1001.1072C	Saint Mary's Hospital	Singanamala, Santhi MD
1001.1082C	Saint Mary's Hospital	Waterbury Pulmonary Associates, LLC
1001.1105C	Saint Mary's Hospital	Brittney Williams Howell, MD
1001.110C	Saint Mary's Hospital	Martinucci, Erica MD
1001.1176C	Saint Mary's Physician Partners, LLC	
1001.1216C	Saint Mary's Hospital	Connecticut Children's Specialty Group, Inc.
1001.1298C	Saint Mary's Hospital	Connecticut Children's Specialty Group, Inc.
1001.323E	Saint Mary's Hospital	Connecticut Children's Medical Center
1001.342C	Saint Mary's Hospital	Consultants In Pathology, PC
1001.37C	Saint Mary's Hospital	Rho, Mira MD
1001.39C	Saint Mary's Hospital	Roer, David MD

CONTRACT NO.	SAINT MARY'S ENTITY	VENDOR / PROVIDER / NON-PROVIDER
1001.407C	Saint Mary's Hospital	Neurosurgery Orthopaedics & Spine Specialists PC
1001.783E	Saint Mary's Hospital	EmCare, Inc. AND EmCare, Inc.
1001.480C	Saint Mary's Hospital	Milford Anesthesia Associates, LLC
1001.543E	Saint Mary's Hospital	Koteles, Alicia MD
1001.547C	Saint Mary's Hospital	Raissi, Sina MD
1001.570C	Saint Mary's Hospital (Naugatuck Valley Surgical Center Limited Partnership)	SurgiCenter Anesthesiologists, PC
1001.580C	Saint Mary's Hospital	Mayo Medical Laboratories
1001.593C	Saint Mary's Hospital	Zarif, Abdul MD
1001.68C	Saint Mary's Hospital	Zarif, Abdulmasih MD
1001.764C	Saint Mary's Hospital	Naugatuck Valley Women's Health Specialists, PC
1001.988E	Saint Mary's Hospital	Wellmore Behavioral Health
1002.1020C	Franklin Medical Group, P.C.	Monzurul Chowdhury, MD
1002.1031C	Franklin Medical Group, P.C.	Bechoi Saleib, MD
1002.1037C	Franklin Medical Group, P.C.	Anna Freitag, MD
1002.1051C	Franklin Medical Group, P.C.	Frank Longo, MD
1002.1067C	Franklin Medical Group, P.C.	Ken Matsuo
1002.1069C	Franklin Medical Group, P.C.	Joseph Bowen, MD
1002.1101C	Franklin Medical Group, P.C.	Marano, Albert
1002.1102C	Franklin Medical Group, P.C.	Lyall, Bhupinder
1002.1103C	Franklin Medical Group, P.C.	Feinberg, Michael
1002.1104C	Franklin Medical Group, P.C.	Kraus, Mark, MD
1002.1107C	Franklin Medical Group, P.C.	Anupama Paranandi, MD Infectious Disease
1002.1109C	Franklin Medical Group, P.C.	Sallie Carrington, DO
1002.1110C	Franklin Medical Group, P.C.	Preissler, MD Paul
1002.1112C	Franklin Medical Group, P.C.	Garsten, MD Joel
1002.1113C	Franklin Medical Group, P.C.	Burlison, MD Kathleen
1002.1117C	Franklin Medical Group, P.C.	Cohen, Matthew, MD
1002.113C	Franklin Medical Group, P.C.	Palesty, J Alexander MD
1002.116C	Franklin Medical Group, P.C.	Wetmore, Robert S MD, PC
1002.117C	Franklin Medical Group, P.C.	Sieling, Beth Ann MD
1002.118C	Franklin Medical Group, P.C.	Sookhan, Nicole MD
1002.11C	Franklin Medical Group, P.C.	Rosenhein, Brian DO
1002.1208C	Franklin Medical Group, P.C.	Giacomazzi, Peter, MD
1002.120C	Franklin Medical Group, P.C.	Galal, Magdy MD
1002.1238C	Franklin Medical Group, P.C.	Shetty, MD Shohan
1002.1242C	Franklin Medical Group, P.C.	Neamtu, MD Andreea

CONTRACT NO.	SAINT MARY'S ENTITY	VENDOR / PROVIDER / NON-PROVIDER
1002.1268C	Franklin Medical Group, P.C.	Gork MD, Ahmet
1002.1269C	Franklin Medical Group, P.C.	Khan MD, Tasneem
1002.1270C	Franklin Medical Group, P.C.	Salerno MD, John
1002.1271C	Franklin Medical Group, P.C.	Polokoff MD, Ellen
1002.1272C	Franklin Medical Group, P.C.	Leal MD, Daniel
1002.1277C	Franklin Medical Group, P.C.	Medrano MD, Consuelito
1002.1278C	Franklin Medical Group, P.C.	Esemuede MD, Iyare
1002.1281C	Franklin Medical Group, P.C.	Thiruvengadam MD, Sudha
1002.12C	Franklin Medical Group, P.C.	Sheikh, Abdul Majeed MD
1002.1300C	Franklin Medical Group, P.C.	Carolyn O'Connor, MD
1002.1303C	Franklin Medical Group, P.C.	Greco, Thomas MD
1002.1304C	Franklin Medical Group, P.C.	Ann Marie Conti-Kelly, MD
1002.15C	Franklin Medical Group, P.C.	Te, Victorio Go MD
1002.18E	Franklin Medical Group, P.C.	Simms, Michael F MD
1002.20C	Franklin Medical Group, P.C.	Imam, Azhar MD
1002.22C	Franklin Medical Group, P.C.	Nawaz, Shah MD
1002.23C	Franklin Medical Group, P.C.	Alston, Shawnette MD
1002.25C	Franklin Medical Group, P.C.	Beri, Rohit MD
1002.26C	Franklin Medical Group, P.C.	Bogursky, Sondra MD
1002.299C	Franklin Medical Group, P.C.	Anthony, J Robert MD
1002.29C	Franklin Medical Group, P.C.	Colodner, Gregory MD
1002.34C	Franklin Medical Group, P.C.	Newell, Rebecca O MD
1002.36C	Franklin Medical Group, P.C.	Ouellette, Jason MD
1002.379C	Franklin Medical Group, P.C.	Chere, Mitch MD
1002.3C	Franklin Medical Group, P.C.	Ramos, Rey MD
1002.41C	Franklin Medical Group, P.C.	Talwalkar, Jaideep MD
1002.42C	Franklin Medical Group, P.C.	Vaezy, Ali MD
1002.432C	Franklin Medical Group, P.C.	Ndiaye, Mouhamed A MD
1002.457C	Franklin Medical Group, P.C.	Gega, Arjet MD
1002.493C	Franklin Medical Group, P.C.	Kelly, Paul MD
1002.501C	Franklin Medical Group, P.C.	Zhang, He MD
1002.503C	Franklin Medical Group, P.C.	Baba, Carolina Borz MD
1002.508C	Franklin Medical Group, P.C.	Rubenstein, Stephen MD
1002.513C	Franklin Medical Group, P.C.	Rovetto, Allyson MD
1002.515C	Franklin Medical Group, P.C.	Brenes, Laura C MD
1002.516C	Franklin Medical Group, P.C.	Zlotoff, Ronald A MD
1002.528C	Franklin Medical Group, P.C.	D'Souza, Bernard MD
1002.55C	Franklin Medical Group, P.C.	Almeida, Carlos MD

CONTRACT NO.	SAINT MARY'S ENTITY	VENDOR / PROVIDER / NON-PROVIDER
1002.569C	Franklin Medical Group, P.C.	Richi, Maysoun MD
1002.56C	Franklin Medical Group, P.C.	Alvarez, Alexander J MD
1002.58C	Franklin Medical Group, P.C.	Testa, John MD
1002.59C	Franklin Medical Group, P.C.	Uberti, James G MD
1002.614C	Franklin Medical Group, P.C.	Richi, Aziz MD
1002.655C	Franklin Medical Group, P.C.	Quinn, Edmund
1002.685C	Franklin Medical Group, P.C.	Karen Kennedy
1002.69C	Franklin Medical Group, P.C.	Cardiology Associates of Waterbury, PC
1002.756C	Franklin Medical Group, P.C.	Zefirova, Julia MD
1002.758C	Franklin Medical Group, P.C.	Cumberland, Melisha MD
1002.817C	Franklin Medical Group, P.C.	Mario Perez
1002.827E	Franklin Medical Group, P.C.	Seli, Meltem MD
1002.848C	Franklin Medical Group, P.C.	Albajrami, Oltjon MD
1002.879C	Franklin Medical Group, P.C.	Ranjan, Saurabh MD
1002.887C	Franklin Medical Group, P.C.	El-Hennawy, Magdy Sayed MD
1002.915C	Franklin Medical Group, P.C.	Philip R. Corvo, MD
1002.93C	Franklin Medical Group, P.C.	Naugatuck Valley OBGYN PC
1002.943C	Franklin Medical Group, P.C.	Maria Dawe, MD
1002.961C	Franklin Medical Group, P.C.	Macaron, Shady Hafez MD
1002.972C	Franklin Medical Group, P.C.	Naugatuck Valley Women's Health Specialists, PC
1002.993C	Franklin Medical Group, P.C.	Aditi Mukherji, MD
1002.995C	Franklin Medical Group, P.C.	Rebecca Scandrett, MD
1002.244C	Franklin Medical Group, P.C.	Naugatuck Valley OB-GYN Associates, PC
1001.266E	Saint Mary's Hospital	Connecticut Children's Medical Center

PROVIDER LEASES

CONTRACT NO.	SAINT MARY'S ENTITY	VENDOR / PROVIDER / NON-PROVIDER
2005.364C	Saint Mary's Hospital	Saint Mary's Hospital
2007.1285C	Saint Mary's Hospital	LJL Properties, LLC
2007.296C	Saint Mary's Hospital	West Main Medical, LLC, a Connecticut limited liability company, as Landlord
2008.534C	Primary Care Partners, P.C.	Greater Waterbury Primary Care Associates, P.C., as Tenant

62522999 v2-WorkSiteUS-080456/0042

55900575 v7

Schedule 6.09(c)

Material Contracts - Validity

To the knowledge of Saint Mary's, each Material Contract is valid and binding on Saint Mary's or a Saint Mary's Controlled Subsidiary, as applicable, in accordance with its terms and is in full force and effect;

To the Knowledge of Saint Mary's, no party is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Material Contract; and

No event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder.

Schedule 6.10

Permitted Encumbrances

- (1) Filing No. 0003104990 in favor of Wells Fargo Equipment Finance, Inc.
- (2) Filing No. 0003013154 in favor of General Electric

Schedule 6.11

Condition and Sufficiency of the Saint Mary's Assets

No updates.

Schedule 6.12(a)

Owned Real Property

The following units have been added since the Signing Date:

- Office Condominium Unit 2I (206), 133 Scovill Street, Waterbury CT
- Office Condominium Unit 3G (304), 133 Scovill Street, Waterbury CT
- Office Condominium Unit 3F (306), 133 Scovill Street, Waterbury CT

The following parcel was sold subsequent to the Signing Date:

All that certain piece or parcel of land situated on the southerly side of French Street in the Town of Watertown, County of Litchfield, State of Connecticut shown as Lot 34A Area = 25,515 S.F. on 0.59 acres on a map entitled, "Division of land 'First Cut' owned by SAINT MARY'S HEALTH SYSTEM, INC. 290 French Street Watertown Connecticut Scale 1" = 30' dated 3-21-14 Meyers Associates P.C. 60 Linden Street Waterbury, Connecticut 06702". Said premises being bounded and described as follows:

Beginning at a point on the southerly street line of French Street, said point being just northerly of the northwest corner of land now or formerly of Mark & Cheryl C. Woodruff, and also being the northeast corner of the herein described parcel of land; thence running S 09°29'38" E 273.42' along the westerly street line of French Street and along land of said Woodruff, in part by each, to a point; thence turning and running S 76°58'40" W 99.57' along land now or formerly of Town of Watertown, to a point; thence turning and running N 04°13'33" W 325.46' along Lot 34B, to a point on the said southerly street line of French Street; thence turning and running S 66°50'20" E 82.55' along the said southerly street line of French Street, to the point and place of beginning.
Said parcel contains 25,515 Square Feet or 0.59 Acres.

Schedule 6.12(b)

Leased Real Property

1. The property known as the Scovill Medical Center and located at 133 Scovill Street, Suite 206, Waterbury, Connecticut, and which was subject to the lease by and between Paolo Mapelli and Saint Mary's Hospital, Inc. dated January 1, 2006, as modified by the Lease Modification Agreement, dated January 1, 2009, is now owned by Saint Mary's Hospital, Inc.

Schedule 6.14(a)

Legal Proceedings

The following matters disclosed in the initial Disclosure Schedules have all been settled:

Don Doe v. The Hartford Roman Catholic Diocesan Corp., et al.

Brian Doe v. The Hartford Roman Catholic Diocesan Corp., et al.

George Doe v. The Hartford Roman Catholic Diocesan Corp., et al.

Patrick Doe v. The Hartford Roman Catholic Diocesan Corp., et al.

Schedule 6.14(b)

Governmental Orders

No updates.

Schedule 6.15(a)

Compliance with Laws

1. April 30, 2009 letter from National Government Services regarding pre pay probe review for HCPCS 99284 – 99285 Emergency Department Services.

In February 24, 2009 Medical Review initiated a pre pay probe review. The results of the audit reflected an error rate of 14.8%. \$13,132.60 charges were denied. A redetermination was requested on 11 of the denied claims. This was not successful. We attended an educational session provided by CMS.

2. June 17, 2009- letter from Northeast Consortium/ Division of Survey and Certification.

CEO was notified that they received a report of deficiencies found by the Connecticut Department of Public Health, Division of Health System Regulation during their substantial allegation survey of the hospital. SMH is not in compliance with the conditions of participation for hospitals – 42 CFR 482.22 Medical Staff, 42 CFR 482.23, Nursing Services, and 42 CFR 482.25 Pharmacy Services. A complete Medicare Survey was conducted.

