REGIONAL HEALTHCARE
Associates LLC | An Affiliate of Sharon Hospital

Women's Health
Connecticut

Certificate of Need Application

Regional Healthcare Associates, LLC
Tri State Women's Services, LLC
Vassar Health Connecticut, Inc.

Transfer of Ownership of
Regional Healthcare Associates &
Tri State Women's Services

November 3, 2016

MERITAS LAW FIRMS WORLDWIDE

Jennifer Groves Fusco
(t) 203.786.8316
(f) 203.772.2037
jfusco@uks.com

November 3, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Public Health
Office of Health Care Access Division
410 Capitol Avenue, MS #1 HCA
P.O. Box 340308
Hartford, CT 06134-0308

Re: Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut
Transfer of Ownership of Regional Healthcare Associates & Tri State Women's Services to a Connecticut Medical Foundation

Dear Deputy Commissioner Addo:

This office represents Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, Vassar Health Connecticut, Inc., Health Quest Systems, Inc., Regional Healthcare Associates, LLC, and Tri State Women's Services, LLC. Enclosed please find one (1) bound original each of the Certificate of Need Applications for the following proposals:

- Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut, Inc.; and
- Transfer of Ownership of Regional Healthcare Associates, LLC and Tri State Women's Services, LLC to a Connecticut Medical Foundation affiliated with Vassar Health Connecticut, Inc.

Also enclosed are the following:

- Two (2) $500 filing fee checks; and
- A USB flash drive that contains the pdfs of each submission, Word versions of the application forms, and a single Excel workbook that contains the financial worksheets for both submissions.

Please feel free to contact me with any questions. We look forward to working with you on these matters.

Very Truly Yours,

Jennifer Groves Fusco

/jgf

cc: David Ping

Checklist

Instructions:

1. Please check each box below, as appropriate; and
2. The completed checklist *must* be submitted as the first page of the CON application.

☒ Attached is a paginated hard copy of the CON application including a completed affidavit, signed and notarized by the appropriate individuals.

☒ (**New**). A completed supplemental application specific to the proposal type, available on OHCA's website under "OHCA Forms." A list of supplemental forms can be found on page 2.

☒ Attached is the CON application filing fee in the form of a certified, cashier or business 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 Attachment

☒ Submission includes one (1) original hardcopy in a 3-ring binder and a USB flash drive containing:

1. A scanned copy of each submission in its entirety, including all attachments in Adobe (.pdf) format.
2. An electronic copy of the applicant's responses in MS Word (the applications) and MS Excel (the financial attachment).

For OHCA Use Only:

Docket No.: 17-32137-CON **Check No.:** 1030 2476
OHCA Verified by: [signature] **Date:** 11/4/16

TABLE OF CONTENTS

ATTACHMENT I

TREASURER, STATE OF CONNECTICUT 10/18/2016 10302476

INVOICE DATE	INVOICE NUMBER	PURCHASE ORDER #	DESCRIPTION	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
10/13/2016	CR10132016	CON #2/SHARON H		500.00	0.00	500.0
TOTALS						

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

COPYBAN CAPTURE ANTI-FRAUD PROTECTIO

10302476

HEALTH QUEST SYSTEMS, INC.
1351 Route 55
Lagrangeville, NY 12540

JPMorgan Chase Bank, N.A.
1166 Avenue of the Americas / 20
New York, NY 10036

1-2/210

CHECK DATE
10/18/2016

FIVE HUNDRED DOLLARS AND ZERO CENTS **********

$*$500.00

PAY TO THE ORDER OF

TREASURER, STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS
410 CAPITOL AVE. MS#13HCA
PO BOX 340308
HARTFORD CT, 06134

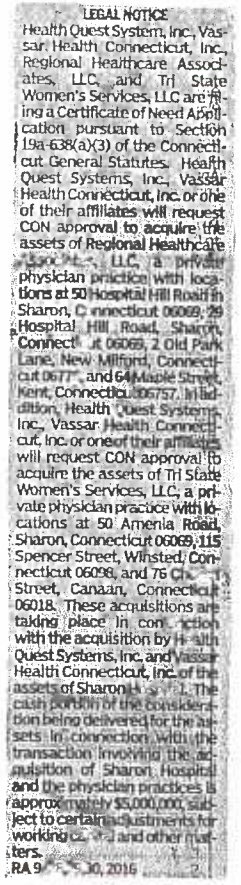
[redacted] [redacted]

ATTACHMENT II

Ad #: RA0736209

AFFIDAVIT OF PUBLICATION

STATE OF CONNECTICUT
County of New Haven Waterbury September 30th 20 16



LEGAL NOTICE

Health Quest System, Inc., Vassar Health Connecticut, Inc., Regional Healthcare Associates, LLC and Tri State Women's Services, LLC are filing a Certificate of Need Application pursuant to Section 19a-638(a)(3) of the Connecticut General Statutes. Health Quest Systems, Inc., Vassar Health Connecticut, Inc. or one of their affiliates will request CON approval to acquire the assets of Regional Healthcare Assoc. LLC, a private physician practice with locations at 50 Hospital Hill Road in Sharon, Connecticut 06069, 29 Hospital Hill Road, Sharon, Connecticut 06069, 2 Old Park Lane, New Milford, Connecticut 0677", and 64 Maple Street, Kent, Connecticut 06757. In addition, Health Quest Systems, Inc., Vassar Health Connecticut, Inc. or one of their affiliates will request CON approval to acquire the assets of Tri State Women's Services, LLC, a private physician practice with locations at 50 Amenia Road, Sharon, Connecticut 06069, 115 Spencer Street, Winsted, Connecticut 06098, and 76 Church Street, Canaan, Connecticut 06018. These acquisitions are taking place in connection with the acquisition by Health Quest Systems, Inc. and Vassar Health Connecticut, Inc. of the assets of Sharon Hospital. The cash portion of the consideration being delivered for the assets in connection with the transaction involving the acquisition of Sharon Hospital and the physician practices is approximately $5,000,000, subject to certain adjustments for working capital and other matters.
RA 9/30, 2016

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

SEIDEN ADVERTISING

was published in said **Republican-American** in **3** editions of said newspaper issued between **09/28/16** and **09/30/16**

SUBSCRIBED AND SWORN BEFORE ME THIS THE 30th

day of September 2016

Notary Public

My Commission Expires: 8/31/17

PP000007
11/03/2016

Commercial for sale, lease, rent

THOMASTON LEASE
7000SF comm'l/mfg. $5/SF NNN.
860-283-6261

WATERBURY DOWNTOWN LEASE
600-5,000 sq. ft. Call for details,
203-841-2500 x121

WATERBURY small church, 40-60 people, $800 utils incl'd. Call 203-695-7417, 203-910-6935

Announcements

Absolutely free
Lost & found
Special notices

Absolutely free

GUTHY-RENKER Fitness Flyer 203-729-9661

TV Heavy black TV & stereo console for 32" TV. Need truck for pickup. 203-879-2211

Lost & found

FOUND Mini collie/sheltie mix, female, approx. 3-5- years old. Contact Colebrook Animal Control Officer 860-201-3217 to claim

IMPOUNDED BETHLEHEM blk & white cat Kasson Grove area redeem 203-910-3228

IMPOUNDED WTBY Chih mix, m, brindle, pit mix f, white &tan redeem 203-574-6909

Legals/ Public Notices

NOTICE TO CREDITORS
ESTATE OF R.W. Lance, AKA Richard W. Lance, (16-00674)

The Hon. Thomas P. Brunnock, Judge of the Court of Probate, District of Waterbury Probate Court, by decree dated September 21, 2016, ordered that all claims must be presented to the fiduciary at the address below. Failure to promptly present any such claim may result in the loss of rights to recover on such claim.

Thomas P. Brunnock, Judge

The fiduciary is:
Romeo Josef
c/o Atty Thomas E. Porzio
625 Wolcott Street, Suite 21
Waterbury, CT 06705

R-A September 28, 2016

TOWN OF HARWINTON
PUBLIC INFORMATION MEETING
Proposed Town of Harwinton Blight Ordinance discussion will be held on TUESDAY, October 4, 2016 at 7:00 P.M., Main Assembly Hall, Harwinton Town Hall, 100 Bentley Drive, Harwinton, CT. Residents, business owners and other interested individuals are encouraged to take advantage of this opportunity to learn about and discuss the proposed Ordinance before a Town Meeting vote. Location is ADA accessible. If language assis-

Legals/ Public Notices

NOTICE OF HEARING
TOWN OF THOMASTON
PLANNING AND ZONING COMMISSION
ZONING MAP CORRECTIONS

The Planning and Zoning Commission, Thomaston, CT will hold a public hearing on Wednesday, October 5, 2016, 7:00 pm, Meeting Room #1, 4th Level, Thomaston Town Hall, 158 Main St., Thomaston, CT on the following corrections to errors in the 2008 and 2012 Thomaston Zoning Map:

1. Assessor's Map 17 Block 04 Lot 01 Hill Road (adjacent and east of 580 North Main Street) from RA-80A residential to M2 heavy manufacturing to correct a 2008 zoning map error
2. Assessor's Map 24 Block 03 Lot 03 Hill Road (adjacent and west of 341 Railroad Street) from RA-80A residential to M2 heavy manufacturing to correct a 2008 zoning map error
3. An 11.4 Acre portion of Assessor's Map 30 Block 06 Lot 01, Northfield Road (State Rte 254, West of 510 Northfield Road) from RA-80A residential to General Commercial to correct a 2008 zoning map error

At this hearing interested persons may appear and be heard and written communications will be received. A copy of documents related these corrections are on file in the Land Use Office and Town Clerks' Office, Thomaston Town Hall.

Dated at Thomaston, CT this 23rd and 28th Day of September, 2016

Ralph Celone, Chairman
Thomaston Planning and Zoning Commission
RA 9/23, 28, 2016

NOTICE TO CREDITORS
ESTATE OF Patricia L. Lasky
(16-00542)

The Hon. Thomas P. Brunnock, Judge of the Court of Probate, District of Waterbury Probate Court, by decree dated August 17, 2016, ordered that all claims must be presented to the fiduciary at the address below. Failure to promptly present any such claim may result in the loss of rights to recover on such claim.