3. September 3, 2009 – letter from The State of Connecticut Department of Public Health.

Letter received indicating the results of the substantial Allegation Survey. Saint Mary's Hospital facility was found not in compliance with the Medicare Conditions of Participation, 42 CFR :

Fed - A - 0338 - 482.22 - Medical Staff
Fed - A - 0385 - 482.23 - Nursing Services
Fed - A - 0490 - 482.25 - Pharmaceutical Services

4. November 12, 2009 - letter from Northeast Consortium/ Division of Survey and Certification.

Letter notifying the CEO that on October 9, 2009 the Connecticut State Survey Agency notified their office that they determined SMHS was in compliance with all of Medicare Hospital Conditions of participation. The hospital retains its "deemed" status.

5. November 2, 2009 - letter from The State of Connecticut Department of Public Health.

Consent order received and signed. This is for two years. A monetary penalty of \$2,000.00 (two thousand dollars) was paid.

6. March 16, 2010 - letter from National Government Services regarding phase II pre pay probe review for HCPCS 99284 – 99285 Emergency Department Services.

The results of this audit were 16 claims out of 40 had to be re-coded due to documentation not supporting the level of care. We were then placed on a 25% prepay edit as a result. Our guidelines have been revised. We have attended another educational session with CMS. SMHS has explained its concerns with their findings and they are looking into them. SMHS received a letter on January 26, 2011 from NGS notifying SMHS that they recently completed an edit effectiveness evaluation. Out of 130 claims, one was denied. Our prepay edit for HCPCS 99284 – 99285 Emergency Department Services is discontinued.

7. June 1, 2010 – letter from the State of Connecticut, Department of Social Services.

The results of our Medicaid audit of our outpatient services paid during the period January 1, 2008 thru June 30, 2009 was received. The total of the financial disallowances was \$301,721.77.

8. October 20, 2010- letter from the State of Connecticut, Department of Social Services.

A Medicaid audit of the Franklin Medical Group for claims paid from October 1, 2006 to September 30, 2008 was completed. A draft report has been received. An exit interview is pending. The findings are a disallowance of approximately \$11, 000.00 (eleven thousand dollars).

9. December 31, 2010 . – letter from The State of Connecticut Department of Public Health.

Letter received indicating the results of the substantial Allegation Survey. Saint Mary's Hospital facility was found not in compliance with the Medicare Conditions of Participation, 42 CFR:

Section: 19-13-D3e – Nursing Services
19-13-D3d – Medical Records
19-13-D3b & C Medical Staff and Administration
19-13-D3a – Physical Plant
19a-127n-2 – Administration

Corrective action plans were put in place and accepted by the DPH.

10 . April 12, 2011 – letter received from the State of Connecticut, Department of Social Services.

A Medicaid Audit of the Psychiatry claims paid from January 1, 2007 through December 31, 2009 was completed and the draft report was received. An exit conference was held to discuss results. The final audit report was received July 7, 2011. The total amount of the financial disallowances was \$56,853.46.

11. April 27, 2011 – letter received from the State of Connecticut, Department of Social Services.

A Medicaid audit of the Franklin Medical Group Pediatric claims paid from January 1, 2007 through December 31, 2009 was completed and the draft report received. An exit conference was held to discuss results. The final audit report was received on August 18, 2011. The total amount of the financial disallowances was \$63,857.37.

12. May 2, 2011 – letter received from the State of Connecticut, Department of Social Services.

A Medicaid audit of the Franklin Medical Group Internal Medicine claims paid from January 1, 2007 through December 31, 2009 was completed and the draft report received. An exit conference was held to discuss results. The final audit report was received on August 24, 2011. The total amount of the financial disallowances was \$372,998.88.

13. April 8, 2011 – Notice of MIC audit to be conducted on claims paid 2006 to September 30, 2008.

Audit completed 5/26/2011. 11/28/2011 notice received audit expanding to include 78 additional claims. October 19, 2012 exit interview with IPRO to discuss preliminary findings. November 6, 2012, reply to findings sent back to auditors. 5/28/14 Final draft report from the State of Connecticut received. Nine medical and two MVA claims were questioned. 6/4/14 Denied claims appealed. 11/14 Appeals denied, money reimbursed.

14. May 9, 2011 - letter from National Government Services regarding post pay probe review for

DRG 291 – 293 and DRG 682 – 684 one day services.

Two claims were reviewed. One claim was denied. Error rate of 40.6%. Agreed with finding. Actual charges denied were \$4,840.84.

15. September 2, 2011 - letter from The State of Connecticut Department of Public Health with findings from the unannounced visits May 3 to August 9, 2011.

The following violations were noted:

19-13-D3b – Administration, and Medical Records

46a-152, 46a-154 – General

19-13-D3b,c,a, and D – Nursing, Medical Records, medical Staff.

A corrective action plan was submitted and approved by DPH. Auditing per corrective action plan with compliance.

16. June 8, 2011 – letter from CMS in follow up to the survey conducted by State Department of public Health on May 19th.

Letter noted an allegation of noncompliance with the requirements of 42 C.F.R. 489.24. After review of the findings it was determined the hospital violated the requirements of 42 C.F.R. 489.24 based on the failure to provide a medical screening examination, and failure to maintain the central log of each individual who presented to the ED. The hospital was subject to termination of its provider agreements. A subsequent letter was received from CMS indicating the hospital is in compliance with all of the Medicare Conditions of Participation, and was returned to deemed status.

17. September 15, 2011 – Letter received from The Joint Commission.

The letter confirmed that our May 23, 2011 – May 27, 2011 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare Conditions of Participation. Based upon the submission of our evidence of standards compliance the areas of deficiency was removed. The joint commission granted us an accreditation decision of Accredited.

18. October 18, 2011 Letter received from the Office of Civil Rights based on a referral for a possible violation of the Community Service Assurance of the Hill – Burton regulations.

This letter was received as a result of an allegation that we failed to provide a medical screening exam on a patient who presented to the ED. The required information was submitted as requested. Signs currently posted were updated. The matter was closed.

19. January 24, 2012 – Letter received from the Office of Civil Rights.

The letter was in response to a complaint they received that alleged we were in violation of the Federal Standards for Privacy of Individually Identifiable health Information and or Security Standards. The complaint alleges a Saint Mary's employee impermissibly used and disclosed PHI in a classroom setting at the NVCC Radiology Program. An investigation was conducted. Corrective actions made. All requests for additional information was provided. 6/24/13 A letter was received from OCR closing the matter.

20. April 4, 2012 - Email from OIG requesting an audit be conducted on two 96 hour mechanical ventilator claims.

Two claims reviewed for coding and billing. Error found. Two claims were re-coded and claims re-submitted as directed by the OIG. Awaiting further communication from the OIG. Coders re-educated on ventilator coding. Review process set up with the coders to prevent any additional errors. 7/13/13 No communication received from OIG. Repeat audit was conducted by the Compliance Department. All claims coded appropriately. 9/17/13 – OIG posted their report of their findings of the audit they conducted on hospitals. Report reviewed and communicated to appropriate staff.

21. April 13, 2012 - Letter received from The Joint Commission regarding evidence of Standards Compliance

The letter indicated as the result of recent accreditation activity there were no Requirements for improvement identified. A follow –up Measure of Success will occur in four months. A subsequent letter was received on August 15, 2012 regarding the submitted Measure of Success there were no Requirements for Improvement identified.

22. April 24, 2012 – Letter received from Medicare, cert review of two claims.

Letter received indicating the claim was adjusted based on submitted documentation. Review completed by Case Management. Appeal filed on one claim. Appeal denied.

23. July 2, 2012 – letter received from NGS requesting a Medicare secondary payer audit.

Audit completed on September 9, 2012 on thirty claims. Findings included billing was appropriate. Some data in the questionnaire was missing. Additional information supplied as requested. Education of the registration staff on the completion of the questionnaire was performed. November 12, 2012 letter received indicating information was received and sufficient to answer their questions. The audit is closed.

24. August 20, 2012 – Letter received from the Office of Civil Rights regarding an allegation of a breach in a patient’s privacy at the NVSC.

Letter alleged a staff member of NVSC violated a patient’s privacy by speaking with her husband regarding needing to talk to the patient to explain the preparation for the colonoscopy. Investigation completed.. Response submitted along with all requested policies. 3/5/13 – A letter was received from OCR indicating it has closed its case. All issues resolved.

25. December 3, 2012 – Letter received from the Office of Civil Rights notifying us they received a complaint alleging Saint Mary’s Mental Health Center was not in compliance with the federal Standards for Privacy of individually Identifiable Health information.

The complaint alleges that his protected health information was impermissibly disclosed by an employee of STM to a third party. The allegation was investigated. A response to the allegation along with the requested policies was submitted to the OCR on December 20th. A response from the OCR was received in March, 2013 indicating they are closing the matter.

26. December 17, 2012 – Letter from the Department of Public Health with finding from their unannounced survey September 24 2012 to November 5, 2012.

Violations to regulations or General Statutes of Connecticut are as follows:

- 19-13-D3b,c,d – Medical staff, Medical Records, Administration.
- 19-13-D3e – Nursing services

19- 13-D3 – Pharmacy
19-13-D73 – Physical Plant, Facilities

The corrective action plan was completed and submitted. A meeting was held with DPH on January 2, 2013. As a result two of the citations were removed from the original report. The CAPs were accepted by DPH. Audits continued. 1/30/14 – DPH reviewed the CAPs for findings of the audits during the licensure review. No recommendations. Matter closed.

27. January 2, 2013 - Letter received from OIG requesting an audit be conducted on four Medicare payments for selected drugs.

The findings of the review were three out of four claims were billed incorrectly. Adjusted bills re-submitted, all requested documentation submitted to the OIG. Questions clarified. Compliance audited additional claims. No further communication from the OIG. 10/2013 a report was noted on the OIG website of findings from their audit from all hospitals on selected drug payments.

28. March 12, 2013 – Letter received from Nuclear Regulatory Commission safety report.

A severity level IV violation was reported relating to failure to calibrate the instrumentation as required in 10 CFR 35.60(a). We immediately corrected the issue which was reflected in the report.

29. August 9, 2013 – Letter received Mobile Medicare review Team coming in September for a review of our short stays.

Ten claims were reviewed. Stated we are doing well. Observation time is being billed appropriately. Discussion of the two midnight rule was conducted. They denied six out of ten claims. Subsequent education for the office managers and physicians was conducted on observation and the two midnight rule.

30. April 22, 2014 - Letter from the Department of Public Health with finding from their unannounced visits concluding on March 21, 2014.

Violations to regulations or General Statutes of Connecticut are as follows:

19-13-D3b,c,d – Medical staff, Medical Records, Administration.

19-13-D3e(1) – Nursing services

19-13-D3(c)(2)(B) – Medical staff

19- 13-D6 – General

19-13-D3(F)– Diagnostic & Therapeutic Facilities

19-13-D3(i) – Dietary services

19-13-D3 (2)(B), (4)(A) CT General Statutes 17a-502(c)

Corrective action plans were put into place for each violation. These were accepted by DPH. Auditing was completed as outlined in the corrective action plan. Issues closed.

31. May 6, 2014 – Letter received from NGS with findings from pre-pay 2Midnight probe review.

The findings of the audit of ten claims were a 60% error rate. Case manager assistants were hired to review documentation real time of the 2 MN order and certification. One on one education by the case managers to the physicians continued. The CPOE orders were modified. The RAC coordinator began auditing the documentation requirements for the 2 MN rule.

32. June 16, 2014 - Letter from the Department of Public Health with finding from their

unannounced visits April 30 to May 1, 2014.

Violations to regulations or General Statutes of Connecticut are as follows:

- 19-13-D3(b)(2)(c)(2) – Medical Staff
- 19-13-D3(4)(A)(d)3(i)(6) – Medical Staff

June 26, 2014, Corrective actions were put into place and accepted by the DPH. Audits were performed as outlined in the CAP. Audits demonstrated compliance. Issue closed.

33. December 19, 2014 - Letter from the Department of Public Health with finding from their inspections on October 14, 15, and 16, 2014.

Violations to regulations or General Statutes of Connecticut are as follows:

- 19-13-D5(b)(2)(g)(I)(6) – Administrative &/or Pharmacy, General
- 19-13-D5(b)(I)(2)(A) – Infection control
- 19-13-D3(b)(e) – Nursing Service
- 19-13-D3(a) – Physical Plant
- 19-13-D3(d) – Medical records
- 19-13-D3Short term hospital, General & Special (a) Physical Plant(2).

Corrective actions were developed and approved by the DPH. Audits performed.

34. December 31, 2014 - Letter received from NGS with findings from pre-pay 2Midnight probe review of inpatient admissions under the revised 2 MN rule.

The findings reflected five out of eleven claims were denied. This audit was completed prior to the implementation of the new order process and audit process. Additional physician education was conducted with our UM advisor and attending physicians. Records reviewed for appropriate order for admission and certification.

35. April 7, 2015 - Letter from the Department of Public Health with finding from their inspections on March 5, 2015.

Violations to regulations or General Statutes of Connecticut are as follows:

- 19-13-D3(b)(2) or(c)(3) or (e)Administration, medical staff, medical records, or nursing.

The two violations required a corrective action plan which was accepted by the DPH and put into place. Audits were performed which showed compliance.

36. April 29, 2015 – Letter received from the Drug Control Division with recommendations following their inspection on March 30, 2015.

The following violations were noted:

- The documentation of the waste of a drug was not timely.
- The expired medications should be removed promptly from stock.
- Pharmacy issued controlled drugs to three ambulance companies without approved protocols in place. The drugs issued were listed as “kits” on the biennial inventory rather than specific drugs.
- Pre-packaging log did not include the name of the Pharmacist performing the final check of the pharm tech work.
- The results of the gloved fingertip could not be provided as not retained.
- The pressure log reflected out of specification at times without any corrective action.
- No air sampling performed within the ISOS antechamber.
- The cleaning of the CAI was not consistent with the required dirtiest to cleanest progression.