Thomas P. Brunnock, Judge

The fiduciary is:
Jodi Ann Lasky
80 Idlewood Road
Wolcott, CT 06716

R-A August 26, 2016

NOTICE TO CREDITORS
ESTATE OF Sophie A. Cantamessa, AKA Sophie Cantamessa, (16-00748)

The Hon. Thomas P. Brunnock, Judge of the Court of Probate, District of Waterbury Probate Court, by decree dated September 20, 2016, ordered that all claims must be presented to the fiduciary at the address below. Failure to promptly present any such claim may result in the loss of rights to recover on such claim.

Thomas P. Brunnock, Judge

The fiduciary is:
Carol A. Olsen
c/o Atty Mark Iannone
Tynan & Iannone

Legals/ Public Notices

LEGAL NOTICE
TOWN OF SHARON
ZONING BOARD OF APPEALS

At a Special Meeting of the Sharon Zoning Board of Appeals held on September 26, 2016 Appeal #176 of James A. Quella, for Q Farms LLC was approved by a vote of four to one for a sign up to the maximum of 8 (eight) square feet. A copy of this decision will be on file at the Town Clerk's Office.

Dated at Sharon, Connecticut this 27th day of September 2016.

William Trowbridge, Chairman
Sharon Zoning
Board of Appeals
R-A September 28, 2016

LEGAL NOTICE
Health Quest System, Inc., Vassar Health Connecticut, Inc., Sharon Hospital Holding Company, and Essent Healthcare of Connecticut, Inc. are filing a Certificate of Need Application pursuant to Section 19a-638(a)(2) of the Connecticut General Statutes. Health Quest Systems, Inc. and Vassar Health Connecticut, Inc., each a non-profit entity, will request CON approval to acquire the assets of Sharon Hospital, located at 50 Hospital Hill Road in Sharon, Connecticut 06069. The cash portion of the consideration being delivered for the assets in connection with the transaction is approximately $5,000,000, subject to certain adjustments for working capital and other matters.
RA 9/28, 28,30, 2016

Request for Qualifications
#04-1613

The Judicial Branch Purchasing Services Office, on behalf of The Connecticut Bar Examining Committee and the Judicial Branch Human Resources Management Unit, is seeking quotations from qualified Contractors for performing Independent Medical Evaluations (IME).

The deadline to submit written questions is Thursday, October 6, 2016 by 4:00 p.m.

Sealed proposals must be received before 2:30 p.m. on Wednesday, October 19, 2016. Immediately thereafter, all proposals will be publicly opened and prices read aloud. Late proposals will NOT be accepted.

VENDORS CURRENTLY REGISTERED UNDER THE STATE'S SMALL BUSINESS SET-ASIDE PROGRAM ARE ENCOURAGED TO APPLY.

Proposal package may be obtained at Judicial Materials Management Unit, Purchasing Services at: 90 Washington Street, 4th Floor, Hartford, CT or call (860) 706-5200 to request by mail, or access the web site below.

PLEASE CHECK THE JUDICIAL WEB SITE AT:
www.jud.ct.gov/external/news/busopp/Default.htm

JUDICIAL BRANCH
MATERIALS MANAGEMENT UNIT
PURCHASING SERVICES
90 WASHINGTON STREET

Legals/ Public Notices

STATE OF CONNECTICUT
SUPERIOR COURT
JUVENILE MATTERS
ORDER OF NOTICE

NOTICE TO: Elvis Castro; Father of a female child born on 10-15-13 to Vanessa G. of parts unknown. A petition has been filed seeking:
Commitment of minor child(ren) of the above named or vesting of custody and care of said Child(ren) of the above named in a lawful, private or public agency or a suitable and worthy person.

The petition, whereby the court's decision can affect your parental rights, if any, regarding minor child(ren) will be heard on: 10-5-16 at 10:00 a.m. at 7 Kendrick Avenue, 3RD Floor, Waterbury, CT 06702.

Therefore, ORDERED, that notice of the hearing of this petition be given by publishing this Order of Notice once, immediately upon receipt, in the: Waterbury Republican American, a newspaper having a circulation in the town/city of Waterbury, CT

Honorable John Turner
Judge

Brenda Petitti, Admin Clerk 1
Date signed: 9-8-16

RIGHT TO COUNSEL: Upon proof of inability to pay for a lawyer, the court will provide one for you at court expense. Any such request should be made immediately at the court office where your Hearing is to be held.
RA 9/28/2016

REQUEST FOR PROPOSALS:
The Northwest Hills Council of Governments (NHCOG) is seeking proposals for a qualified consultant to conduct a critical habitat study of specific areas in Kent and Cornwall, CT. The full request for proposals is available from the NHCOG, 59 Torrington Road, Suite A-1, Goshen CT 06756 Tel 860-491-9884 or email dkrukar@northwesthillscog.org. Responses must be sentvia emailby noon on October 11, 2016. EOE
RA 9/28/16

Notice of Decision
Town of Warren
Inland Wetlands & Conservation Commission
At the regular meeting of the Inland Wetlands and Conservation Commission on Thurs, Sept 22, 2016 at 7:00 pm at the Warren Town Hall, 50 Cemetery Rd, the following applications were approved: (1) A. H. Howland & Associates, PC for The Cove, LLC – North Shore Road (Assessor's Map 45 Lot 12-1) – Drainage Improvements Associated with Construction of Single Family Dwelling and Improvements to Existing Pier and Stairway at Shoreline; (2) A. H. Howland & Associates, PC for The Cove, LLC – North Shore Road (Assessor's Map 45 Lot 12) – Improvements to Existing Pier and Stairway at Shoreline; and (3) A. H. Howland & Associates, PC for Catherine Deckelbaum, 33 Arrow Point Road – Drainage Improvements Associated with Reconstruction of Single Family Dwelling. The files for these applications are available for inspection in the Land Use Office, Town Hall, 50 Cemetery Rd., Warren, CT.
Dated this 27th day of Sept

Legals/ Public Notices

LEGAL NOTICE
Health Quest System, Inc., Vassar Health Connecticut, Inc., Regional Healthcare Associates, LLC, and Tri State Women's Services, LLC are filing a Certificate of Need Application pursuant to Section 19a-638(a)(3) of the Connecticut General Statutes. Health Quest Systems, Inc., Vassar Health Connecticut, Inc. or one of their affiliates will request CON approval to acquire the assets of Regional Healthcare Associates, LLC, a private physician practice with locations at 50 Hospital Hill Road in Sharon, Connecticut 06069, 29 Hospital Hill Road, Sharon, Connecticut 06069, 2 Old Park Lane, New Milford, Connecticut 06776, and 64 Maple Street, Kent, Connecticut 06757. In addition, Health Quest Systems, Inc., Vassar Health Connecticut, Inc. or one of their affiliates will request CON approval to acquire the assets of Tri State Women's Services, LLC, a private physician practice with locations at 50 Amenia Road, Sharon, Connecticut 06069, 115 Spencer Street, Winsted, Connecticut 06098, and 76 Church Street, Canaan, Connecticut 06018. These acquisitions are taking place in conjunction with the acquisition by Health Quest Systems, Inc. and Vassar Health Connecticut, Inc. of the assets of Sharon Hospital. The cash portion of the consideration being delivered for the assets in connection with the transaction involving the acquisition of Sharon Hospital and the physician practices is approximately $5,000,000, subject to certain adjustments for working capital and other matters.
RA 9/28,29,30, 2016

STATE OF CONNECTICUT
SUPERIOR COURT
JUVENILE MATTERS
ORDER OF NOTICE

NOTICE TO:John Doe; Father of a male child born to Christina M. on 9-4-13 in Waterbury, CT

of parts unknown

A petition has been filed seeking:

Termination of parental rights of the above named in minor child(ren)

The petition whereby the court's decision can affect your parental rights, if any, regarding minor child(ren) will be heard on: 10-12-16 at 2:00p.m. at SCJM, 7 Kendrick Ave, 3RD Floor, Waterbury, CT 06702.

Therefore, ORDERED, that notice of the hearing of this petition be given by publishing this Order of Notice once, immediately upon receipt, in the: Waterbury Republican American, a newspaper having a circulation in the town/city of Waterbury, CT

Honorable John Turner
Judge

Brenda Petitti, Admin Clerk 1
Date signed 9-20-16

RIGHT TO COUNSEL: Upon proof of inability to pay for a lawyer, the court will provide one for you at court expense. Any such request should be made immediately at the court office where your hearing is to be held
RA 9/28/16

Apartments for rent

OAKVILLE 1st flr,, 2BR 2 bth, c/air, garage, no pets cr. ck $1150+sec Call 860-274-4586 after 6pm

OAKVILLE Riverside St. Nice 1BR $600. No pets. Off st. prkg. Sec 8 ok. 203-335-2567, 203-895-9121

WATERBURY 1, 2, 3 & 4 BR apts. available. Property Management Center (203) 755-6649.

WATERBURY 1, 2, 3, 4 BR Apts & Houses available **NEWLY RENOVATED** Agent 203-565-9639

WATERBURY 1, 2 & 3 rm apts clean, appl, util secure bldg indry $465/up. Sect 8 OK. 203-753-3239

WATERBURY 1, 2 & 3 rms, nice, heat & appl, secure building, prkg, $450 & up (203) 206-4051

WATERBURY 1 & 2 BR HT/HW, appl Sect. 8 OK. $925. 203-745-8626

WATERBURY DOWNTOWN Beautiful renov. apts. in modern 10 story fireproof Elev. Bldg. w/great views; 1 BR $630; Low rentals incl: 1 Parking Space, Carpet/HW Flr., Security / Lndry Rm. No Pets. Habla Espanol. Mgmt: 203-756-1999; 203-837-7428

WATERBURY
EAST END 1 BR apts. Some newly remodeled, on-site laundry, on busline, $675-$700. Credit check. **203-725-6121**

WATERBURY East End 1 BR, Heat & HW incl, off-st. prkg., laundry facil, $800/mo. **203-592-7944.**

WATERBURY EAST END
SCOTT GARDENS
SPACIOUS TOWNHOUSE APTS.
Now Paying $500 Referral Bonus
1-2-3 BEDROOM
FROM $775 TO $1040
INCLUDES heat, hot water, range, refrig, new on-site laundry, assigned prkg. Beautifully landscaped, quiet & safe, 24 hr. maint. very close to Rt. 84, for qualified persons reduced sec. deposit-credit report fee $50. 203-757-7311
Open Monday-Friday 9-5
Open Saturday 10-3
windsorny.com

WATERBURY Exc. East End area. 1st fl, 2br, off st pkg, nice yard, fresh paint, new carp., WD, appl, no utils, no pets 1 yr. lease Sec $825. 203-217-8817

WATERBURY large 2BR modern, off street prkg, quiet Waterville section, porch overlooking woods $750. 203-915-4310

Apartments for rent

WATERBURY RIDGEGATE APTS 2 story T/H 2-3 BR H/HW included, appl. prkg, W/D hookup HW Flr start $875 Sect. 8 OK 203-575-1680 ext. 106

WATERBURY SPACIOUS 1BR & 2BR immaculate, No pets, on-site laundry. **860-810-2941**

WATERBURY tired of viewing dirty, neglected apts, ours are clean and updated. 1 & 2 Br. 293-729-2269, 203-805-1680

WATERBURY Town Plot, 2 BR, off st. prkg w/laundry & storage in bsmt. No pets. **$850 mo.**, Heat & HW included. Mandatory background/credit chk required. Tony, 203-518-0602, 9-6.

WATERBURY Town Plot, very clean, 5rm, 2br, 3rd flr. WD hkup, off st prkg. Gas heat. 603 Washington Av. **203-232 6861**
HW flr & tile, AC, gas ht, gar EZ Rt 8/184 start@ $1200. **203-756-7068**

Garages for rent

WATERBURY Perkins Ave. 2 bay garage 10x30, secure, $150/mo. Text 203-558-0868 or 203-704-0691

Houses for rent

NAUGATUCK cape near Middlebury line, quiet, 6 rm, 3 BR, $1500, 1st mo. & sec. 203-627-9909

WATERBURY EAST MOUNTAIN
3 BR, 1 bath $1375/month
Call Rosie 203-560-9702
Call Cristina 203-509-2025

WATERBURY single family E.End, Overlook, Bunker Hill, South End Starting @ $1200 203-510-6177

Roommates

WATERBURY furnished West End house to share w/adult male 2BR 2 ba $500/mo. or $400 if handy. All incl 203-756-0013 lv msg

Rooms

Waterbury East End starting at $125 wk. Shared kit & bath, $400 sec. Velezis Realty 203-574-7777

WATERBURY room, bed, micro, refrig., all utilities, cable, clean safe nghb. $140/wk. 203-668-3005

WATERBURY roommate female to share w/same 3BR home nice area sec/ref $350. 203-681-7035

Real Estate For Sale

Lots for sale

BANTAM LAKE bldg lot priv community tennis boat water sewer incl $169,000 860-868-1256

NORFOLK, CT 1.28 acres, $70,000 or best offer. 508-943-5797 or cell 508-353-9722.

Mobile home

MOBILE HOME FIX IT
Sales, supplies & service
203-754-5962; 203-755-0739

NAUGATUCK 4 units to choose from starting at **$29,900** incl. pool & clubhouse 203-729-8277

WATERBURY DOWNTOWN LEASE
600-5,000 sq. ft. Call for details, 203-841-2500 x121

WATERBURY small church, 40-60 people, $800 utils incl'd. Call 203-695-7417, 203-910-6935

Announcements

Absolutely free
Lost & found
Special notices

Absolutely free

COUCH GREY with reclining heated seats on both ends. HEAVY!!! FREE
Call 203-527-9434

GUTHY-RENKER Fitness Flyer 203-729-9661

KITTENS free to good homes. Call 203-757-5971

SCRAP METAL FREE
203-527-8482

TV Heavy black TV & stereo console for 32" TV. Need truck for pickup. 203-879-2211

Lost & found

FOUND POMERIAN mix. Oronoke Road area. Found last weekend.
Call 860-274-1322

IMPOUNDED NAUGATUCK #38, f, Chih. brown, High St., 9/24. 203-729-4324

Legals/ Public Notices

NOTICE TO CREDITORS
ESTATE OF Edward E. Badoreck, of Naugatuck,
AKA Edward Badorek, (16-00107)

The Hon. Peter E. Mariano, Judge of the Court of Probate, District of Naugatuck Probate Court, by decree dated March 22, 2016, ordered that all claims must be presented to the fiduciary at the address below. Failure to promptly present any such claim may result in the loss of rights to recover on such claim.

Patricia Alegi, Chief Clerk

The fiduciary is:
Jolanta Badorek
c/o Attorney Charles S. Silver
2505 Main Street, Suite 209A
Stratford, CT 06615
R-A September 29, 2016

PUBLIC NOTICE

Legals/ Public Notices

LEGAL NOTICE
Health Quest System, Inc., Vassar Health Connecticut, Inc., Sharon Hospital Holding Company, and Essent Healthcare of Connecticut, Inc. are filing a Certificate of Need Application pursuant to Section 19a-638(a)(2) of the Connecticut General Statutes. Health Quest Systems, Inc. and Vassar Health Connecticut, Inc., each a non-profit entity, will request CON approval to acquire the assets of Sharon Hospital, located at 50 Hospital Hill Road in Sharon, Connecticut 06069. The cash portion of the consideration being delivered for the assets in connection with the transaction is approximately $5,000,000, subject to certain adjustments for working capital and other matters.
RA 9/28, 28,30, 2016

Valerie B. Denyer
c/o Atty Joseph A. Geremia, Jr.
27 Homes Avenue
P.O. Box 2507
Waterbury, CT 06710

R-A September 29, 2016

LEGAL NOTICE
Health Quest System, Inc., Vassar Health Connecticut, Inc., Regional Healthcare Associates, LLC, and Tri State Women's Services, LLC are filing a Certificate of Need Application pursuant to Section 19a-638(a)(3) of the Connecticut General Statutes. Health Quest Systems, Inc., Vassar Health Connecticut, Inc. or one of their affiliates will request CON approval to acquire the assets of Regional Healthcare Associates, LLC, a private physician practice with locations at 50 Hospital Hill Road in Sharon, Connecticut 06069, 29 Hospital Hill Road, Sharon, Connecticut 06069, 2 Old Park Lane, New Milford, Connecticut 06776, and 64 Maple Street, Kent, Connecticut 06757. In addition, Health Quest Systems, Inc., Vassar Health Connecticut, Inc. or one of their affiliates will request CON approval to acquire the assets of Tri State Women's Services, LLC, a private physician practice with locations at 50 Amenia Road, Sharon, Connecticut 06069, 115 Spencer Street, Winsted, Connecticut 06098, and 76 Church Street, Canaan, Connecticut 06018. These acquisitions are taking place in conjunction with the acquisition by Health Quest Systems, Inc. and Vassar Health Connecticut, Inc. of the assets of Sharon Hospital. The cash portion of the consideration being delivered for the assets in connection with the transaction involving the acquisition of Sharon Hospital and the physician practices is approximately $5,000,000, subject to certain adjustments for working capital and other matters.
RA 9/28,29,30, 2016

Legals/ Public Notices

NOTICE TO CREDITORS
ESTATE OF Jean A. Maurice, AKA Jean P. Maurice, AKA Jean Maurice, (16-00702)

The Hon. Thomas P. Brunnock, Judge of the Court of Probate, District of Waterbury Probate Court, by decree dated September 27, 2016, ordered that all claims must be presented to the fiduciary at the address below. Failure to promptly present any such claim may result in the loss of rights to recover on such claim.

Thomas P. Brunnock, Judge

The fiduciary is:
Julie Palionis
c/o Atty William J. Tracy, Jr.
Furey, Donovan, Tracy & Daly, PC
43 Bellevue Avenue
PO Box 670
Bristol, CT 06011

Date of package: September 29, 2016

Sealed quotations must be received by 11:30 A.M. on October 21, 2016. Immediately thereafter all quotations will be publicly opened and prices read aloud.

VENDORS CURRENTLY REGISTERED UNDER THE STATE'S SMALL BUSINESS SET-ASIDE PROGRAM ARE ENCOURAGED TO BID.

Bid package may be obtained at Judicial Purchasing Services at: 90 Washington St., Hartford or call (860) 706-5200 to request by mail, or access the web site below.