A corrective action plan had been put into place to address all violations.

37. July 24, 2015 – Letter received from NGS with findings from pre-pay 2Midnight probe review.

The findings revealed six out of ten claims were denied. All had appropriate 2MN rule orders and met IQ criteria. Five claims were one day stays and presumably recovered more quickly than expected. UM physician reviewed all of the cases. Education of the providers will be performed. Billing was notified to bill only the ancillary tests. A billing hold has been put in place for one day stays, the RAC coordinator will now review all one day stays to determine if documentation reflects the patient leaving earlier than expected. If not only the ancillary tests will be billed.

38. August 24, 2015 – Letter received from the State of Connecticut Department of Social Services, Office of Quality Assurance – Audit division with findings of a claim review with dates of service July 1, 2011 through June 30, 2014 in which co-insurance and/or deductibles were paid to Saint Mary's Hospital.

Report received. Random audit of accounts was conducted and findings were verified. According to the letter the payment due the department is \$349,876. Many Connecticut Hospitals received the same letter from DSS. Connecticut hospital Association was asked to contact DSS on behalf of hospitals not to run a payment pullback cycle. On September 3, 2015 our CFO submitted an appeal letter to request a contested case hearing. Awaiting a reply from DSS.

39. September 21, 2015 – Letter from CMS received in follow up to the DPH survey conducted on September 4, 2015.

The survey conducted on September 4, 2015 found that the facility was not in substantial compliance with COPs, 42CFR482.12 – Governing Body and 42CFR482.25 – Pharmaceutical Services. Deemed status was removed and survey jurisdiction was transferred to the State Survey Agency. A survey was conducted on October 16th by DPH and the outcome determined our hospital is in compliance with the Medicare Conditions of Participation for Hospitals – 42CFR part 482. Matter closed.

40. October 2, 2015 - Letter from the State of Connecticut, Department of Public Health with findings from their inspections on August 17, 18, 19, 20, 24, and September 4, 2015.

Violations to regulations or General Statutes of Connecticut are as follows:

19-13-D3(b) administration(2), and/or medical Staff(4)(a); and/or Pharmacy(i)and/or(2)and/or (3); and/or (5)(i) General (5) and/or (6); and or (l)infection control (1) and/or (2), (3), or (4).

The hospital failed to ensure that culture testing was conducted in the offsite IV Infusion Center prior to the initiation of compounding medications and/or failed to ensure that the contracted company provided quality services and/or that mold/fungus growth that required discontinuation of compounding was reported to the Governing body for review. The hospital failed to have a thermostat in the room to ensure the temperature of the room was in acceptance range for medications to be stored. The hospital also failed to develop Quality Performance Improvement activities regarding high risk areas including IV Infusion Center.

A Corrective Action Plan was developed and accepted by the State DPH. Audits were performed as indicated in the CAP.

41. November 5, 2015 – A Citation and Notification of Penalty letter was received from the Occupational Safety and Health Administration following an inspection of the Franklin Medical

group Dental Clinic in June 2015.

Citation 1 – 29CFR1910.132(d)(1) Employer did not access workplace to determine if hazards are present or likely to be present which necessitate the use of personal protective equipment.

Citation 1 Item 1b – 29CFR1910.132(f)(1) The employer shall provide training to each employee who is required to use PPE.

Citation 1 Item 2 – 29CFR1910.1030©(1)(i). The employer did not develop and implement a written blood born pathogen program for employees exposed to blood borne pathogens while performing dental tasks.

Citation 1 Item 3a – Employer did not train each employee with occupational exposure in accordance with 29CFR1910.1030 at the time of their initial assignment.

Citation 1 Item 4 – Employer did not establish and implement a written hazard communication program where employees were required to handle and work with chemicals such as super sani cloth wipes and Birex disinfectant.

Corrective action plans were established for all citations. Meeting held with OSHA. Agreement reached, will have CONN OSHA come to do a consultative review. Fine paid. Consultative visit occurred on March 15, 2016 with CONN OSHA. Follow up session will be scheduled sometime in June.

42. November 24, 2015 - Letter received from the State of Connecticut, Department of Social Services Office of Quality Assurance – Audit Division with draft results from FMG audit.

A draft report was received covering DSS's audit of Medicaid claims paid to Franklin Medical Group during the period January 1, 2011 through December 31, 2013. The total of the proposed audit disallowances was \$1,784,454. Additional documentation was provided, an exit interview was held. The final report was received on April 22, 2016. The overpayment due to DSS is \$1,224,182. An appeal letter has been sent requesting a hearing.

43. March 9, 2016 - Letter from the Department of Public Health with finding from their inspections on January 7, 2016.

Violations of Regulation of Connecticut State Agencies Section – 19-13-D3(b) Administration (2) and/or (d) Medical Records(3) and/or (i) General (6). The Hospital failed to protect the patient's right to confidentiality and ensure medical records were safeguarded. The hospital failed to identify the governing body's responsibility related to contracted services within the Medical Staff bylaws.

A corrective action plan was put in place and accepted by the DPH. Recent review of materials by DPH accepted, matter closed.

44. June 6, 2016 – Letter from the State of Connecticut, Department of Social Services – audit division.

Notification that on July 25, 2016, the department will be performing an audit of medical assistance claims paid to Saint Mary's Hospital during the period of May 18, 2014 through May 17, 2016. The audit began on July 25, a total of 384 claims will be reviewed.

45. July 21, 2016 – Letter from the US Department of Justice United States Attorney District of Connecticut and the Department of Health & Human services.

Notification of a receipt of a complaint alleging that Saint Mary's Hospital engaged in unlawful discrimination based on disability for failure to ensure effective communication with deaf/hard of hearing individuals. The complaint alleges a profoundly hard of hearing patient was denied effective communication when a sign language interpreter was requested but not provided by the hospital. An investigation of this complaint is underway. A response is due in thirty days.

46. July 27, 2016 - Letter from the Department of Public Health, Facility Licensing and investigations Section with finding from their inspections concluding on May 23, 2016.

Violations to regulations or General Statutes of Connecticut are as follows:

1. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (e) Nursing Services (1) and/or (i) General (6) and/or (l) Infection Control.
2. Section 19-13-D3(e) Nursing Services (1) and/or (i) General (6) and/or (l) Infection Control.
3. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (d) Medical records (3) and/or (e) Nursing Services (1) and/or (g) Pharmacy (4) and/or (i) General (6) and/or (k) Maternity services.
4. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (d) Medical records (3) and/or (e) Nursing Services (1) and/or (i) General (6).
- 5 Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (e) Nursing Services (1) and/or (g) Pharmacy and/or (i) General (6).
6. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (e) Nursing Services (1) and/or (i) General (6).
7. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (d) Medical records (3) and/or (i) General (6).
8. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (d) Medical records (3) and/or (e) Nursing Services (1) and/or (i) General (6).
9. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (d) Medical records (3) and/or (e) Nursing Services (1) and/or (i) General (6) and/or (j) Emergencies and/or (l) Infection Control
10. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (f) Diagnostic and therapeutic facilities and/or (i) General (6) and/or (l) Infection Control.
11. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (e) Nursing Services (1) and/or (i) General (6) and/or (j) Emergencies.
12. Section 19-13-D3 (c) Medical Staff (2) and/or (d) Medical records (3) and/or (f) Diagnostic and therapeutic facilities and/or (g) Pharmacy and/or General (6).
13. Section 19-13- D3 (b) Administration (2), and/or (c) Medical staff (2) (B) and/or (4) (A) and/or (e) Nursing service (1), and/or (i) General (6).
14. Section 19-13- D3 (b) Administration (2), (d) Medical records (3), and/or (e) Nursing service (1).
15. Section 19-13- D3 (b) Administration (2), (d) Medical records (3), and/or (e) Nursing service (1), and/or (i) General (6).
16. Section 19-13-D3 (b) Administration (2), and/or (c) Medical staff (2)(B) and/or (4)(A) and/or (d) Medical records (3).
17. Section 19-13- D3 (b) Administration (2), and/or (c) Medical staff (2) (B), and/or (4) (A).
18. Section 19-13-D3 (b) Administration (2), and/or (c) Medical staff (2)(B), and/or (4)(A) and/or (e) Nursing service (1), and/or (i) General (6).
19. Section 19-13-D3 (i) General (6) and/or (j) Emergencies.
20. Section 19-13-D3 (b) Administration (2) and/or (c) Medical staff (4) (A) and/or (d) Medical records (3).

45. July 21, 2016 – Letter from the US Department of Justice United States Attorney District of Connecticut and the Department of Health & Human services.

Notification of a receipt of a complaint alleging that Saint Mary's Hospital engaged in unlawful discrimination based on disability for failure to ensure effective communication with deaf/hard of hearing individuals. The complaint alleges a profoundly hard of hearing patient was denied effective communication when a sign language interpreter was requested but not provided by the hospital. An investigation of this complaint is underway. A response is due in thirty days.

46. July 27, 2016 - Letter from the Department of Public Health, Facility Licensing and investigations Section with finding from their inspections concluding on May 23, 2016.

Violations to regulations or General Statutes of Connecticut are as follows:

1. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (e) Nursing Services (1) and/or (i) General (6) and/or (l) Infection Control.
2. Section 19-13-D3(e) Nursing Services (1) and/or (i) General (6) and/or (l) Infection Control.
3. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (d) Medical records (3) and/or (e) Nursing Services (1) and/or (g) Pharmacy (4) and/or (i) General (6) and/or (k) Maternity services.
4. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (d) Medical records (3) and/or (e) Nursing Services (1) and/or (i) General (6).
5. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (e) Nursing Services (1) and/or (g) Pharmacy and/or (i) General (6).
6. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (e) Nursing Services (1) and/or (i) General (6).
7. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (d) Medical records (3) and/or (i) General (6).
8. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (d) Medical records (3) and/or (e) Nursing Services (1) and/or (i) General (6).
9. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (d) Medical records (3) and/or (e) Nursing Services (1) and/or (i) General (6) and/or (j) Emergencies and/or (l) Infection Control
10. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (f) Diagnostic and therapeutic facilities and/or (i) General (6) and/or (l) Infection Control.
11. Section 19-13-D3 (b) Administration (2) and/or (c) Medical Staff (2) and/or (e) Nursing Services (1) and/or (i) General (6) and/or (j) Emergencies.
12. Section 19-13-D3 (c) Medical Staff (2) and/or (d) Medical records (3) and/or (f) Diagnostic and therapeutic facilities and/or (g) Pharmacy and/or General (6).
13. Section 19-13- D3 (b) Administration (2), and/or (c) Medical staff (2) (B) and/or (4) (A) and/or (e) Nursing service (1), and/or (i) General (6).
14. Section 19-13- D3 (b) Administration (2), (d) Medical records (3), and/or (e) Nursing service (1).
15. Section 19-13- D3 (b) Administration (2), (d) Medical records (3), and/or (e) Nursing service (1), and/or (i) General (6).
16. Section 19-13-D3 (b) Administration (2), and/or (c) Medical staff (2)(B) and/or (4)(A) and/or (d) Medical records (3).
17. Section 19-13- D3 (b) Administration (2), and/or (c) Medical staff (2) (B), and/or (4) (A).
18. Section 19-13-D3 (b) Administration (2), and/or (c) Medical staff (2)(B), and/or (4)(A) and/or (e) Nursing service (1), and/or (i) General (6).
19. Section 19-13-D3 (i) General (6) and/or (j) Emergencies.
20. Section 19-13-D3 (b) Administration (2) and/or (c) Medical staff (4) (A) and/or (d) Medical records (3).

21. Section 19-13-D3 (a) Physical Plant and/or (i) General (6).

22. Section 19-13-D3 (a) Physical Plant (a)(1) and/or (f) Diagnostic and therapeutic facilities and/or (i) General (6).

A corrective action plan is in the process of being developed for each violation. An office conference has been scheduled for August 25, 2016 with DPH.

47. On July 25, 2016, exclusion check by Trinity found a questionable match with an excluded provider. Warner Chilcott returned as an excluded provider. Materials management called – a non PO vendor had a check sent to them on June 21, 2016 for \$1,718.90. A one time check was processed to this company as part of due diligence in paying back the difference in the cost of the drug from the 340b cost to the actual cost of the drug. The 340 b retail program was in effect March 2015 to June 2015. A review of this program is underway. Warner Chilcott was excluded on October 29, 2015 from Medicare and Medicaid.

Schedule 6.16(a)

Medicare - Plans of Correction

No updates.

Schedule 6.16(b)

Medicare - Claims

- As of June 22, 2016, 454 Medicaid accounts were rebilled based on observation claims billed in excess of 24 hours. The total amount rebilled was \$757,907.32. Notice of rebilling was placed in affected patient accounts. This matter is now closed.
- November 24, 2015 - Letter received from the State of Connecticut, Department of Social Services Office of Quality Assurance – Audit Division - Draft Results from FMG audit. A draft report was received covering DSS's audit of Medicaid claims paid to Franklin Medical Group during the period January 1, 2011 through December 31, 2013. The total of the proposed audit disallowances was \$1,784,454. Additional documentation was provided and an exit interview was held. The final report was received on April 22, 2016. The overpayment due to DSS is \$1,224,182. An appeal letter has been sent requesting a hearing.

Schedule 6.16(d)

Medicare - Accreditation Surveys/Deficiency Lists

No updates.

Schedule 6.19

HIPAA - Breach Notifications

- **February 10, 2016** - Saint Mary's reported a breach affecting approximately 33 individuals. On December 3, 2015, a contracted courier picked up a locked, secured bag containing 33 medical records from an outpatient center to bring to the hospital. During an intermediate stop, the courier's car, along with the bag containing the records, was stolen. The vehicle was recovered on December 7, 2015 but the records were not in the vehicle and were not recorded. Affected individuals were notified starting on December 4, 2015

Schedule 6.20

Affiliate Transactions

No updates.