PLEASE CHECK THE JUDICIAL WEB SITE AT:

www.jud.ct.gov/external/news/busopp/

JUDICIAL BRANCH
PURCHASING SERVICES OFFICE
90 WASHINGTON STREET
HARTFORD, CT 06106

An Equal Opportunity/Affirmative Action Employer

R-A September 29, 2016

PUBLIC NOTICE

YOUR RECORDS WILL BE DESTROYED NOTIC
NECTICUT STATE REGULATION 19A-14-44

TO THE PATIENTS/CLIENTS OF MARGARET

PLEASE BE INFORMED THAT MARGARET G
LATE OF NAUGATUCK, CONNECTICUT, DIEI

AN ESTATE HAS BEEN OPENED AT THE N
COURT (PD21) UNDER DOCKET NUMBER 16

IF YOU DESIRE TO OBTAIN YOUR FILE, YOU M
OF THE PUBLISHING OF THIS PUBLIC NOTIC

SCOTT F. LEWIS, ESQ.
LEWIS, LEWIS & FERRARO, LLC
SUITE 202
28 NORTH MAIN STREET
WEST HARTFORD, CT 06107
R-A September 29 & October 6, 2016

Legal Publi

TO
INLAND WET
NOTICE

At its regul
tember 26
land Wetl
took the fo

Approved:
16, Town o
realignme
Town Roac

Dated this
ber, 2016.
Lynn Werr

R-A Septe

WATERBU

SPECI

Notice is
following

Notice is
Planning
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Site Plan
at 117
Lakeville
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s/ Notices

ATION TO BID

'Thomaston Board
n invites interested
ubmit bids to pro-
cessible main en-
homaston Center
Thomas Avenue,
. Bids will be ac-
or before October
1:00 AM. All work
in early SPRING
will be a MANDA-
id meeting at the
tober 13, 2016 at
Contractors must
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. The complete re-
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First Selectman's
naston Town Hall,
treet, Thomaston,
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made payable to
Thomaston.
per 30, 2016

Legals/ Public Notices

INVITATION TO BID

The Town of Thomaston Board of Education invites interested parties to submit bids to provide security man-trap walls at Thomaston High School, 185 Branch Road, Thomaston. Bids will be accepted on or before October 21, 2016 at 10:00 AM. All work to be done in early SPRING 2017. There will be a MANDATORY pre-bid meeting at the site on October 11, 2016 at 10:00 A.M. Contractors must be licensed by the State of Connecticut. The complete request for proposals can be obtained in the First Selectman's Office, Thomaston Town Hall, 158 Main Street, Thomaston, CT with a non-refundable payment of $25 made payable to the Town of Thomaston.
R-A September 30, 2016

Legals/ Public Notices

LEGAL NOTICE

Health Quest System, Inc., Vassar Health Connecticut, Inc., Sharon Hospital Holding Company, and Essent Healthcare of Connecticut, Inc. are filing a Certificate of Need Application pursuant to Section 19a-638(a)(2) of the Connecticut General Statutes. Health Quest Systems, Inc. and Vassar Health Connecticut, Inc., each a non-profit entity, will request CON approval to acquire the assets of Sharon Hospital, located at 50 Hospital Hill Road in Sharon, Connecticut 06069. The cash portion of the consideration being delivered for the assets in connection with the transaction is approximately $5,000,000, subject to certain adjustments for working capital and other matters.
RA 9/28, 28,30, 2016

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.'s joint venture interest in the Harold Leever Regional Cancer Center, Inc. and a change in ultimate control of Saint Mary's Hospital, Inc. to Trinity Health – New England, Inc., a subsidiary of Trinity Health Corporation as approved under OHCA Docket Number 15-32045-CON.
Capital Expenditure: $0
RA 9/29,30,10/1, 2016

Legals/ Public Notices

LEGAL NOTICE

The Conservation Commission of the Town of Salisbury will hold a Public Hearing at 6:30 PM on Tuesday the 4th of October 2016 at the Town of Salisbury Town Hall at 27 Main Street, Salisbury, CT

Application of Dean Haubrich, 144 Millerton Road, Lakeville, CT to replace the existing culvert for a stream in a new location.

This application is on file with the Town Clerk and may be reviewed Monday thru Friday between the hours of 9:00AM and 3:30PM. At this hearing interested persons may be heard and written communications received.

Conservation Commission of Town of Salisbury, Connecticut

Larry Burcroff
Chairman
R-A September 23 & 30, 2016

Legal Notice
Town of Goshen

The financial statements of the Town of Goshen for the fiscal year ending June 30, 2016, have been recorded and are on file in the Town Clerk's Office and are available for public inspection.

Dated at Goshen, Connecticut this 28th day of September, 2016.
Attest: Barbara L. Breor, Town Clerk
RA 9/30/16

Legals/ Public Notices

LEGAL NOTICE
TOWN OF KENT
NOTICE OF WETLANDS AGENT APPROVAL

Pursuant to Section 12.2 of the Regulations, the Town of Kent Inland Wetlands Commission gives notice that its agent has approved Application #1140-16A, Christopher and Karren Garrity, 92 North Main Street, construction of 3' x 5' wooden landing, Map 19 Block 42 Lot 2. Any persons may appeal this decision to the Kent Inland Wetlands Commission within 14 days of this notice by submitting such appeal in writing to the Land Use Office, 41 Kent Green Boulevard, P.O. Box 678, Kent, CT 06757.

Dated this 30th day of September, 2016

Donna M. Hayes
Land Use Administrator
RA 9/30/2016

LEGAL NOTICE
TOWN OF SALISBURY CT
FINAL ACTION OF THE PLANNING & ZONING COMMISSION ON A PROPOSED SUBDIVISION PLAN

at a meeting of the Town of Salisbury Planning & Zoning Commission held on September 26, 2016 entitled "Don Breslauer & Noreen Driscoll" was approved. Map dated June 3, 2016 showing the above subdivision is on file in the office of the Planning & Zoning Commission. Planning and Zoning Commission Of Salisbury
Martin Whalen, Secretary
RA 9/30/2016

Legals/ Public Notices

LEGAL NOTICE
Winchester Inland Wetlands and Watercourses Commission
Notification of Decision

Notice is hereby given that the Winchester Inland Wetlands and Watercourses Agent approved the following activity on September 28, 2016:

1. Remove Existing Concrete Deck and Build New Deck Using Pressure Treated Lumber.
Nieves Home Improvements, LLC
534 West Wakefield Boulevard
Winsted, CT 06098
Map 032, Block 119, Lots 004

For additional information on this approval, please contact the Planning and Community Development Department at Town Hall, 338 Main Street Winsted, CT

Dated at Winchester, CT this 29th day of September, 2016
Steven Sadlowski,
Wetlands Agent
R-A September 30, 2016

PUBLIC TENDER NOTICE

The Town of Salisbury, CT is seeking an experienced Construction/Project Management Firm to oversee an extensive renovation of its Elementary School. Interested/Qualified parties should respond to salisburyctcm@gmail.com for further details. The Town of Salisbury is an Equal Opportunity Employer.
R-A September 23 & 30, 2016

Legals/ Public Notices

Request for Quotation #03-1613

The State of Connecticut Judicial Branch invites qualified contractors to submit quotations to furnish and install vehicle security caging systems in juvenile transportation vans and cars as well as perform repairs to existing caging systems statewide.

Sealed quotations must be received by 11:30 A.M. on Wednesday, October 19, 2016. Immediately thereafter all quotations will be publicly opened and prices read aloud.

VENDORS CURRENTLY REGISTERED UNDER THE STATE'S SMALL BUSINESS SET-ASIDE PROGRAM ARE ENCOURAGED TO BID.

Bid package may be picked-up at Judicial Purchasing Services, 90 Washington Street, 4th Floor, Hartford, CT or call 860-706-5200 to request by mail, or access the web site below.

PLEASE CHECK
THE JUDICIAL WEB SITE AT:

www.jud.ct.gov/external/news/busopp/

JUDICIAL BRANCH
PURCHASING SERVICES
90 WASHINGTON STREET
HARTFORD, CT 06106

An Equal Opportunity/ Affirmative Action Employer
R-A September 30, 2016

Legals/ Public Notices

LEGAL NOTICE

Health Quest System, Inc., Vassar Health Connecticut, Inc., Regional Healthcare Associates, LLC, and Tri State Women's Services, LLC are filing a Certificate of Need Application pursuant to Section 19a-638(a)(3) of the Connecticut General Statutes. Health Quest Systems, Inc., Vassar Health Connecticut, Inc. or one of their affiliates will request CON approval to acquire the assets of Regional Healthcare Associates, LLC, a private physician practice with locations at 50 Hospital Hill Road in Sharon, Connecticut 06069, 29 Hospital Hill Road, Sharon, Connecticut 06069, 2 Old Park Lane, New Milford, Connecticut 06776, and 64 Maple Street, Kent, Connecticut 06757. In addition, Health Quest Systems, Inc., Vassar Health Connecticut, Inc. or one of their affiliates will request CON approval to acquire the assets of Tri State Women's Services, LLC, a private physician practice with locations at 50 Amenia Road, Sharon, Connecticut 06069, 115 Spencer Street, Winsted, Connecticut 06098, and 76 Church Street, Canaan, Connecticut 06018. These acquisitions are taking place in conjunction with the acquisition by Health Quest Systems, Inc. and Vassar Health Connecticut, Inc. of the assets of Sharon Hospital. The cash portion of the consideration being delivered for the assets in connection with the transaction involving the acquisition of Sharon Hospital and the physician practices is approximately $5,000,000, subject to certain adjustments for working capital and other matters.
RA 9/28,29,30, 2016

NOTICE TO CREDITORS
ESTATE OF John R. Draves, of Naugatuck, (16-00337)

The Hon. Peter E. Mariano, Judge of the Court of Probate,

Legals/ Public Notices

Legal Notice
Litchfield Zoning Board of Appeals

The Litchfield Zoning Board of Appeals will hold public hearings on October 4, 2016 at the Town Hall Annex, 80 Doyle Road, Bantam, CT at 7:30 p.m., for the following variance requests:

Case 16-10-1 To discuss and possibly act upon a request from Debra Bennett for Side yard variance of 7 ' from RR Section 2 for a proposed bathroom addition for property at 96 Milton Road

Case 16-10-2 To discuss and possibly act upon a request from David M. Battistoni for Front yard variance of 8' and side yard variance of 12' from RR Section 2 for a proposed attached one car garage for property at 72 Clark Road

Case 16-10-3 To discuss and possibly act upon a request from Tony & Beth Cecchinato for Side yard variance of 3' from HR20 Section 2 for a proposed deck extension for property at 159 West Street.

Case 16-10-3 To discuss and possibly act upon a request from Douglas White for Front yard variance of 46' from RR Section 2 for a proposed barn for property at 20 Osborn Road.

At this hearing interested persons may appear and be heard and written communication will be received. Copies of the applications are on file in the Litchfield Land Use Office located at the Town Hall Annex, 80 Doyle Road, Bantam, Connecticut. Brian Donohue, Chairman
RA 9/20/16, 9/30/16

LIQUOR PERMIT

NOTICE OF REMOVAL
This is to give notice that I,

ATTACHMENT III

Affidavit

Applicant: **Regional Healthcare Associates, LLC**

Project Title: **Transfer of Ownership of Regional Healthcare Associates, LLC & Tri State Women's Health, LLC**

I, [redacted], [redacted]
(Name) (Position – CEO or CFO)

of [redacted] being duly sworn, depose and state that the (Facility Name) 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.

[redacted] 10/17/16
Signature Date

Subscribed and sworn to before me on 10/17/16

[redacted]
Notary Public/Commissioner of Superior Court

My commission expires: 8/4/2020

ROMA L. DANIEL
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY

Affidavit

Applicant: **Tri State Women's Health, LLC**

Project Title: **Transfer of Ownership of Regional Healthcare Associates, LLC & Tri State Women's Health, LLC**

I, Monica Beavers, EVP & CFO
(Name) (Position – CEO or CFO)

of Tri State Women's Health, LLC being duly sworn, depose and state that the (Facility Name) 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 _____ Date 10/17/16

Subscribed and sworn to before me on 10/17/16

Roma L. Daniel

Notary Public/Commissioner of Superior Court

My commission expires: 8/4/2020

ROMA L. DANIEL
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY

Affidavit

Applicant: **Vassar Health Connecticut, Inc.**

Project Title: **Transfer of Ownership of Regional Healthcare Associates, LLC & Tri State Women's Services, LLC**

I, Robert Friedberg, President, of Vassar Health Connecticut, Inc. being duly sworn, depose and state that the Sharon Hospital 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 _____ Date 10/14/16

Subscribed and sworn to before me on October 14, 2016

_____

Notary Public/Commissioner of Superior Court

Virginia Marie DeLillo
Notary Public, State of New York
No. 01DE6136957
Qualified in Ulster County
Term Expires November 14, 2017

My commission expires: 11/14/2017

ATTACHMENT IV

General Information

Name of Applicant:	Name of Co-Applicant:
Regional Healthcare Associates, LLC **Tri State Women's Services, LLC**	**Vassar Health Connecticut, Inc.**

Connecticut Statute Reference:

19a-638(a)(3)

Main Site Applicant #1

MAIN SITE	MEDICAID PROVIDER ID	TYPE OF FACILITY	MAIN SITE NAME
Regional Healthcare Associates, LLC[1]	**N/A**[2]	**Private Physician Practice**	**Regional Healthcare Associates, LLC**

STREET & NUMBER	
50 Hospital Hill Road	
TOWN	**ZIP CODE**
Sharon	**06069**

Main Site Applicant #2

PROJECT SITE	MEDICAID PROVIDER ID	TYPE OF FACILITY	PROJECT SITE NAME
Tri State Women's Services, LLC[3]	**N/A**	**Private Physician Practice**	**Tri State Women's Services, LLC**

STREET & NUMBER	
50 Hospital Hill Road	
TOWN	**ZIP CODE**
Sharon	**06069**

[1] Regional Healthcare Associates, LLC is a multi-site practice with locations at 50 Hospital Hill Road, Sharon; 29 Hospital Hill Road, Suite 1400, Sharon; 29 Hospital Hill Road, Suite 1600, Sharon; 64 Maple Street, Kent; and 2 Old Park Lane, New Milford.

[2] Connecticut Medicaid services at Regional Healthcare Associates, LLC and Tri State Women's Services, LLC are billed using AVRS numbers specific to physician specialties.

[3] Tri State Women's Services, LLC is a multi-site practice with locations at 50 Amenia Road, Sharon; 115 Spencer Street, Winsted; and 76 Church Street, Canaan.

Operator	OPERATING CERTIFICATE NUMBER	TYPE OF FACILITY	LEGAL ENTITY THAT WILL OPERATE OF THE FACILITY (or proposed operator)
	To Be Determined	**Connecticut Medical Foundation**	**Connecticut Medical Foundation that is an affiliate of Vassar Health Connecticut, Inc.**
	STREET & NUMBER		
	50 Hospital Hill Road		
	TOWN		ZIP CODE
	Sharon		**06069**

Chief Executive	NAME		TITLE	
	Robert Friedberg		**President, Health Quest Systems, Inc.**	
	STREET & NUMBER			
	1351 Route 55, Suite 200			
	TOWN		STATE	ZIP CODE
	LaGrangeville		**NY**	**12540**
	TELEPHONE	FAX	E-MAIL ADDRESS	
	(845) 475-9501	**(845) 475-9511**	**rfriedberg@health-quest.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 ☒ NO ☐	**See Exhibit A.**
Does the Applicant have non-profit status? If yes, attach documentation.	YES ☒ NO ☐	**Attached as Exhibit B is evidence of tax-exempt status for Health Quest Systems, Inc.; the Connecticut Medical Foundation entity will apply separately for the same exemption.**
Identify the Applicant's ownership type.	PC ☐ LLC ☒ Corporation ☐	Other: _____
Applicant's Fiscal Year (mm/dd)	Start: **01/01** End: **12/31**[4]	

[4] Both RHA and TWS operate on a fiscal year of January 1 through December 31. The financials of these practices are audited along with Sharon Hospital Holding Company, Inc. and its affiliates, including Essent Healthcare of Connecticut, Inc. d/a/a Sharon Hospital. Acute care general hospital audited financials must be submitted to the Office of Health Care Access on an October 1 through September 30 fiscal year. The Connecticut Medical Foundation being formed by Vassar Health Connecticut, Inc. will follow a similar process with respect to its audited financials. Therefore, for purpose of this submission all references to fiscal years are October 1 through September 30.

Contact:

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

Contact Information			
NAME		TITLE	
David Ping		**Senior Vice President of Strategic Planning & Business Development**	
STREET & NUMBER			
1351 Route 55, Suite 200			
TOWN	STATE	ZIP CODE	
LaGrangeville	**NY**	**12540**	
TELEPHONE	FAX	E-MAIL ADDRESS	
(845) 475-9734	(845) 475-9740	**dping@health-quest.org**	
RELATIONSHIP TO APPLICANT	**Senior VP of Strategic Planning & Business Development for Health Quest Systems, Inc., parent of Vassar Health Connecticut, Inc.**		

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

Prepared by			
NAME		TITLE	
Jennifer G. Fusco		**Attorney**	
STREET & NUMBER			
Updike, Kelly & Spellacy, P.C., 265 Church Street			
TOWN	STATE	ZIP CODE	
New Haven	**CT**	**06510**	
TELEPHONE	FAX	E-MAIL ADDRESS	
(203) 786-8316	**(203) 772-2037**	**jfusco@uks.com**	
RELATIONSHIP TO APPLICANT	**Legal Counsel for Applicants**		

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.

This proposal involves the acquisition of two private physician practices, Regional Healthcare Associates, LLC and Tri State Women's Services, LLC, by a Connecticut medical foundation to be established by Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc. The acquisition is part of a larger transaction involving the sale of Sharon Hospital to Vassar Connecticut. The proposed transaction is a "reverse conversion" that will reestablish Sharon as a not-for-profit hospital after nearly 15 years of for-profit ownership.

In recent years a series of market factors, including ongoing cuts in reimbursement from state funding programs, have threatened the financial viability of the Hospital. Sharon and the Physician Practices have had consistent difficulties recruiting physicians to practice in the area. As a result, the Hospital has seen a decline in inpatient discharges, ED visits, and outpatient visits generally. At the same time the Physician Practices have seen numerous physician retirements, relocations and practice divestitures, resulting in similar volume declines.

Sharon's parent company, RCCH HealthCare Partners, determined that affiliation of the Hospital with a larger regional health system with the ability to recruit specialty physicians would be most beneficial for the Sharon community. After considering several potential purchasers, RCCH determined that Health Quest was the best option for Sharon in terms of proximity, resources and overall fit.

Being a member of the Health Quest system will mean financial assistance and the infusion of capital in infrastructure and technology upgrades that will benefit both Sharon and the Physician Practices; enhanced local governance to include appointees of the Foundation for Community Health; coordinated access to tertiary services at Health Quest system hospitals; additional physician recruitment resources; and the relocation of Health Quest physicians from New York to bridge coverage gaps in Sharon.

With the availability of Health Quest system resources, Sharon Hospital and the Physician Practices will remain viable community health providers in a remote part of the state where healthcare options are limited.

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:

This proposal involves the transfer of ownership of Regional Healthcare Associates, LLC ("RHA") and Tri State Women's Services, LLC ("TWS") (collectively the "Physician Practices") to a Connecticut medical foundation that will be operated by an affiliate of Vassar Health Connecticut, Inc. ("Vassar Connecticut"). Vassar Connecticut is a newly formed Connecticut non-stock corporation and a subsidiary of Health Quest Systems, Inc. ("Health Quest"). Sale of the Physician Practices is part of a larger transaction involving purchase of the assets of Sharon Hospital ("Sharon" or the "Hospital") by Vassar Connecticut. Sharon is currently owned by Essent Healthcare of Connecticut, Inc. ("Essent Connecticut"), a subsidiary of RegionalCare Hospital Partners, Inc. ("RCHP"). The proposed transaction is a "reverse conversion" that will reestablish Sharon as a not-for-profit hospital and a member of the Health Quest system operating out of Eastern New York state. The transfer of ownership of the Hospital is the subject of a separate CON filing in accordance with Section 19a-638(a)(2) of the Connecticut General Statutes.

Background on the Physician Practices & Health Quest

The Applicants propose to bring Sharon under the ownership of a regional hospital system, restoring local, non-profit ownership after nearly 15 years of ownership by a for-profit system based out of Tennessee. As part of this transaction, Health Quest intends to acquire the Physician Practices and establish a Connecticut medical foundation that will operate similar to, and in conjunction with, the Health Quest Medical Practice ("HQMP") in New York (the "Medical Foundation") (collectively with the Physician Practices and Vassar Connecticut the "Applicants").