Schedule 6.21(e)

Environmental

The following environmental reports came into the possession of Saint Mary's subsequent to the Signing Date:

1. Limited Asbestos Inspection - Kenny Building, 1st Floor Rooms K1-101 & K1-105, 56 Franklin Street, Waterbury, CT, performed by Fuss & O'Neill, dated September 30, 2015
2. Limited Asbestos Inspection - Lawlor Building, Second Floor, 56 Franklin Street, Waterbury, CT, performed by Fuss & O'Neill, dated October 12, 2015
3. Limited Suspect Asbestos Inspection and Bulk Sampling - O'Brien Building, 56 Franklin Street, Waterbury, CT, performed by Fuss & O'Neill, dated January 22, 2016
4. Fire Pump Performance Inspection Report, performed by Mack Fire Protection, dated June 30, 2015
5. Certified Test, Adjust and Balance Report, performed by Air Balancing Service Co., dated June 22, 2015
6. Medical Gas System Inspection & Safety Survey, performed by Praxair Healthcare Services, dated March 10, 2016.

Schedule 6.22

Employee Benefit Matters

6.22(a)

1. Management Time Off Policy
2. Accrued Time-Off Benefits
3. HSA Plan
4. High Deductible Plan
5. Non-Competition and Severance Agreement for a Corporate Director by and between Saint Mary's Hospital, Inc. and Kenneth Walker, dated March 6, 2015.
6. Non-Competition and Severance Agreement for a Corporate Director by and between Saint Mary's Hospital, Inc. and Carrie Fuller-McMahon, dated August 17, 2015.
7. Wellness Plan

To the knowledge of Saint Mary's, with the exception of plan documents relating to the HSA and High Deductible plans, all documents required to be disclosed pursuant to the second paragraph of 6.22(a) have been provided to Trinity Health. The plan documents relating to the HSA and High Deductible plans have not been prepared to date.

6.22(b)

The current determination letter for the 401(k) Plan, dated January 18, 2012, is conditioned upon the timely execution of certain amendments. Exact evidence of the timely execution of these amendments has not been provided.

6.22(c)

No updates.

6.22(d)

No updates.

6.22(e)

No updates.

6.22(f)

Policy and procedures to comply with the HIPAA privacy and security regulations have not been specifically adopted for group health plans.

6.22(g)

1. Non-Competition and Severance Agreement for a Corporate Director by and between Saint Mary's Hospital, Inc. and Kenneth Walker, dated March 6, 2015
2. Non-Competition and Severance Agreement for a Corporate Director by and between Saint Mary's Hospital, Inc. and Carrie Fuller-McMahon, dated August 17, 2015.

6.22(h)

No updates.

6.22(k)

No amendments have been made to non-competition and severance agreements for purposes of complying with Section 409A.

Schedule 6.23

Employment Matters

No updates.

Schedule 6.24

Taxes

No updates.

Schedule 6.25

Insurance

[6.25(i) requires a true and complete list of all current insurance policies - this is unchanged since signature date and thus no updates are required. 6.25(ii) requires a list of all pending claims and the claims history related to SMH for the 10 year period prior to Signature Date and thus does not need to be updated. However, an updated list of pending claims has been provided to NE-RHM and Trinity Health.]

Schedule 7.04

Conflicts - Trinity Health and NE-RHM

No updates.

Schedule 7.08(a)

Compliance with Laws - NE-RHM

On August 24, 2015, the State of Connecticut Department of Social Services, Office of Quality Assurance, Audit Division ("DSS") sent a letter to Saint Francis Hospital and Medical Center ("SFHMC") with findings of a claim review with dates of service July 1, 2011 through June 30, 2014 in which co-insurance or deductibles were paid to SFHMC. According to the letter the payment due DSS is \$993,559. The letter was incorrectly addressed and was not delivered to SFHMC until September 8, 2015. SFHMC has appealed the Medicaid findings.

On June 29, 2016 Saint Francis Medical Group ("SFMG") concluded a retrospective review of claims billed to NGS, Medicare Administrative Contractor. SFMG determined that some of the critical care E&M services should have been billed as E&M subsequent care services. The result of the findings is that a refund is required for reimbursement received by SFMG for Inpatient Critical Care services that were not billed according to CMS instructions. These findings were first identified through an operational review in an attempt to identify possible opportunities for operational improvement as a part of SFHMC and SFMG's Integrity and Compliance Program ("ICP"). SFMG put corrective actions in place. The refund to the Medicare Program as a result of this review is \$281,740 for the payments received as a result of the error in submitting E&M critical care when it should have been submitted as E&M subsequent care services to NGS Medicare for payment. Due to the time elapsed and the inability to file a corrected claim, SFMG returned the overpayment to Medicare for the aforementioned errors. SFMG is in the process of refunding \$101,990 to the Medicaid program as a result of this review.

On May 18, 2016 SFHMC and SFMG received a civil investigative demand subpoena from the U.S. Department of Health and Human Services, Office of Inspector General, Office of Investigations, issued pursuant to the authority provided to the Inspector General under Public Law 95-452 in regards to services rendered by licensed independent practitioners. This is in document gathering phases at this time.

Schedule 7.09(a)

Medicare - Plans of Correction - NE-RHM

In addition to those matters originally set forth on Schedule 7.09(a) to the Transfer Agreement on the Signing Date:

The Department of Public Health conducted a Complaints; Adverse Events and CMS follow up survey beginning June 13, 2016. The Department of Public Health has not yet released any findings.

Schedule 7.09(b)

Medicare/Medicaid Claims - NE-RHM

No non-routine Medicare appeals

Saint Francis Hospital and Medical Center has several Inpatient and Outpatient Medicaid rate appeals and requests for hearings, with the first rate hearing scheduled for the fall of 2016.

Additionally, SFHMC has Department of Social Services and Department of Revenue Service Petitions for Declaratory Ruling on the Hospital Tax.

Schedule 7.12

HIPAA - Breach Notifications - NE-RHM

YEAR	Date of Occurrence	Title	Action
Reported to OCR 2/2015	10/24/2014	Inappropriate Access to PHI	Employee termination: Obtained information to locate ex-husband by looking at the record for his current significant other.
	9/23/2014	Stolen Laptop	Employee counseled: Medical Necessity Documentation saved to home computer in an effort to catch up on paperwork
	12/31/2013	Stolen ED Log	Employee counseled: Report to OCR January, 2014
Reported to OCR 2/2016	4/8/2015	USPS Damaged Package	Patient notified. Envelopes for mailing will be mylar.
	7/17/2015	Pulmonary office staff mailed lab results for several patients to one patient	Employee counselled and office staff re-educated
	10/26/2015	Adoptive/Birth Mother Demographics	Epic build to prevent sharing of demographic information between baby and birth mother.

ATTACHMENT 5

Indigent Patient Emergency Assistance Program

The HLRCC goals and values are reflected in our desire to service all individuals regardless of their financial means.

The Indigent Patient Emergency Assistance Program (IPEAP) is designed to provide assistance on a one time basis, to individuals without the adequate financial resources to pay for a necessary expense related to their cancer care.

The IPEAP can provide assistance to an individual who needs prescription medication , an over the counter product , payment for transportation to treatment or another expense related to their cancer care.

The social worker will be notified of any individual who may be in need of such emergency financial assistance. The social worker will do a complete psychosocial assessment and will identify any entitlement programs or funding sources, which may be available to the individual. It is the social worker's responsibility to educate patients about resources. It is the patient's responsibility to access these resources.

The social worker will complete a financial /needs application with the patient. The application will be reviewed by the Financial Director of the HLRCC and it will be determined if a one-time grant of financial assistance will be provided.

The social worker will notify the patient of determination of eligibility and will work directly with the providers ie: pharmacy or transportation company to pay for the product/service needed.

The social worker will submit all receipts or will have the HLRCC billed directly for any approved services or supplies.

All grants will be determined on a case by case basis and will greatly depend upon the money available within the fund itself.

In the absence of the social worker a Nurse for the HLRCC will complete the financial /needs application with the patient. In the absence of the Financial Director the President of the HLRCC will determine eligibility.

INDIGENT PATIENT EMERGENCY ASSISTANCE PROGRAM

Name _____

Date _____ Phone # _____

Insurance Company _____

BASIC MONTHLY EXPENSES

Rent / Mortgage	_____
Utilities	_____
Food	_____
Child care/support	_____
Public transportation	_____
Outstanding medical expenses	_____
Other _____	_____

TOTAL MONTHLY EXPENSES _____

MONTHLY INCOME (net)

Employment	_____
SS/SSD/SSI	_____
Pension	_____
Child Support	_____
Disability/Worker's Comp.	_____
Alimony	_____
Entitlements	_____
Other _____	_____

TOTAL MONTHLY INCOME _____

TOTAL SAVINGS (Checking, CDs, Money Market, IRA, Stocks, Bonds)

Type of service being requested

Explanation of need

APPROVED _____

DECLINED _____

Explanation if declined



THE HAROLD LEEVER
REGIONAL CANCER CENTER

*A Partnership for Excellence
St. Mary's Hospital & Waterbury Hospital*

Financial Hardship Application

Patient Name: _____ Age: _____ DOB: _____

Guarantor: _____ Gender: _____

Social Security Number: _____ Driver's License #: _____

Please fill out the financial information below accurately. All information provided will be held in confidence by The Harold Leever Regional Cancer Center and will be utilized solely to determine patient payment obligations to The Harold Leever Regional Cancer Center.

1. Monthly Income:

Individual: _____ Household: _____

2. Income Source:

Employment: _____

Other (Explanation Required): _____

* 1075 Chase Parkway * Waterbury, Connecticut * 06708 * 203-575-5555 Voice * 203-575-5556 Fax *

I hereby certify that the information provided on this Financial Hardship Information Form is complete, true and correct, and that, except as stated on this form, I am unable to pay in full for the medical bills incurred by me through The Harold LEEVER Regional Cancer Center. I agree that if at any future time my financial status should change or I obtain insurance, I will contact The Harold LEEVER Regional Cancer Center to inform them of the change immediately.

Patient / Guarantor Signature

Date: _____

Reviewer for The Harold LEEVER Regional Cancer Center

Date: _____

Payroll Stub Attached: _____

W-9 Form Attached: _____

Approved: _____

Denied: _____

**2016 FEDERAL POVERTY GUIDELINES (FPG)
ANNUAL & MONTHLY INCOME LEVELS
FROM 100% to 250%**

FAMILY SIZE	FPG (100%)		125% of FPG		150% of FPG		175% of FPG		185% of FPG		200% of FPG		235% of FPG		250% of FPG	
	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH
1	\$11,880	\$990	\$14,850	\$1,238	\$17,820	\$1,485	\$20,790	\$1,733	\$21,978	\$1,832	\$23,760	\$1,980	\$27,918	\$2,327	\$29,700	\$2,475
2	\$16,020	\$1,335	\$20,025	\$1,669	\$24,030	\$2,003	\$28,035	\$2,336	\$29,637	\$2,470	\$32,040	\$2,670	\$37,647	\$3,137	\$40,050	\$3,338
3	\$20,160	\$1,680	\$25,200	\$2,100	\$30,240	\$2,520	\$35,280	\$2,940	\$37,296	\$3,108	\$40,320	\$3,360	\$47,376	\$3,948	\$50,400	\$4,200
4	\$24,300	\$2,025	\$30,375	\$2,531	\$36,450	\$3,038	\$42,525	\$3,544	\$44,955	\$3,746	\$48,600	\$4,050	\$57,105	\$4,759	\$60,750	\$5,063
5	\$28,440	\$2,370	\$35,550	\$2,963	\$42,660	\$3,555	\$49,770	\$4,148	\$52,614	\$4,385	\$56,880	\$4,740	\$66,834	\$5,570	\$71,100	\$5,925
6	\$32,580	\$2,715	\$40,725	\$3,394	\$48,870	\$4,073	\$57,015	\$4,751	\$60,273	\$5,023	\$65,160	\$5,430	\$76,563	\$6,380	\$81,450	\$6,788
7	\$36,730	\$3,061	\$45,913	\$3,826	\$55,095	\$4,591	\$64,278	\$5,357	\$67,951	\$5,663	\$73,460	\$6,122	\$86,316	\$7,193	\$91,825	\$7,652
8	\$40,890	\$3,408	\$51,113	\$4,259	\$61,335	\$5,111	\$71,558	\$5,963	\$75,647	\$6,304	\$81,780	\$6,815	\$96,092	\$8,008	\$102,225	\$8,519
*	\$4,160	\$347	\$5,200	\$433	\$6,240	\$520	\$7,280	\$607	\$7,696	\$641	\$8,320	\$693	\$9,776	\$815	\$10,400	\$867

*For family units over 8, add the amount shown for each additional member.

Notes:

Federal Poverty Guidelines: 2016 Federal Poverty Guidelines (FPG) annual income levels are published in the Federal Register of January 25, 2016, Volume 81, Number 15, on pages 4036-4037.

Percentage Calculations: Annual income levels provided above for 125%-250% of FPG are derived by multiplying the FPG annual income for each family size by the appropriate percentage and rounding to the nearest whole dollar. Monthly income levels for FPG and 125%-250% of FPG are derived by dividing each annual income level by 12 and rounding to the nearest whole dollar.

Calculated and prepared by Healthcare Facility Regulation Division/Office of Health Planning, Georgia Department of Community Health, January 26, 2016.

**GEORGIA DEPARTMENT OF COMMUNITY HEALTH
OFFICE OF HEALTH PLANNING
INDIGENT INCOME LEVELS FOR 2016**

**ANNUAL & MONTHLY INCOME LEVELS FOR
FAMILIES AND INDIVIDUALS AT 125% OF
2016 FEDERAL POVERTY GUIDELINES**

FAMILY SIZE	2016 INCOME LEVEL FOR 125% FPG	
	ANNUAL	MONTHLY
1	\$14,850 per year	\$1,238 per month
2	\$20,025 per year	\$1,669 per month
3	\$25,200 per year	\$2,100 per month
4	\$30,375 per year	\$2,531 per month
5	\$35,550 per year	\$2,963 per month
6	\$40,725 per year	\$3,394 per month
7	\$45,913 per year	\$3,826 per month
8	\$51,113 per year	\$4,259 per month
For family units over 8, add \$5200 per year or \$433 per month for each additional member.		