Sharon Hospital, Regional Healthcare Associates & Tri State Women's Services

Sharon Hospital is a duly licensed, 78-bed acute care general hospital located at 50 Hospital Hill Road in Sharon, Connecticut. Sharon became the first for-profit acute care general hospital in the State of Connecticut when it was acquired by Essent Connecticut in 2002, after approval by the Attorney General and Commissioner of Public Health (Docket No. 01-486-01). Although it is one of the smallest hospitals in the state by licensed bed count, Sharon provides a full

complement of hospital services to the local community. RHA and TWS are private group practices, owned by individual physician members, with office locations in and around the Sharon area. The Hospital's direct parent Sharon Hospital Holding Company ("SHHC") is a party to Services Agreements with RHA and TWS whereby SHHC provides management, billing, contracting, and other administrative services to the Physician Practices. The relationship between Sharon and the Physician Practices is discussed in greater detail below.

RHA is a multi-specialty practice with offices in Sharon, Kent and New Milford. These offices include Regional Orthopedics & Sports Medicine in Sharon; Sharon Surgical Associates in Sharon; Regional Family Care (a/k/a Sharon Primary Care) in Sharon; Kent Primary Care in Kent; New Milford OB/GYN in New Milford; and Associated Northwest Urology in Sharon and New Milford. The practice provides primary care, general surgery, orthopedic surgery, hospitalist medicine, obstetrics and gynecology, and urology services. RHA is owned by two (2) physician members, A. Martin Clark, M.D. and Leonard Astrauskas, M.D. The practice currently employs eleven (11) physicians and ancillary providers (and contracts with certain other specialty providers), which qualifies it as a large group practice for purposes of Section 19a-630(10). RHA serves more than 15,000 patients from Northwest Connecticut and the Mid-Hudson Valley region of New York. The Primary Service Area ("PSA") for RHA includes the towns of Kent, Salisbury, New Milford, Sharon, Cornwall, North Canaan, Canaan, and Torrington, Connecticut and Dover, Amenia, and North East, New York.

TWS is an OB/GYN practice with offices in Sharon, Canaan, and Winsted. TWS operates under the name Sharon OB/GYN associates and is part of the Women's Health Connecticut ("WHC") network. TWS is owned by three (3) physician members, Joshua Jaffe, M.D., Robert Schnurr, M.D., and Howard Mortman, M.D. TWS serves more than 5,000 patients in Northwest Connecticut and the Mid-Hudson Valley region of New York. The PSA for TWS includes the towns of North Canaan, Salisbury, Torrington, Sharon, Winchester, Canaan, Cornwall, Norfolk, and Kent, Connecticut and Dover, Amenia, North East, Washington, and Pine Plains, New York. The practice currently employs four (4) physicians specializing in OB/GYN. TWS is not, by definition, a large group practice for OHCA purposes. Certificate of Need ("CON") approval is not, therefore, required for the transfer of ownership of TWS. TWS has been included as an applicant in this CON because it will be combined with RHA (a large group practice requiring CON approval to transfer) into a Connecticut Medical Foundation. Notwithstanding the foregoing, the members of TWS reserve their right to transfer ownership of the practices without CON approval.

Sharon supports the Physician Practices through a variety of administrative functions. While the members of the Physician Practices maintain the sole authority to practice medicine, they have delegated operational management of the practices to the Hospital (in the case of RHA) and the Hospital and WHC (in the case of TWS). With respect to RHA, Sharon provides senior management to the practice, which includes recruiting and training a professional management team to oversee practice operations, billing operations and staff recruitment/training. Practice physicians are updated on a regular basis on the operational and fiscal performance of the practice, as well as future initiatives that the practice is exploring to further the Hospital's support of the community. The senior management team of the practice strategically works with the practice physicians and Hospital to ensure that the practice is meeting its goal of supporting

the healthcare needs of the community. Sharon also supports the practice in day-to-day operations through accounting, supply procurement, acquiring office space/securing leases, payroll, human resources, information technology, accounts payable, marketing and other general business/operations functions. The Hospital's role with TWS is more limited. Sharon provides materials and recruitment services, while WHC provides day-to-day management services such as accounting, payroll, billing, human resources, and the like.

Health Quest Systems

Health Quest, headquartered in LaGrangeville, New York, is a leading non-profit healthcare system in the Mid-Hudson Valley. The network includes three medical centers: Vassar Brothers Medical Center in Poughkeepsie, Northern Dutchess Hospital in Rhinebeck, and Putnam Hospital Center in Carmel. It also includes Health Quest Medical Practice, Health Quest Urgent Care, and several affiliates, including Hudson Valley Home Care (a home health care agency), The Thompson House (a skilled nursing facility), and The Heart Center. Health Quest comprises 597 licensed beds and has more than 5,000 employees.

Below is a description of core services provided at each of the existing Health Quest hospitals in New York, as well as the Health Quest Medical Practice and other system providers:

- Vassar Brothers Medical Center ("VBMC") – VBMC is a 365-bed acute care hospital located in Poughkeepsie, New York. It is the tertiary referral center for the mid-Hudson Valley. The key service lines include cardiovascular (open heart surgery, transcatheter aortic valve replacement (TAVR), cardiac catheterization, electrophysiology, PTCI) neurosciences (neurosurgery, neuro-interventional, stroke center designation), oncology (Dyson Center for Cancer Care, radiation oncology, medical oncology, surgical oncology, thoracic oncology, breast oncology, GYN oncology, infusion and chemotherapy, clinical trials), orthopedics (joint replacement, makoplasty, spine program) and women's and children's (LDR, perinatology and Level 3 NICU). In addition, VBMC is a Level 2 Trauma Center. VBMC is also a center for minimally invasive surgery, equipped with two daVinci robots and a Navio robotics system for some orthopedic procedures. VBMC broke ground in September 2016 on a $510 million construction project that will replace all of its medical surgical beds with private rooms, replace its emergency department and develop an interventional floor for surgery, TAVR, cardiac catheterization and other interventional procedures.

- Northern Dutchess Hospital ("NDH") – NDH is a 68-bed acute care hospital located in Rhinebeck, New York. NDH completed and opened a nearly $50 million construction project in February of 2016. This project replaced medical surgical beds with all private rooms, replaced all of the hospital's surgical operating suites and added nearly 25,000 square feet of medical office space. NDH provides a wide range of services to its community, but is best known for its orthopedics and women's services. Included in its bed complement is an 11 bed CARF accredited rehabilitation unit. NDH also has a daVinci robot for minimally invasive surgery and uses a Navio robotics system for some of its joint replacement procedures.

- Putnam Hospital Center ("PHC") – PHC is a 164-bed acute care facility located in Carmel, New York. In 2010, PHC opened a new wing that replaced the majority of its medical surgical beds with private rooms, added a cancer center, medical office space and a conference center. PHC has a specialty in orthopedics and also has an inpatient adult behavioral health unit.

- Health Quest Medical Practice ("HQMP") – HQMP is the employed physician group of Health Quest. HQMP has been in existence since 2008. In that time it has grown to more than 300 providers located throughout the Health Quest service area. It offers physician services in 27 specialties, including primary care and OG/GYN. It offers hospitalist and intensivist services in Health Quest system hospitals. In addition, HQMP employs pathologists and a variety of medical and surgical specialists (see Exhibit C). HQMP has two (2) urgent care centers, 14 primary care locations and five (5) OB/GYN offices. Last year HQMP saw approximately 250,000 unique patients.

- The Heart Center ("THC") – THC is a practice unit for Health Quest's 28 cardiologists. THC has offices in Rhinebeck, Poughkeepsie, Kingston, and Orange County. It provides comprehensive cardiology services to the patients in Health Quest's service area and beyond.

- The Thompson House a/k/a Northern Dutchess Rehabilitation Facility ("TTH") – TTH is a 100-bed skilled nursing facility located on the campus of Northern Dutchess Hospital. It is three-star rated for quality by CMS. Included in its 100 beds is a 20 bed sub-acute unit.

Vassar Connecticut and the Health Quest system, as tax-exempt organizations, care for all patients, regardless of their insurance coverage or ability to pay for services. The company's mission is to deliver exceptional healthcare to the communities it serves. Health Quest's vision is to be the region's leading healthcare organization recognized nationally for its quality, safety, service and compassion. This region will now include Northwest Connecticut, in particular the greater Sharon community. Health Quest's dedication to and investment in people, technology and facilities, distinguishes it as the provider of choice for patients, families and employees. Its mission and vision are attained through the commitment and motivation of the company's leaders, employees, physicians, and volunteers.

Health Quest's core set of values inform its decisions and behaviors and reflect the company's primary objective of putting patients and their families first. These include:

- Respect – *We treat everyone with dignity.*
- Excellence –*We strive to achieve increasingly higher standards in quality, safety, service and compassion.*
- Accountability – *We recognize that each employee plays a significant role in meeting the needs of our patients, and take ownership for our actions and our commitments.*
- Compassion – *We believe that the nature of our roles requires us to extend empathy to our patients, their families, and each other.*
- Honor – *We support each other and work as a team. We celebrate and acknowledge*

individual and collective success, and demonstrate integrity in everything we do.

Decision to Sell Sharon & the Physician Practices; Clear Public Need for Sale

As previously mentioned, Sharon became the first for-profit acute care hospital in Connecticut in 2002, when it was acquired by Essent Connecticut. Essent Connecticut was a subsidiary of Essent Healthcare, Inc. ("Essent"), a for-profit hospital system that focused on the acquisition and operation of "essential" community hospitals.[5] Sharon was struggling to survive as a non-profit and the Essent acquisition brought about much needed management expertise and capital investments in infrastructure and technology. This included, notably, a complete overhaul and modernization of the Hospital's Labor and Delivery Unit and Emergency Department and the acquisition and fit-out of a new MRI scanner to serve Sharon area patients.