Notes:
Federal Poverty Guidelines: "2016 Poverty Guidelines for the 48 Contiguous States and the District of Columbia" as published in the Federal Register of January 25, 2016, Volume 81, Number 15, on pages 4036 - 4037.
125% FPG Calculation: The annual income levels at 125% FPG provided above are derived by multiplying the federal poverty guidelines annual income for each family size by 1.25 (125%) and rounding to the nearest whole dollar. These annual figures are then divided by 12 and rounded to the nearest whole dollar to derive the monthly income levels.
DCH Indigent Income Level: The Georgia Department of Community Health's Office of Health Planning defines an indigent patient as being a patient who is income tested and found to be at or below 125% of the FPG.
 Calculated and prepared by Healthcare Facility Regulation Division/Office of Health Planning, Georgia Department of Community Health, January 26, 2016.

are working to improve language accessibility within their states; and

- Recommendations for state-specific capacity building for the 20 states intended to enhance statewide language access, which will include the development of language access plans.

An objective review of was conducted that assessed the grantee's application using criteria related to the project's approach, the organization's capacity, and the development of costs for the project's budget.

Statutory Authority: Section 310 of the Family Violence Prevention and Services Act, as amended by Section 201 of the CAPTA Reauthorization Act of 2010, Pub. L. 111-320.

Christopher Beach,
Senior Grants Policy Specialist, Division of Grants Policy, Office of Administration.
[FR Doc. 2016-01329 Filed 1-22-16; 8:45 am]
BILLING CODE 4164-32-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of the Secretary

Annual Update of the HHS Poverty Guidelines

AGENCY: Department of Health and Human Services.
ACTION: Notice.

SUMMARY: This notice provides an update of the Department of Health and Human Services (HHS) poverty guidelines to account for last calendar year's increase in prices as measured by the Consumer Price Index.

DATES: *Effective Date:* January 25, 2016, unless an office administering a program using the guidelines specifies a different effective date for that particular program.

ADDRESSES: Office of the Assistant Secretary for Planning and Evaluation, Room 404E, Humphrey Building, Department of Health and Human Services, Washington, DC 20201.

FOR FURTHER INFORMATION CONTACT: For information about how the guidelines are used or how income is defined in a particular program, contact the Federal, state, or local office that is responsible for that program. For information about poverty figures for immigration forms, the Hill-Burton Uncompensated Services Program, and the number of people in poverty, use the specific telephone numbers and addresses given below.

For general questions about the poverty guidelines themselves, contact Kendall Swenson, Office of the Assistant Secretary for Planning and

Evaluation, Room 422F.5, Humphrey Building, Department of Health and Human Services, Washington, DC 20201—telephone: (202) 690-7507—or visit <http://aspa.hhs.gov/poverty/>.

For information about the percentage multiple of the poverty guidelines to be used on Immigration forms such as USCIS Form I-864, Affidavit of Support, contact U.S. Citizenship and Immigration Services at 1-800-375-5283.

For information about the Hill-Burton Uncompensated Services Program (free or reduced-fee health care services at certain hospitals and other facilities for persons meeting eligibility criteria involving the poverty guidelines), contact the Health Resources and Services Administration Information Center at 1-800-275-4772. You also may visit <http://www.hrsa.gov/gethealthcare/affordable/hillburton/>.

For information about the number of people in poverty, visit the Poverty section of the Census Bureau's Web site at <http://www.census.gov/hhes/www/poverty/poverty.html> or contact the Census Bureau's Customer Service Center at 1-800-923-8282 (toll-free) and <https://ask.census.gov> for further information.

SUPPLEMENTARY INFORMATION:

Background

Section 673(2) of the Omnibus Budget Reconciliation Act (OBRA) of 1981 (42 U.S.C. 9902(2)) requires the Secretary of the Department of Health and Human Services to update the poverty guidelines at least annually, adjusting them on the basis of the Consumer Price Index for All Urban Consumers (CPI-U). The poverty guidelines are used as an eligibility criterion by the Community Services Block Grant program and a number of other Federal programs. The poverty guidelines issued here are a simplified version of the poverty thresholds that the Census Bureau uses to prepare its estimates of the number of individuals and families in poverty.

As required by law, this update is accomplished by increasing the latest published Census Bureau poverty thresholds by the relevant percentage change in the Consumer Price Index for All Urban Consumers (CPI-U). The guidelines in this 2016 notice reflect the 0.1 percent price increase between calendar years 2014 and 2015. After this inflation adjustment, the guidelines are rounded and adjusted to standardize the differences between family sizes. In rare circumstances, the rounding and standardizing adjustments in the formula result in small decreases in the poverty guidelines for some household

sizes even when the inflation factor is not negative. In order to prevent a reduction in the guidelines in these rare circumstances, a minor adjustment was implemented to the formula beginning this year. In cases where the year-to-year change in inflation is not negative and the rounding and standardizing adjustments in the formula result in reductions to the guidelines from the previous year for some household sizes, the guidelines for the affected household sizes are fixed at the prior year's guidelines. As in prior years, these 2016 guidelines are roughly equal to the poverty thresholds for calendar year 2015 which the Census Bureau expects to publish in final form in September 2016.

The poverty guidelines continue to be derived from the Census Bureau's current official poverty thresholds; they are not derived from the Census Bureau's new Supplemental Poverty Measure (SPM).

The following guideline figures represent annual income.

2016 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

Persons in family/household	Poverty guideline
1	\$11,860
2	16,020
3	20,160
4	24,300
5	28,440
6	32,580
7	36,730
8	40,880

For families/households with more than 8 persons, add \$4,160 for each additional person.

2016 POVERTY GUIDELINES FOR ALASKA

Persons in family/household	Poverty guideline
1	\$14,840
2	20,020
3	25,200
4	30,380
5	35,560
6	40,740
7	45,920
8	51,120

For families/households with more than 8 persons, add \$5,200 for each additional person.

2016 POVERTY GUIDELINES FOR HAWAII

Persons in family/household	Poverty guideline
1	\$13,670
2	16,430
3	23,190
4	27,950
5	32,710
6	37,470
7	42,230
8	47,010

For families/households with more than 8 persons, add \$4,780 for each additional person.

Separate poverty guideline figures for Alaska and Hawaii reflect Office of Economic Opportunity administrative practices beginning in the 1966-1970 period. (Note that the Census Bureau poverty thresholds—the version of the poverty measure used for statistical purposes—have never had separate figures for Alaska and Hawaii.) The poverty guidelines are not defined for Puerto Rico or other outlying jurisdictions. In cases in which a Federal program using the poverty guidelines serves any of those jurisdictions, the Federal office that administers the program is generally responsible for deciding whether to use the contiguous-states-and-DC guidelines for those jurisdictions or to follow some other procedure.

Due to confusing legislative language dating back to 1972, the poverty guidelines sometimes have been mistakenly referred to as the "OMB" (Office of Management and Budget) poverty guidelines or poverty line. In fact, OMB has never issued the guidelines; the guidelines are issued each year by the Department of Health and Human Services. The poverty guidelines may be formally referenced as "the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)."

Some federal programs use a percentage multiple of the guidelines (for example, 125 percent or 185 percent of the guidelines), as noted in relevant authorizing legislation or program regulations. Non-Federal organizations that use the poverty guidelines under their own authority in non-Federally-funded activities also may choose to use a percentage multiple of the guidelines.

The poverty guidelines do not make a distinction between farm and non-farm families, or between aged and non-aged units. (Only the Census Bureau poverty thresholds have separate figures for aged

and non-aged one-person and two-person units.)

Note that this notice does not provide definitions of such terms as "income" or "family," because there is considerable variation in defining these terms among the different programs that use the guidelines. These variations are traceable to the different laws and regulations that govern the various programs. This means that questions such as "Is income counted before or after taxes?", "Should a particular type of income be counted?", and "Should a particular person be counted as a member of the family/household?" are actually questions about how a specific program applies the poverty guidelines. All such questions about how a specific program applies the guidelines should be directed to the entity that administers or funds the program, since that entity has the responsibility for defining such terms as "income" or "family," to the extent that these terms are not already defined for the program in legislation or regulations.

Dated: January 21, 2016.

Sylvia M. Burwell,

Secretary of Health and Human Services.

IFR Doc. 2016-01450 Filed 1-22-16; 8:45 am]

BILLING CODE 4199-05-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Institute of Allergy and Infectious Diseases; Notice of Closed Meetings

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended (5 U.S.C. App.), notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Microbiology, Infectious Diseases and AIDS Initial Review Group; Microbiology and Infectious Diseases Research Committee.

Date: February 18-19, 2016.

Time: 8:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: The Ritz-Carlton Hotel, Plaza II, 1150 22nd Street NW., Washington, DC 20037.

Contact Person: Frank S. De Silva, Ph.D., Scientific Review Officer, Scientific Review Program, Division of Extramural Activities, Room #3E72A, National Institutes of Health/NIAD, 5601 Fishers Lane, MSC 9834, Bethesda, MD 20892-9834, (240) 669-5023, fdosilva@niaid.nih.gov.

Name of Committee: National Institute of Allergy and Infectious Diseases Special Emphasis Panel; "Comprehensive Resources for HIV Microbicides and Biomedical Prevention (N01)".

Date: February 18, 2016.

Time: 10:30 a.m. to 5:00 p.m.

Agenda: To review and evaluate contract proposals.

Place: National Institutes of Health Room 3F100, 5601 Fishers Lane, Rockville, MD 20892 (Telephone Conference Call).

Contact Person: Jay R. Radke, Ph.D., AIDS Review Branch, Scientific Review Program, Division of Extramural Activities, Room #2G11B, National Institutes of Health, NIAD, 5601 Fishers Lane, MSC-9823, Bethesda, MD 20892-9823, (240) 669-5046, jay.radke@nih.gov.

(Catalogue of Federal Domestic Assistance Program Nos. 93.855, Allergy, Immunology, and Transplantation Research; 93.856, Microbiology and Infectious Diseases Research, National Institutes of Health, HHS)

Dated: January 19, 2016.

Natasha M. Copeland,

Program Analyst, Office of Federal Advisory Committee Policy.

IFR Doc. 2016-01313 Filed 1-22-16; 8:45 am]

BILLING CODE 4140-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Submission for OMB Review; 30-Day Comment Request; Media-Smart Youth Leaders Program

SUMMARY: Under the provisions of section 3507(a)(1)(D) of the Paperwork Reduction Act of 1995, the Eunice Kennedy Shriver National Institute of Child Health and Human Development, National Institutes of Health (NIH) has submitted to the Office of Management and Budget (OMB) a request for review and approval of the information collection listed below. This proposed information collection was previously published in the Federal Register on October 16, 2015, pages 62541-62542, and allowed 60 days for public comment. One public comment was received. The purpose of this notice is to allow an additional 30 days for public comment. The Eunice Kennedy Shriver National Institute of Child Health and Human Development, National Institutes of Health, may not conduct or

HL00051

ATTACHMENT 6

**The Harold Leever Regional
Cancer Center, Inc.**

**Financial Statements
and Independent Auditor's Report**

September 30, 2015 and 2014

HL.00053

The Harold Leever Regional Cancer Center, Inc.

Index

	<u>Page</u>
Independent Auditor's Report	2-3
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8-16

Independent Auditor's Report

To the Board of Directors
The Harold Leever Regional Cancer Center, Inc.

We have audited the accompanying financial statements of The Harold Leever Regional Cancer Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audits. 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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, the financial statements referred to above present fairly, in all material respects, the financial position of The Harold Leever Regional Cancer Center, Inc. as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CohnReznick LLP

Hartford, Connecticut
December 15, 2015

The Harold Leever Regional Cancer Center, Inc.

Statements of Financial Position
September 30, 2015 and 2014

<u>Assets</u>	2015	2014
Current assets		
Cash and cash equivalents	\$ 5,740,983	\$ 5,351,050
Patient services receivable, net	976,839	712,631
Rental income receivable	11,128	4,670
Prepaid expenses	353,765	67,965
Total current assets	<u>7,082,715</u>	<u>6,136,316</u>
Property and equipment, at cost		
Building and improvements	11,741,249	11,632,528
Medical equipment	9,919,358	9,599,581
Computer equipment	967,614	919,932
Furniture and fixtures	312,133	289,180
	<u>22,940,354</u>	<u>22,441,221</u>
Less accumulated depreciation and amortization	<u>(12,580,802)</u>	<u>(11,077,193)</u>
	10,359,552	11,364,028
Land	<u>2,572,220</u>	<u>2,572,220</u>
Total property and equipment, net	<u>12,931,772</u>	<u>13,936,248</u>
Artwork	<u>31,216</u>	<u>31,216</u>
Total assets	<u>\$ 20,045,703</u>	<u>\$ 20,103,780</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 998,689	\$ 774,962
Accounts payable to related parties	<u>30,417</u>	<u>98,162</u>
Total current liabilities	1,029,106	873,124
Deposits	<u>15,897</u>	<u>15,897</u>
Total liabilities	1,045,003	889,021
Commitments and contingencies		
Net assets		
Unrestricted	18,858,538	19,048,099
Temporarily restricted	<u>142,162</u>	<u>166,660</u>
Total net assets	<u>19,000,700</u>	<u>19,214,759</u>
Total liabilities and net assets	<u>\$ 20,045,703</u>	<u>\$ 20,103,780</u>

See Notes to Financial Statements.

The Harold Leever Regional Cancer Center, Inc.

Statements of Activities
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Changes in unrestricted net assets		
Unrestricted revenue and support		
Patient services revenue, net of contractual allowances	\$ 7,750,650	\$ 8,100,538
Provision for uncollectible accounts	<u>(169,370)</u>	<u>(108,862)</u>
Net patient services revenue	7,581,280	7,991,676
Rental income	234,604	244,459
Contributions	250,901	84,508
Interest income	6,434	7,212
Other income	200	500
Net assets released from restrictions	<u>28,345</u>	<u>87,122</u>
Total unrestricted revenue and support	<u>8,101,764</u>	<u>8,415,477</u>
Operating expenses		
Program	5,861,515	5,725,181
Management and general	<u>1,429,810</u>	<u>1,622,135</u>
Total operating expenses	<u>7,291,325</u>	<u>7,347,316</u>
Change in unrestricted net assets before grant expense	810,439	1,068,161
Grant expense	<u>1,000,000</u>	<u>2,000,000</u>
Change in unrestricted net assets	<u>(189,561)</u>	<u>(931,839)</u>
Changes in temporarily restricted net assets		
Restricted contributions	3,847	5,831
Net assets released from restrictions	<u>(28,345)</u>	<u>(87,122)</u>
Change in temporarily restricted net assets	<u>(24,498)</u>	<u>(81,291)</u>
Change in net assets	(214,059)	(1,013,130)
Net assets, beginning of year	<u>19,214,759</u>	<u>20,227,889</u>
Net assets, end of year	<u>\$ 19,000,700</u>	<u>\$ 19,214,759</u>

See Notes to Financial Statements.

The Harold Leever Regional Cancer Center, Inc.
Statements of Functional Expenses
Years Ended September 30, 2015 and 2014

	2015			2014		
	Program	Management and General	Total	Program	Management and General	Total
Salaries and wages	\$ 2,183,040	\$ 250,284	\$ 2,433,324	\$ 2,077,990	\$ 242,372	\$ 2,320,362
Depreciation and amortization	1,052,527	451,082	1,503,609	1,024,155	438,922	1,463,077
Service contracts and other	729,798	-	729,798	640,235	-	640,235
Contract labor	599,495	52,064	651,559	676,736	47,515	724,251
Benefits	519,627	59,575	579,202	538,106	62,763	600,869
Facility expense	401,107	171,905	573,012	355,743	152,463	508,206
PET payments to affiliates	-	182,490	182,490	-	292,845	292,845
Marketing	34,111	136,445	170,556	58,030	232,120	290,150
Medical supplies	168,725	-	168,725	178,800	-	178,800
Meeting and travel	135,566	10,568	146,134	115,108	10,543	125,651
Supplies	-	58,096	58,096	-	59,397	59,397
Professional development	20,353	31,447	51,800	27,036	33,913	60,949
Professional services	17,166	25,854	43,020	33,242	49,282	82,524
	<u>\$ 5,861,515</u>	<u>\$ 1,429,810</u>	<u>\$ 7,291,325</u>	<u>\$ 5,725,181</u>	<u>\$ 1,622,135</u>	<u>\$ 7,347,316</u>

HL00059

See Notes to Financial Statements.

The Harold Leever Regional Cancer Center, Inc.

Statements of Cash Flows
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating activities		
Change in net assets	\$ (214,059)	\$ (1,013,130)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,503,609	1,463,077
Provision for uncollectible accounts	169,370	108,862
Changes in operating assets and liabilities		
Patient services receivable, net	(433,578)	(25,940)
Rental income receivable	(6,458)	(4,670)
Prepaid expenses	(285,800)	130,887
Accounts payable and accrued expenses	223,727	175,105
Accounts payable to related parties	(67,745)	(15,687)
Net cash provided by operating activities	<u>889,066</u>	<u>818,504</u>
Investing activities		
Purchases of property and equipment	<u>(499,133)</u>	<u>(715,876)</u>
Net increase in cash and cash equivalents	389,933	102,628
Cash and cash equivalents, beginning of year	<u>5,351,050</u>	<u>5,248,422</u>
Cash and cash equivalents, end of year	<u>\$ 5,740,983</u>	<u>\$ 5,351,050</u>

See Notes to Financial Statements.

The Harold Leever Regional Cancer Center, Inc.

**Notes to Financial Statements
September 30, 2015 and 2014**

Note 1 - Organization and summary of significant accounting policies

Nature of activities

The Harold Leever Regional Cancer Center, Inc. (the "Center") is a nonprofit organization created to offer the most advanced radiation oncology technology for cancer treatments and comprehensive patient services. The Center is a licensed, freestanding 42,000 square-foot facility dedicated to outpatient cancer care. The Center also provides educational and support services to the community, as well as information on cancer screening and prevention guidelines serving the residents of Greater Waterbury and the surrounding communities in the State of Connecticut.

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. The financial statements report information regarding the Center's financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. They are described as follows:

Unrestricted - Net assets that are not subject to explicit donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Center is subject to either explicit donor-imposed stipulations or by operation of law that can be fulfilled by actions of the Center or that expire by the passage of time.

Permanently Restricted - Net assets subject to explicit donor-imposed stipulations that they be maintained permanently by the Center and stipulate the use of income and/or appreciation as either unrestricted or temporarily restricted based on donor-imposed stipulations or by operation of law. At September 30, 2015 and 2014, the Center had no permanently restricted net assets.

Performance indicator

The statements of activities include the change in unrestricted net assets as the performance indicator.

Concentrations of credit risk

The Center's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and patient services receivable (see Note 2) and revenue (see Note 7).

The Center maintains its cash and cash equivalents with high-credit quality financial institutions. Amounts at September 30, 2015 exceeded Federally insured limits by approximately \$5,440,000. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Harold Leever Regional Cancer Center, Inc.

Notes to Financial Statements
September 30, 2015 and 2014

Cash and cash equivalents

The Center considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Patient services receivable

The collection of receivables from third-party payors and patients is the Center's primary source of cash for operations and is critical to its operating performance.

Patient services receivable and revenue are recorded when patient services are performed. The primary collection risk relates to patient accounts for which the primary insurance payor has paid, but patient responsibility amounts (deductibles and copayments) remain outstanding. Patient services receivable from third-party payors are carried at a net amount determined by the original charge for the service provided, less any estimate made for contractual adjustments or discounts provided to third-party payors.

Receivables due directly from patients are carried at the original charge for the service performed, less discounts provided under the Center's charity care policy, less amounts covered by third-party payors and an estimated allowance for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. The Center does not charge interest on past due accounts.

The provision for uncollectible accounts is increased when patient services receivable are deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of provision for uncollectible accounts when received.

Property and equipment

The Center capitalizes all expenditures for property and equipment in excess of \$3,500 and having a useful life of greater than one year. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the assets' estimated useful lives. Capital leases are amortized over the shorter of the lease term or the estimated useful life. Estimated lives for financial reporting purposes are as follows:

<u>Asset</u>	<u>Estimated Lives</u>
Buildings and improvements	7 - 40 years
Medical and computer equipment	3 - 7 years
Furniture and fixtures	7 years

The Harold Leever Regional Cancer Center, Inc.

**Notes to Financial Statements
September 30, 2015 and 2014**

Major renewals and betterments are capitalized, while repairs and maintenance are expensed as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statements of activities.

The Center has a collection of artwork, appraised at \$31,216, that is on public display. Artwork is recorded at cost if purchased and at appraised or fair value at date of accession if donated. Gains and losses from deaccessions are reported as changes in net assets based on the absence or existence and nature of donor-imposed restrictions.

Impairment of long-lived assets

The Center reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing a review for impairment, the Center compares the carrying value of the asset with its estimated future undiscounted cash flows. If it is determined that impairment has occurred, the loss would be recognized during that period. The impairment loss is calculated as the difference between the asset's carrying value and the present value of estimated net cash flows or comparable market value, giving consideration to recent operating performance and pricing trends. The Center does not believe that any material impairment currently exists related to its long-lived assets.

Revenue recognition

Patient services revenue

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. Patient services revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including retroactive adjustments under reimbursement agreements with third-party payors, which are subject to audit by administrating agencies. These adjustments are accrued on an estimated basis and are adjusted in future periods as final settlements are determined.

The Center provides care to certain patients under Medicare and Medicaid payment arrangements. Laws and regulations governing the Medicaid and Medicare programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action. Self-pay revenue is recorded at published charges with charity care deducted to arrive at net self-pay revenue.

Contributions

Contributions received are recorded at fair value when received or pledged. Amounts are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

The Harold Leever Regional Cancer Center, Inc.

**Notes to Financial Statements
September 30, 2015 and 2014**

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and are reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as unrestricted revenue. Conditional contributions are recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions on the statements of activities.

Functional expenses

The cost of providing various program and supporting services has been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Income taxes

The Center was organized as a nonstock, nonprofit corporation and is exempt from Federal and state income tax under the provisions of the Internal Revenue Code Section 501(c)(3).

The Center has no unrecognized tax benefits at September 30, 2015 and 2014. The Center's Federal and state information returns prior to fiscal year 2012 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If the Center had unrelated business income, it would recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statements of financial position.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

The Center has evaluated events and transactions for potential recognition or disclosure through December 15, 2015, which is the date the financial statements were available to be issued.

The Harold Leever Regional Cancer Center, Inc.

Notes to Financial Statements
September 30, 2015 and 2014

Note 2 - Patient services receivable, net

The Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors as of September 30, 2015 and 2014 is as follows:

	2015	2014
Medicare	\$ 214,841	\$ 290,862
Anthem Blue Cross Blue Shield	424,849	124,088
Other managed care	301,549	314,965
Self-pay	109,997	111,505
	<u>1,051,236</u>	<u>841,420</u>
Less allowance for doubtful accounts	74,397	128,789
	<u>\$ 976,839</u>	<u>\$ 712,631</u>

Patient services receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of patient services receivable, the Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, the Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts, if necessary (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 include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Center records a provision for uncollectible accounts 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. The difference between the standard rates (or the discounted rates provided by the Center's policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

The Center's allowance for doubtful accounts is 7% and 15% of patient service receivables at September 30, 2015 and 2014, respectively. The Center has not changed its charity care or uninsured discount policies during 2015 and 2014. The Center had \$48,762 and \$127,713 of write-offs during the years ended September 30, 2015 and 2014, respectively.

The Harold Leever Regional Cancer Center, Inc.

Notes to Financial Statements
September 30, 2015 and 2014

Note 3 - Related party transactions

The Center was organized by The Waterbury Hospital and St. Mary's Hospital (the "Members"). The Center has paid for services provided by the Members as follows:

	2015		2014	
	Accounts Payable to Related Parties	Included in Expenses	Accounts Payable to Related Parties	Included in Expenses
The Waterbury Hospital - provides employee training, linen and security service, PET payments to affiliates and miscellaneous expenses	\$ 13,801	\$ 120,968	\$ 38,830	\$ 161,423
St. Mary's Hospital - provides new employee physicals, PET payments to affiliates and repair of equipment	16,616	159,644	59,332	293,410
Totals	<u>\$ 30,417</u>	<u>\$ 280,612</u>	<u>\$ 98,162</u>	<u>\$ 454,833</u>

In accordance with certain agreements, 80% of net positron emission tomography ("PET") revenue after certain expenses is distributed equally to the Members. The Center paid \$500,000 and \$1,000,000 to both of the Members for a total of \$1,000,000 and \$2,000,000 for the years ended September 30, 2015 and 2014, respectively. These payments represent grants which were made by the Center to further its mission to maintain and improve the health status of the residents of Connecticut by providing accessible community-based comprehensive medical care and treatment of cancer patients.

Note 4 - Temporarily restricted net assets

Temporarily restricted net assets are available for the following purposes as of September 30, 2015 and 2014:

Description	2015	2014
Indigent Care Fund	\$ 81,893	\$ 103,790
Reflections Boutique	53,192	54,439
TASIS Lymphadema	7,077	8,431
Totals	<u>\$ 142,162</u>	<u>\$ 166,660</u>

The Harold Leever Regional Cancer Center, Inc.

Notes to Financial Statements
September 30, 2015 and 2014

Note 5 - Rental Income

The Center rents portions of its facility at 1075 Chase Parkway to third parties. As of September 30, 2015 and 2014, three leases were in effect which expire at various dates through June 1, 2023. For all agreements, the Center is responsible for structural maintenance, insurance and real estate taxes. Rental income for the years ended September 30, 2015 and 2014 was \$234,604 and \$244,459, respectively. Future rental income related to these agreements for each of the five years subsequent to September 30, 2015 and thereafter is as follows:

<u>Year Ending September 30,</u>	
2016	\$ 202,351
2017	147,382
2018	147,382
2019	147,382
2020	147,382
Thereafter	393,018
	<u>\$ 1,184,897</u>

Note 6 - Service contracts

The Center has equipment service agreements through April 2022. The agreements require monthly payments ranging from \$3,368 to \$14,756. As of September 30, 2015, future minimum payments under these noncancelable service agreements in each of the next five years and thereafter are as follows:

<u>Year Ending September 30,</u>	
2016	\$ 732,366
2017	732,366
2018	658,866
2019	533,155
2020	180,836
Thereafter	192,869
	<u>\$ 3,030,458</u>

Total expense for these service contracts for the years ended September 30, 2015 and 2014 was \$635,947 and \$551,140, respectively, and is included in program expenses on the statements of functional expenses.

The Harold Leever Regional Cancer Center, Inc.

Notes to Financial Statements
September 30, 2015 and 2014

Note 7 - Patient services revenue, net

The Center recognizes patient services revenue associated with services provided to patients who have Medicaid, Medicare and third-party payor coverage on the basis of contractual rates for services rendered.

For the years ended September 30, 2015 and 2014, patient services revenue (net of contractual allowances) consists of the following:

	2015	2014
Medicare	\$ 2,165,236	\$ 2,833,331
Anthem Blue Cross Blue Shield	1,205,164	1,390,139
Other managed care	3,476,912	2,767,389
Medicaid	756,267	504,926
Self-pay	147,071	604,753
	<u>\$ 7,750,650</u>	<u>\$ 8,100,538</u>

Medicaid, Medicare and third-party payor revenue is reimbursed to the Center at the net reimbursement rates determined by each program. Reimbursement rates are subject to revisions under the provision of reimbursement regulations. Adjustments for such revisions are recognized in the fiscal year incurred.

Note 8 - 401(k) pension plan

The Center maintains a 401(k) pension plan for all eligible employees. Employees may start participating in the plan after one month of service. The Center contributes 3% of eligible employees' annual salary. An employee is eligible for participating in the employer match after one year of employment, 1,000 hours of service and attaining the age of 21. The Center matches 50% of the employee's contribution up to 6% of the employee's annual salary. Employee contributions are 100% vested and employer contributions are vested after three years. Pension expense for the years ended September 30, 2015 and 2014 was \$118,955 and \$126,085, respectively.

Note 9 - Commitments and contingencies

The healthcare industry is subject to voluminous and complex laws and regulations of Federal, state and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement laws and regulations, anti-kickback and anti-referral laws and false claims prohibitions.

The Harold Leever Regional Cancer Center, Inc.

**Notes to Financial Statements
September 30, 2015 and 2014**

In recent years, government activity has increased with respect to investigations and allegations concerning possible violations of reimbursement, false claims, anti-kickback and anti-referral statutes and regulation by healthcare providers. The Center believes that it is in material compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Upon audit, if discrepancies are discovered, the Center could be held responsible for refunding the amounts in question.

Note 10 - Professional liability

The Center maintains insurance coverage for professional liability on a "claims-made" basis. The coverage limits are \$2,000,000 per claim and \$5,000,000 in the aggregate.

ATTACHMENT 7

NON-PROFIT

Please provide one year of actual results and three years of projections of Total Entity revenue, expense and volume statistics without, incremental, to and with the CON proposal in the following reporting format:

Applicant:
Financial Worksheet (A)

LINE	Description	(1) FY 15 Actual Results		(2) FY 16		(3) FY 16		(4) FY 17		(5) FY 17		(6) FY 17		(7) FY 17		(8) FY 18		(9) FY 18		(10) FY 18		(11) FY 19		(12) FY 19		(13) FY 19					
		Without CON	With CON	Projected	Incremental	Projected	Incremental	Projected	Incremental	Projected	Incremental	Projected	Incremental	Projected	Incremental	Projected	Incremental	Projected	Incremental	Projected	Incremental	Projected	Incremental	Projected	Incremental	Projected	Incremental	Projected	Incremental		
A. OPERATING REVENUE																															
1	Total Gross Patient Revenue	\$25,833	\$28,510	\$28,510	\$0	\$28,510	\$0	\$28,510	\$0	\$28,510	\$0	\$28,510	\$0	\$28,510	\$0	\$28,510	\$0	\$28,510	\$0	\$28,510	\$0	\$28,510	\$0	\$28,510	\$0	\$28,510	\$0	\$28,510	\$0		
2	Less: Allowances	\$18,083	\$20,183	\$20,183	\$0	\$20,183	\$0	\$20,183	\$0	\$20,183	\$0	\$20,183	\$0	\$20,183	\$0	\$20,183	\$0	\$20,183	\$0	\$20,183	\$0	\$20,183	\$0	\$20,183	\$0	\$20,183	\$0	\$20,183	\$0		
3	Less: Charity Care	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
4	Less: Other Deductions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
5	Net Patient Service Revenue	\$7,750	\$8,327	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0		
6	Medicare	\$3,370	\$3,850	\$3,850	\$0	\$3,850	\$0	\$3,850	\$0	\$3,850	\$0	\$3,850	\$0	\$3,850	\$0	\$3,850	\$0	\$3,850	\$0	\$3,850	\$0	\$3,850	\$0	\$3,850	\$0	\$3,850	\$0	\$3,850	\$0	\$3,850	\$0
7	Medicaid	\$756	\$756	\$756	\$0	\$756	\$0	\$756	\$0	\$756	\$0	\$756	\$0	\$756	\$0	\$756	\$0	\$756	\$0	\$756	\$0	\$756	\$0	\$756	\$0	\$756	\$0	\$756	\$0	\$756	\$0
8	CHAMPUS & Tricare	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9	Total Government	\$4,126	\$4,606	\$4,606	\$0	\$4,606	\$0	\$4,606	\$0	\$4,606	\$0	\$4,606	\$0	\$4,606	\$0	\$4,606	\$0	\$4,606	\$0	\$4,606	\$0	\$4,606	\$0	\$4,606	\$0	\$4,606	\$0	\$4,606	\$0	\$4,606	\$0
10	Uninsured	\$3,477	\$3,771	\$3,771	\$0	\$3,771	\$0	\$3,771	\$0	\$3,771	\$0	\$3,771	\$0	\$3,771	\$0	\$3,771	\$0	\$3,771	\$0	\$3,771	\$0	\$3,771	\$0	\$3,771	\$0	\$3,771	\$0	\$3,771	\$0	\$3,771	\$0
11	Self Pay	\$147	\$150	\$150	\$0	\$150	\$0	\$150	\$0	\$150	\$0	\$150	\$0	\$150	\$0	\$150	\$0	\$150	\$0	\$150	\$0	\$150	\$0	\$150	\$0	\$150	\$0	\$150	\$0	\$150	\$0
12	Workers Compensation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
13	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
14	Total Non-Government	\$3,624	\$3,721	\$3,721	\$0	\$3,721	\$0	\$3,721	\$0	\$3,721	\$0	\$3,721	\$0	\$3,721	\$0	\$3,721	\$0	\$3,721	\$0	\$3,721	\$0	\$3,721	\$0	\$3,721	\$0	\$3,721	\$0	\$3,721	\$0	\$3,721	\$0
15	Net Patient Service Revenue ^a (Government+Non-Government)	\$7,750	\$8,327	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0	\$8,327	\$0
16	Less: Provision for Bad Debts	\$169	\$250	\$250	\$0	\$250	\$0	\$250	\$0	\$250	\$0	\$250	\$0	\$250	\$0	\$250	\$0	\$250	\$0	\$250	\$0	\$250	\$0	\$250	\$0	\$250	\$0	\$250	\$0	\$250	\$0
17	Net Patient Service Revenue less provision for bad debts	\$7,581	\$8,077	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0
18	Other Operating Revenue	\$28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Net Assets Released from Restrictions	\$28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	TOTAL OPERATING REVENUE	\$7,609	\$8,077	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0	\$8,077	\$0
B. OPERATING EXPENSES																															
1	Salaries and Wages	\$2,433	\$2,447	\$2,447	\$0	\$2,447	\$0	\$2,447	\$0	\$2,447	\$0	\$2,447	\$0	\$2,447	\$0	\$2,447	\$0	\$2,447	\$0	\$2,447	\$0	\$2,447	\$0	\$2,447	\$0	\$2,447	\$0	\$2,447	\$0	\$2,447	\$0
2	Fringe Benefits	\$579	\$651	\$651	\$0	\$651	\$0	\$651	\$0	\$651	\$0	\$651	\$0	\$651	\$0	\$651	\$0	\$651	\$0	\$651	\$0	\$651	\$0	\$651	\$0	\$651	\$0	\$651	\$0	\$651	\$0
3	Physicians Fees	\$169	\$203	\$203	\$0	\$203	\$0	\$203	\$0	\$203	\$0	\$203	\$0	\$203	\$0	\$203	\$0	\$203	\$0	\$203	\$0	\$203	\$0	\$203	\$0	\$203	\$0	\$203	\$0	\$203	\$0
4	Supplies and Drugs	\$1,504	\$962	\$962	\$0	\$962	\$0	\$962	\$0	\$962	\$0	\$962	\$0	\$962	\$0	\$962	\$0	\$962	\$0	\$962	\$0	\$962	\$0	\$962	\$0	\$962	\$0	\$962	\$0	\$962	\$0
5	Depreciation and Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Provision for Bad Debts-Other ^a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Malpractice Insurance Cost	\$3,503	\$6,168	\$6,168	\$0	\$6,168	\$0	\$6,168	\$0	\$6,168	\$0	\$6,168	\$0	\$6,168	\$0	\$6,168	\$0	\$6,168	\$0	\$6,168	\$0	\$6,168	\$0	\$6,168	\$0	\$6,168	\$0	\$6,168	\$0	\$6,168	\$0
9	Lease Expense	\$8,291	\$10,431	\$10,431	\$0	\$10,431	\$0	\$10,431	\$0	\$10,431	\$0	\$10,431	\$0	\$10,431	\$0	\$10,431	\$0	\$10,431	\$0	\$10,431	\$0	\$10,431	\$0	\$10,431	\$0	\$10,431	\$0	\$10,431	\$0	\$10,431	\$0
10	Other Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	TOTAL OPERATING EXPENSES	\$6,892	\$12,354	\$12,354	\$0	\$12,354	\$0	\$12,354	\$0	\$12,354	\$0	\$12,354	\$0	\$12,354	\$0	\$12,354	\$0	\$12,354	\$0	\$12,354	\$0	\$12,354	\$0	\$12,354	\$0	\$12,354	\$0	\$12,354	\$0	\$12,354	\$0
12	INCOME/(LOSS) FROM OPERATIONS	\$717	\$623	\$623	\$0	\$623	\$0	\$623	\$0	\$623	\$0	\$623	\$0	\$623	\$0	\$623	\$0	\$623	\$0	\$623	\$0	\$623	\$0	\$623	\$0	\$623	\$0	\$623	\$0	\$623	\$0
13	NON-OPERATING REVENUE	\$493	\$388	\$388	\$0	\$388	\$0	\$388	\$0	\$388	\$0	\$388	\$0	\$388	\$0	\$388	\$0	\$388	\$0	\$388	\$0	\$388	\$0	\$388	\$0	\$388	\$0	\$388	\$0	\$388	\$0

Applicant:

Financial Worksheet (A)

NON-PROFIT

Please provide one year of actual results and three years of projections of Total Entity revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

LINE	Total Entity Description	FY 15		FY 16		FY 17		FY 18		FY 19		FY 19	
		Actual Results	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
			Incremental	With CON	Incremental	With CON	Incremental	With CON	Incremental	With CON	Incremental	With CON	With CON
	EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES	(\$189)	\$0	(\$1,966)	\$0	(\$143)	\$0	(\$219)	\$0	(\$219)	\$0	(\$297)	\$0
	Principal Payments	\$0		\$0		\$0		\$0		\$0		\$0	
C. PROFITABILITY SUMMARY													
1	Hospital Operating Margin	-8.4%	0.0%	-27.8%	0.0%	-6.3%	0.0%	-7.2%	0.0%	-7.2%	0.0%	-8.1%	0.0%
2	Hospital Non-Operating Margin	6.1%	0.0%	4.6%	0.0%	4.7%	0.0%	4.7%	0.0%	4.7%	0.0%	4.7%	0.0%
3	Hospital Total Margin	-2.3%	0.0%	-23.2%	0.0%	-1.7%	0.0%	-2.5%	0.0%	-2.5%	0.0%	-3.5%	0.0%
D.	FTEs	24	24	24	24	24	24	24	24	24	24	24	24
E. VOLUME STATISTICS*													
1	Inpatient Discharges	11,822	0	13,374	0	13,374	0	13,374	0	13,374	0	13,374	0
2	Outpatient Visits	11,822	13,374	13,374	13,374	13,374	13,374	13,374	13,374	13,374	13,374	13,374	13,374
	TOTAL VOLUME	23,644	13,374	26,748	13,374	26,748	13,374	26,748	13,374	26,748	13,374	26,748	13,374

*Total amount should equal the total amount on cell line "Net Patient Revenue" Row 14.

†Provide the amount of any transaction associated with Bad Debts not related to the provision of direct services to patients. For additional information, refer to FASB, No.2011-07, July 2011.

‡Provide projected inpatient and/or outpatient statistics for any new services and provide actual and projected inpatient and/or outpatient statistics for any existing services which will change due to the proposal.

Supplemental CON Application



Supplemental CON Application Form
Transfer of Ownership of a Health Care Facility
Conn. Gen. Stat. § 19a-638(a)(2)

Applicant: Saint Mary's Hospital, Inc. and Trinity Health-New England, Inc.

Project Name: Transfer of Saint Mary's Hospital Inc.'s joint venture interest in The Harold Leever Regional Cancer Center, Inc. to Trinity Health – New England, Inc., a wholly owned subsidiary of Trinity Health Corporation, as part of Saint Mary's transfer of ownership to Trinity Health Corporation and Trinity Health - New England approved under OHCA Docket Number 15-32045-CON.


Affidavit

Applicant: Saint Mary's Hospital, Inc.

Project Title: Transfer of Saint Mary's Hospital Inc.'s joint venture interest in The Harold Leever Regional Cancer Center, Inc. to Trinity Health – New England, Inc., a wholly owned subsidiary of Trinity Health Corporation, as part of Saint Mary's transfer of ownership to Trinity Health Corporation and Trinity Health - New England approved under OHCA Docket Number 15-32045-CON.

I, Chad W. Wable President
(Name) (Position – CEO or CFO)

of Saint Mary's Hospital, Inc. being duly sworn, depose and state that said facility complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

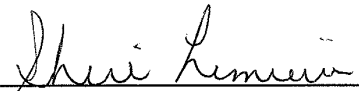


Signature

11/30/18

Date

Subscribed and sworn to before me on November 30, 2018



Notary Public/Commissioner of Superior Court

My commission expires: July 31, 2019

SAINT FRANCIS HOSPITAL
AND MEDICAL CENTER
CONFIDENTIAL
BY: JCS DATE: 12-2-18

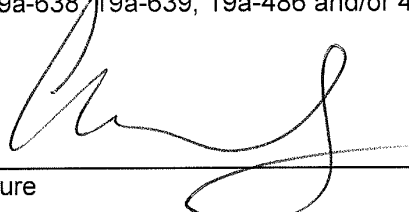
Affidavit

Applicant: Trinity Health – New England, Inc.

Project Title: Transfer of Saint Mary's Hospital, Inc.'s joint venture interest in The Harold Leever Regional Cancer Center, Inc. to Trinity Health – New England, Inc., a wholly owned subsidiary of Trinity Health Corporation, as part of Saint Mary Hospital, Inc. transfer of ownership to Trinity Health Corporation and Trinity Health - New England, Inc. approved under OHCA Docket Number 15-32045-CON.

I Christopher Dadlez, President and CEO
(Name) (Position – CEO or CFO)

of Trinity Health – New England, Inc. being duly sworn, depose and state that the said facility complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

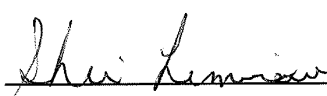


Signature

12/5/16

Date

Subscribed and sworn to before me on December 5, 2017



~~Notary Public/Commissioner of Superior Court~~

My commission expires: July 31, 2019

SAINT FRANCIS HOSPITAL
AND MEDICAL CENTER
LEGAL REVIEW
CONTRACT NO. 10-1518
9CRS DATE: 12/2-16

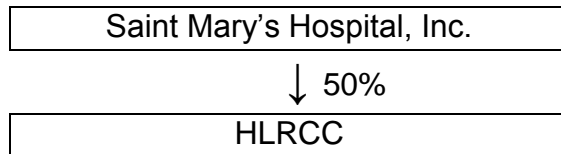
1. Project Description and Need: Change of Ownership or Control

- a. Describe the transition plan and how the Applicants will ensure continuity of services. Provide a copy of a transition plan, if available.

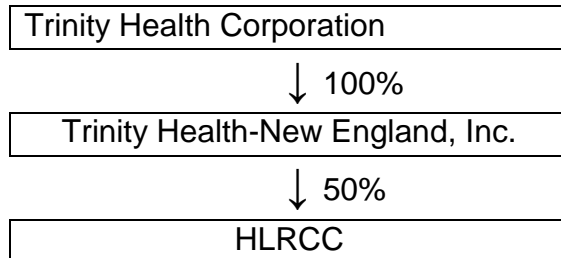
Response: No change in services or service delivery is expected as a result of the transfer of Saint Mary’s Hospital, Inc.’s joint venture interest in The Harold Leever Regional Cancer Center (“HLRCC”) to Trinity Health - New England, Inc. It’s not anticipated that the transfer will impact the services provided by physicians affiliated with HLRCC, and the same patient population will continue to be served by the same physicians at the same location.

- b. For each Applicant (and any new entities to be created as a result of the proposal), provide the following information as it would appear **prior** and **subsequent** to approval of this proposal:
 - i. Legal chart of corporate or entity structure including all affiliates.
 - ii. Governance or controlling body
 - iii. List of owners and the % ownership and shares of each.

Prior to approval of this proposal:



Subsequent to approval of this proposal:



- c. Does this proposal avoid the corporate practice of medicine? Explain in detail.

Response: Yes. The transaction will be structured in a manner compliant with state law that maintains the current independence of HLRCC's affiliated physicians.

2. Clear Public Need

- a. Is the proposal being submitted due to provisions of the Federal Sherman Antitrust Act and Conn. Gen Stat. §35-24 et seq. statutes? Explain in detail.

Response: No.

- b. Is the proposal being submitted due to provisions of the Patient Protection and Affordable Care Act (PPACA)? Explain in detail.

Response: No.

Olejarz, Barbara

From: Riggott, Kaila
Sent: Wednesday, February 15, 2017 10:31 AM
To: Olejarz, Barbara
Subject: FW: Completeness Questions: Docket 16-32139-CON
Attachments: 16-32139 St. Mary TOO HLRCC Completeness 12.28.16.docx

Kaila Riggott, MPA

Planning Specialist
State of Connecticut
Department of Public Health
Office of Health Care Access
410 Capitol Avenue, MS#13-HCA
Hartford, CT 06134
phone: 860.418.7037
fax: 860.418.7053
<http://www.ct.gov/ohca>



From: Schaeffer-Helmecki, Jessica
Sent: Thursday, December 29, 2016 9:44 AM
To: 'claudio.capone@trinityhealth-ne.org'
Cc: Riggott, Kaila; User, OHCA
Subject: Completeness Questions: Docket 16-32139-CON

Dear Mr. Capone:

Attached please find follow-up questions regarding Saint Mary Hospital Inc's application to transfer its ownership interest in the Harold Leever Regional Cancer Center to Trinity Health-New England (docket number 16-32139-CON). Please confirm receipt of this e-mail to both myself, Kaila Riggott and the general OHCA mailbox (cc'd).

Thank you and have a good New Year,

Jessica

Jessica Schaeffer-Helmecki, JD, MPA

Planning Analyst, Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, MS #13 HCA, Hartford, Connecticut 06134
P: (860) 509-8075 | F: (860) 418-7053 | E: jessica.schaeffer-helmecki@ct.gov



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

December 29, 2016

Via Email Only

Mr. Claudio A. Capone
Regional VP, Strategic Planning & Business Development
Trinity Health-New England
1000 Asylum Avenue
Hartford, CT 06105
Claudio.capone@trinityhealth-ne.org

RE: Certificate of Need Application Completeness Questions
**Saint Mary's Hospital, Inc., Transfer of Ownership Interest in The Harold Leever
Regional Cancer Center, Inc. (Docket No. 16-32139-CON)**

Dear Mr. Capone:

On December 9, 2016, OHCA received a Certificate of Need application from Saint Mary's Hospital, Inc. ("SMH" or "Applicant") for the transfer of ownership of its 50% interest in The Harold Leever Regional Cancer Center ("HLRCC"), located at 1075 Chase Parkway, Waterbury, CT to Trinity Health – New England. OHCA requests additional information pursuant to Connecticut General Statutes §19a-639a(c). **Please email your responses as both a Word document and in PDF format as an attachment to the following addresses: OHCA@ct.gov, kaila.riggott@ct.gov.**

Please note that pursuant to Section 19a-639a(c) of the Connecticut General Statutes, you must submit your response to this request no later than sixty days from the date of this email transmission. Therefore, please provide your written responses to OHCA no later than **Monday, February 27 2017**, otherwise your application will be automatically considered withdrawn. Please respond to the following:

1. How specifically will HLRCC patients be notified of the change?
2. Provide a copy of SMH's charity care policy with respect to HLRCC patients and identify any changes to the policy that will occur subsequent to implementation of the proposal.



Phone: (860) 418-7001 • Fax: (860) 418-7053
410 Capitol Avenue, P.O. Box 340308
Hartford, Connecticut 06134-0308
www.ct.gov/dph

Affirmative Action/Equal Opportunity Employer

3. Is the FY2016 data on page 30 of the application annualized? If so, please indicate on which months the data is based.
4. Why are the potential savings described on page 19 of the application not reflected in the projected incremental revenues and expenses on page 29?

Repeat each question before providing your response, paginate and date your response, i.e., each page in its entirety. Information filed after the initial CON application submission (e.g., completeness response letter, prefile testimony, late file submissions and the like) must be numbered sequentially from the Applicant's document preceding it. Please begin your submission using **Page 265** and reference "**Docket Number: 16-32139-CON.**"

If you have any questions concerning this letter, please feel free to contact Kaila Riggott at (860) 418-7037.



Claudio A. Capone
Regional Vice President
Strategic Planning and Business Development

February 2, 2017

Kaila Riggott
Office of Health Care Access
Connecticut Department of Public Health
410 Capital Avenue
MS#13HCA
P.O Box 340308
Hartford, CT 06134-0308

RE: Docket Number: **16-32139-CON** Saint Mary's Hospital, Inc., Transfer of Ownership Interest in The Harold Leever Regional Cancer Center, Inc.

Dear Ms. Riggott:

Enclosed are Saint Mary's responses to OHCA's completeness questions dated December 29th, 2016 regarding the transfer of ownership of the Harold Leever Regional Cancer Center, Inc.

Please do not hesitate to contact me if you have any questions regarding this matter at 860-714-6165.

Sincerely,

A handwritten signature in black ink that reads "Claudio Capone".

Claudio A. Capone
Regional Vice President
Strategic Planning and Business Development

Enc.

Docket Number: 16-32139-CON**1. How specifically will HLRCC patients be notified of the change?**

Upon receipt of CON approvals from OHCA, HLRCC will update its website, and post a sign in the lobby of its facility for thirty (30) days notifying patients of the change in ownership.

2. Provide a copy of SMH's charity care policy with respect to HLRCC patients and identify any changes to the policy that will occur subsequent to implementation of the proposal.

The Leever Center has been providing charity care under the guidance of both Waterbury Hospital and Saint Mary's Hospital's existing charity care policies. A formal HLRCC charity care policy was approved by HLRCC's Finance Committee on February 1st, 2017. The new policy is based on both the Waterbury Hospital and Saint Mary's Hospital existing charity care policies and will be sent to OHCA once adopted. See **Attachment A** for HLRCC's new charity care policy.

3. Is the FY2016 data on page 30 of the application annualized? If so, please indicate on which months the data is based.

Yes. The data is based on ten (10) months of actual data, October through July.

4. Why are the potential savings described on page 19 of the application not reflected in the projected incremental revenues and expenses on page 29?

There may be additional savings from the resources that Trinity Health Corporation has to offer. At this time, those savings have not been identified; therefore, they are not reflected in the expenses.

Attachment A



THE HAROLD LEEVER
REGIONAL CANCER CENTER

A Partnership for Excellence
St. Mary's Hospital & Waterbury Hospital

POLICY: CHARITY CARE

POLICY:

It is the policy of The Harold Leever Regional Cancer Center to provide assistance in situations where the responsible party of the care does not have the financial resources necessary for their obligation within a reasonable time period.

- 1) All patients to be considered for charity care will be required to apply for public assistance in addition to completing the charity care application. A qualified case worker could determine that the patient may not be eligible for public assistance, not requiring the patient to apply.
- 2) In order to be considered for charity care, full financial disclosure is required including the following:
 - a) All sources of income available at the time of the charity care application;
 - b) Assets excluding:
 - i) Primary residence;
 - ii) Vehicles required for commuting to or facilitating employment;
 - iii) Retirement accounts.
- 3) Responsible parties with assets of \$7,500 or less (\$15,000 for a couple) will receive the following discounts based on their annual household income and the published federal poverty guidelines in effect at the date of application:

Income as a % of FPL	Discount
< 200%	100%
<= 225%	60%
<= 275%	40%
<= 300%	20%
<= 400%	10%

- 4) Charity care discounts are to be applied after the 50% uninsured discount from charges.
- 5) Documentation required to validate the charity care application shall include:
 - a) Credit report (if available);
 - b) Most recent 1040 tax return;
 - c) Copies of all bank statements (Checking, Savings, Investments, Certificates of Deposit);
 - d) Proof of income for the immediate 12 months preceding the application date;
 - e) Public assistance determination (if applicable).



THE HAROLD LEEVER
REGIONAL CANCER CENTER

A Partnership for Excellence
St. Mary's Hospital & Waterbury Hospital

PROCEDURE:

- 1) The availability of charity care will be disclosed on all dunning notices issued prior to bad debt assignment.
- 2) Patients who indicate that they are unable to pay for services rendered will be offered charity care.
- 3) The social worker or financial counselor shall evaluate each applicants eligibility.
- 4) Accounts determined eligible for charity care discounts require authorization from the Finance Director or Executive Director.
- 5) Patients shall be issued a determination letter within 30 days of receipt of a completed charity care application.
- 6) Patients who do not qualify or do not apply for charity care will be expected to pay the balance due. For uninsured patients, this will be 50% of charges. Insured patients will be expected to pay all deductibles and co-payment due in addition to 50% of non-covered charges.
- 7) Patients who do not enter into a payment plan or satisfy the balance due will be placed with a collection agency. The collection agency may report the balance due for credit reporting and/or initiate legal action to resolve the balance owed.

Approved: Finance Committee 2-1-17

User, OHCA

From: Schaeffer-Helmecki, Jessica
Sent: Friday, March 03, 2017 3:29 PM
To: Claudio Capone
Cc: User, OHCA; Riggott, Kaila
Subject: Notification CON 16-32139 Deemed Complete
Attachments: 16-32139-CON Notification of Application Deemed Complete.pdf

Good afternoon, Mr. Capone--

Attached please find notification that the application regarding the transfer of ownership of the Harold Leever Regional Cancer Center (docket number 16-32139) has been deemed complete.

Please feel free to contact us should you have any questions. Thank you and have a great weekend.

Jessica Schaeffer-Helmecki, JD, MPA

Planning Analyst, Office of Health Care Access

Connecticut Department of Public Health

410 Capitol Avenue, MS #13 HCA, Hartford, Connecticut 06134

P: (860) 509-8075 | F: (860) 418-7053 | E: jessica.schaeffer-helmecki@ct.gov



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

March 3, 2017

Via Email Only

Mr. Claudio A. Capone
Regional VP, Strategic Planning & Business Development
Trinity Health-New England
1000 Asylum Ave
Hartford, CT 06105
Claudio.capone@trinityhealth-ne.org

RE: Certificate of Need Application: Docket Number: 16-32139-CON
Transfer of Ownership of Saint Mary's Hospital, Inc's Ownership Interest in the Harold
Leever Regional Cancer Center, Inc. to TrinityHealth-New England

Dear Mr. Capone:

This letter is to inform you that, pursuant to Section 19a-639a (d) of the Connecticut General Statutes, the Office of Health Care Access has deemed the above-referenced application complete as of March 3, 2017.

If you have any questions concerning this letter, please feel free to contact me at (860) 509-8075.

Sincerely,

A handwritten signature in blue ink that reads "J. Schaeffer-Helmecki".

Jessica Schaeffer-Helmecki
Planning Analyst



Phone: (860) 418-7001 • Fax: (860) 418-7053
410 Capitol Avenue, P.O. Box 340308
Hartford, Connecticut 06134-0308
www.ct.gov/dph

Affirmative Action/Equal Opportunity Employer