Since acquiring the Hospital RCCH and its predecessor companies have been dedicated to and enjoyed providing a full range of acute care services to meet the needs of the citizens in Sharon and Northwest Connecticut. In recent years a series of market factors, including ongoing cuts in reimbursement from state funding programs, have threatened the financial viability of the Hospital, as reflected in its audited financial statements filed with OHCA. Inpatient discharges, outpatient visits, ED visits, and surgical volume are down. Net losses have increased from ($1.41) million in FY 2014 to an estimated ($3.18) million in FY 2016. Some of the primary drivers of the incremental net loss in recent years have been increases in self-pay activity driving up bad debt provisions; provider tax increases; and physician coverage-based costs for specialty call services.

At the same time, the Physician Practices are also experiencing net income losses, which are accounted for as Hospital losses in the audited financial statements (although attributed to the Physician Practices in Financial Worksheet B for purposes of this CON). In FY 2016, the Physician Practices combined lost ($3.36) million. These losses are largely driven by physician salaries. Given the remoteness of Sharon's service area, the Physician Practices must invest in many disciplines that are not revenue drivers for the practice (i.e. hospital-centric practices, cardiology, hospitalists, surgery). The professional fees billed do not make up enough revenue to cover the cost of provider salaries, staff, benefits, and insurance.

The ability to recruit and retain physicians to rural Sharon is becoming more challenging as larger competing systems make inroads into the community. The difficulties that the Hospital faces with recruitment were evident with the loss of its sleep center, which was forced to close in 2015 after the Medical Director relocated out of state and the Hospital was unable, despite its best efforts, to recruit a replacement (see Docket No. 15-32014-CON). Similar circumstances led to the aforementioned closure of the Yale-New Haven Hospital oncology service at Sharon in 2015 (see Docket No. 14-31969-CON). The Physician Practices have also had significant issues recruiting cardiologists to practice in the area. There is only one cardiologist presently and it

[5] Essent has undergone several parent-level restructurings since the Sharon acquisition. This included a merger with RCHP in 2011, as well as the 2016 merger of RCHP and Cappella Health to form RCCH Hospital Partners. Throughout these transitions, the governance and control of Essent Connecticut and Sharon Hospital has remained unchanged.

takes up to six (6) weeks to get an appointment. Similarly, there is a demand for endocrinology services in the area, but no providers willing to practice this specialty in Sharon. Some of the factors that contribute to difficulty in physician recruitment are the lack of a support structure necessary to operate s successful practices and quality of life issues related to provider call (i.e. having only one provider who is on-call every day).

In response to these pressures RCCH conducted an ongoing review of a wide range of strategic options to further community needs, and concluded that the best result for the families in Sharon and surrounding communities was to affiliate with a larger regional health system.[6] Such an affiliation would help identify a number of specialty physicians that RCCH has not been able to offer the community as a standalone facility. Through a careful process of evaluation RCCH identified several systems with the financial wherewithal to grow the Hospital in the future. These included both not-for-profit and investor-owned entities. They included in-state systems, as well as out-of-state companies pursing expansion opportunities in-state. At the end of the day, RCCH determined that Health Quest was the best option for Sharon in terms of proximity, resources and overall fit.

The decision was made to include the Physician Practices in the transaction because of Health Quest's history operating a successful medical practice in New York. Rather than move forward with services agreements similar to what is in place currently with the Physician Practices, Health Quest will acquire the Physician Practices and operate them a Connecticut Medical Foundation similar to HQMP in New York.

Benefits to the Community of Health Quest Ownership of Sharon Hospital & Operation of the Physician Practices as a Connecticut Medical Foundation

Integration of the Hospital and Physician Practices into the Health Quest system will help address the fiscal and operational issues that formed the basis of RCCH's decision to sell. This transaction contemplates the immediate and strategic infusion of capital by Health Quest in Sharon. This is made possible, in part, by grant funds that would not otherwise be available to the Hospital as a for-profit entity. In addition, Health Quest expects to see efficiencies at both the Hospital and the Physician Practices resulting from shared corporate and administrative services. Sharon area patients will have enhanced access to higher quality care, including tertiary services, within the Health Quest system. Moreover, becoming a member of Health Quest is expected to result in increased referrals to Sharon and the Physician Practices for hospital and physician services. At the same time, Health Quest has the resources necessary to assist in recruiting high-quality physicians to practice in and around Sharon, including existing members of HQMP.

Financial Assistance, Resource Sharing & Other Cost-Saving Measures

The Foundation for Community Health, Inc. ("FCH") will be issuing two separate grants to fund a portion of the purchase price for Sharon and the Physician Practices (the "Asset Purchase

[6] Sale of Sharon was considered only after the Hospital had achieved all of the cost-savings it could by maximizing operational efficiencies, lowering supply costs through group purchasing, and curtailing underutilized services, to name a few measures undertaken by RCCH and Essent Connecticut.

Grant") and to cover direct cost outlays associated with Health Quest's strategic investment in the Hospital (the "Working Capital Grant"). FCH is the non-profit community foundation formed with the charitable assets of the original Sharon Hospital when it was converted to for-profit in 2002. As a "conversion" foundation, FCH received the net proceeds of the sale of the non-profit Sharon Hospital and was designated as the recipient of all non-restricted income from legacies left in wills and from trusts that were originally designated to go to the former Hospital. FCH's mission is to maintain and improve the physical and mental health of the residents of the area historically serviced by the non-profit Sharon Hospital. FCH is a leader and catalyst for the development of innovative and effective rural health delivery systems that focus on prevention, access and well-developed community-level collaborations. FCH accomplishes its mission through collaboration and advocacy, providing grant funds, convening stakeholders, evaluating existing healthcare services, making program-related investments, and conducting research, to name a few things.[7]

The total amount of the grant being awarded by FCH to Health Quest in connection with this transaction is $9 million. The Asset Purchase Grant will supply $3 million of the $5 million cash portion of the purchase price being paid by Vassar Connecticut for the Hospital and Physician Practices. The remaining $6 million comprises the Working Capital Grant. This money will be disbursed in annual installments over a period of three (3) to four (4) years after the closing. It can be used for strategic investments including, but not limited to, direct physician and provider costs, strategic equipment, facility upgrades, ambulatory networks, information technology infrastructure, and other programmatic investments, many of which will benefit the Physician Practices. Expenditures made with the grant funds must be of specific and direct benefit to Sharon and cannot be used for Health Quest system-wide improvements that also benefit the Hospital. Health Quest will evaluate its capital investment annually however it expects to invest on average $5 million (inclusive of the Working Capital Grant funds) in capital improvements for the Hospital and Physician Practices during each of the first five (5) years of operation.

In addition, the new Medical Foundation will be able to avail itself of Health Quest's corporate services, which should allow for greater operating efficiencies and reduce costs. The centralized services available to the Physician Practices under Health Quest ownership will include compliance, quality, finance, purchasing, patient and employee experience, and planning. This process of standardizing operations will begin while Health Quest is managing the day-to-day operations of the Hospital pursuant to the Management Agreement signed contemporaneous with the Asset Purchase Agreement, which was effective October 1, 2016. Health Quest will introduce Sharon and the Physician Practices to its internal processes and offer its corporate resources to ensure a smooth transition post-closing.

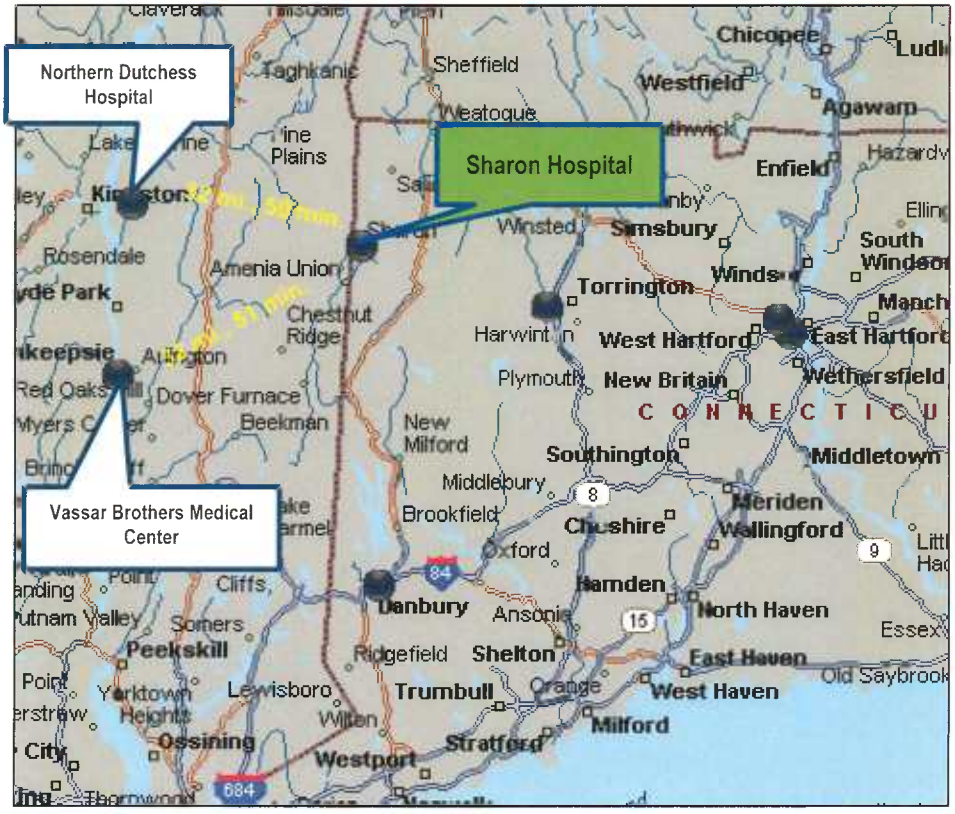
As discussed above, Sharon's net income losses grew from ($1.41) million in FY 2014 to ($3.18) million in FY 2016. Losses by the Hospital and Physician Practices combined without this proposal are projected to continue in subsequent years. With the Health Quest proposal to purchase Sharon and the Physician Practices and convert them to non-profit entities, the Hospital will show significant gains in income beginning in FY 2017. These gains will off-set Physician Practice losses by FY 2018. This financial turnaround is possible because of:

[7] Source: www.fch.org

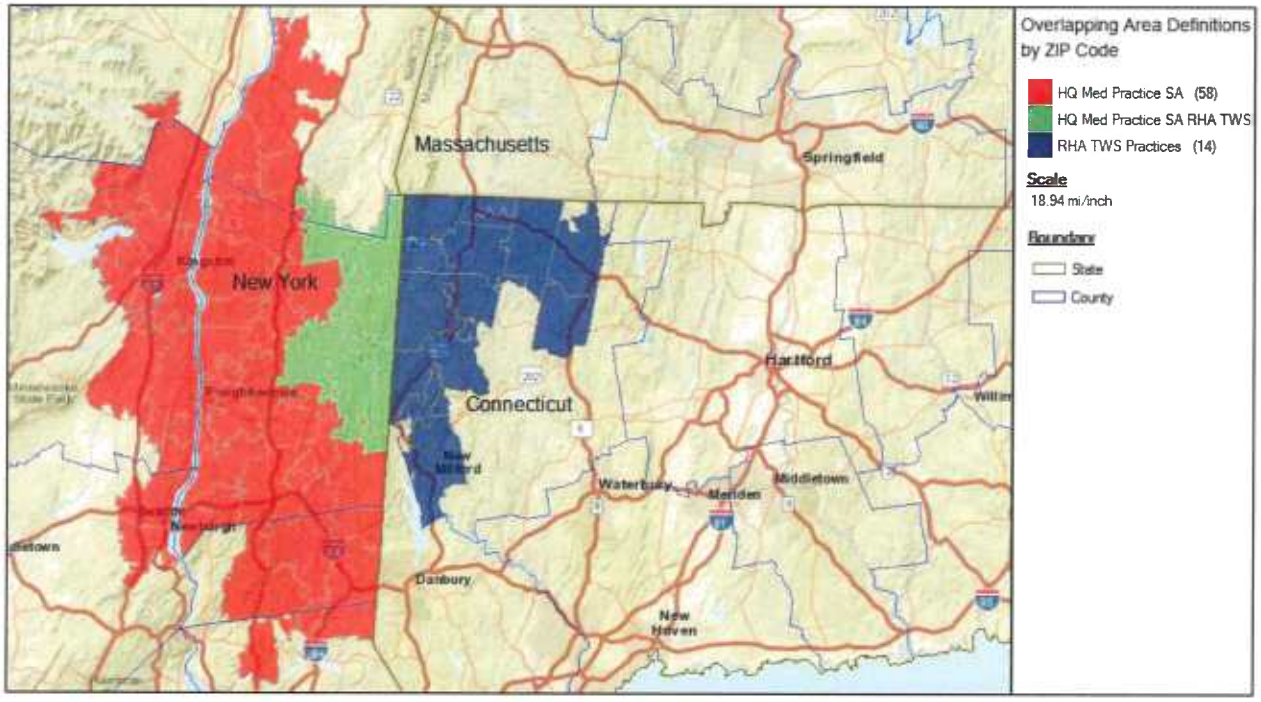
- The increase in both inpatient discharge and outpatient visit volume at the Hospital. This is possible because of the successful recruitment of additional physicians to the Sharon area by Health Quest. In addition, in order to alleviate capacity issues at VBMC and NDH, Health Quest is going to decant volume from these hospitals to Sharon when medically appropriate to do so. This will involve patients residing east of the Taconic in areas that are closer to Sharon than VBMC or NDH. VBMC also anticipates sending geropsychiatric patients to Sharon because this service is not available elsewhere within the Health Quest system. This will result in more patients being treated locally and increased patient revenue;
- Scalable administrative opportunities to improve operating efficiency through synergistic alignment within the Health Quest operating structure. This includes, but is not limited to: (a) technological enhancements (i.e. EHR); (b) improved supply chain management and buying power; and (c) regional system alignment.

Enhanced Access To and Quality of Healthcare in Sharon Region

Bringing the Hospital and Physician Practices into the Health Quest system will improve the quality of healthcare for Sharon area residents. It will enhance access to the tertiary service offerings available at VBMC in particular. Health Quest is a natural fit for Sharon given its geographic footprint. Patients from the Sharon area can access VBMC and NDH in just over 50 minutes by car, as the map below indicates.



The proximity of Health Quest system providers to Sharon results in an overlap in service areas among the various Health Quest hospitals and physician practices and their counterparts in Sharon. As the map below shows, there is substantial service area overlap between HQMP and the Physician Practices along the New York border (green shaded area).



When appropriate, patients of Sharon and the Physician Practices will be sent or transferred to VBMC for a higher level of care. VBMC has the closest open heart surgery program (top 10 provider in New York State for each of the last 10 years), the closest interventional cardiac catheterization program (door-to-balloon times better than national standards at 59.9 minutes), the closest Level 3 neonatal intensive care unit, and the closest neuro-interventional program to treat stroke patients, to name a few. Numerous studies have shown that the shorter the time to treat heart attacks and strokes, the better the patient outcomes. Having programs in heart and stroke, which are also award winning for quality, available as part of the Health Quest system will be of benefit to those individuals residing in the Sharon area. Once the Hospital and Physician Practices are part of the Health Quest system, patients who are seen at Sharon will receive tertiary services at VBMC in a carefully coordinated manner, with physicians and staff on each end working as part of an integrated team, following similar protocols, policies and procedures, and having access to common electronic health records ("EHR") once requisite IT upgrades have been accomplished at the Hospital and Physician Practices. The same holds true for services obtained by Sharon area residents at any Health Quest hospital or facility.

The Medical Foundation will also tap the resources of HQMP, the Health Quest employed physician medical group, to recruit additional providers to the Sharon service area. HQMP employs more than 300 providers. Primary care (general internal medicine, family practice); obstetricians and gynecologists, orthopedic surgeons, cardiologists, and oncologists will be high

priority recruitments. A number of HQMP physicians will also be expanding their practices into the Sharon area. Recruiting additional physicians and relocating HQMP physicians to practice in the Sharon area will greatly improve the quality of care available to the community and generate additional patient volume at the Hospital, improving Sharon's overall financial condition. This process will be made easier by the service area overlap between Health Quest and the Sharon entities as shown in the map above.

Note also that other providers within the Health Quest system will benefit from the expanded relationship with Sharon and the Physician Practices, thus strengthening the healthcare delivery system in Eastern New York and Northwestern Connecticut. When the best interest of a patient dictates it, the patient may be referred from the Sharon area to one of the Health Quest hospitals, TTH, HQMP, or THC. THC intends to open an office in Sharon to treat cardiology patients locally. Patients that require cardiac catheterizations, PCIs, cardiac surgery or other advanced cardiac diagnostic and treatment services will be referred to VBMC when appropriate. HQMP intends to open an office locally and place primary care physicians, OB/GYNs, surgeons and medical oncologists (in addition to the recruitment of physicians to practice with the newly formed Medical Foundation). The goal of this will be to treat patients at Sharon. Again, if a patient needs advanced services, that patient will be transferred to VBMC, if appropriate and consistent with patient choice. NDH may benefit from the transfer of patients to its CARF accredited rehabilitation unit and TTH might see transfers of patients to either its sub-acute unit or the skilled nursing beds there. These patients might have gone elsewhere for their services but for the relationship between Sharon and other providers within the Health Quest system.

Moreover, conversion of the Hospital and Physician Practices to tax-exempt entities will improve access to healthcare services for all area residents. As non-profits, Vassar Connecticut and the Medical Foundation will accept all patients, regardless of their insurance or ability to pay for their care. This includes Medicaid recipients and uninsured/underinsured patients. In addition, in order to maintain its tax-exempt status, Vassar Connecticut will be required to conduct a Community Health Needs Assessment ("CHNA"), which it will file with OHCA, to determine how best to meet the healthcare needs of the Sharon community. Health Quest expects to perform an initial community benefit analysis soon after its purchase of Sharon, after which the Hospital will be placed on the same review cycle as the other system hospitals.

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:

As previously mentioned, in response to ongoing financial pressures and issues with recruitment and retention of physicians to practice in rural Sharon, RCCH decided that it would be better for the community if the Hospital was affiliated with a larger regional health system. RCCH identified several systems with the financial wherewithal to grow the Hospital, including both not-for-profit and investor-owned entities. They included in-state systems, as well as out-of-state companies pursing expansion opportunities in-state. Discussions with Health Quest about the acquisition of Sharon included the acquisition of RHA and TWS and the creation of a medical foundation through which to operate the Physician Practices as system assets going forward.

RCCH and Health Quest began their discussion regarding purchase of the Hospital and Physician Practices in June of 2014. The parties spent several months conducting preliminary due diligence, after which the transaction was placed on hold while other potential purchasers were considered by RCCH. Discussion between RCCH and Health Quest resumed in the spring of 2015, and over the course of the last 18 months the parties have completed due diligence and negotiated the terms of the sale. The definitive documents were signed on September 13, 2016, after which Essent Connecticut, Vassar Connecticut and related entities published notice of their intent to request CON approval for the transfer of ownership of Sharon and the Physician Practices on September 28, 29 and 30, 2016. Vassar Connecticut has also met with representatives of the Department of Public Health ("DPH") regarding licensure requirements and is in the process of arranging for the transfer or receipt of the additional regulatory approvals required to operate the Hospital.

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:

   See OHCA Tables 1.

   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:

   See OHCA Tables 2. The PSA towns comprise the lowest number of contiguous zip codes that accounted for at least 75% of each Physician Practice's overall visit volume in FY 2016.

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

   RESPONSE:

   Not applicable. The practices will operate as a Connecticut medical foundation pursuant to Section 33-182bb of the General Statutes. Medical foundations are not licensed by the Department of Public Health.

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:

Not applicable. RHA and TWS are private physician practices, which are not licensed by DPH. Nor does the Connecticut Medical Foundation that Vassar Connecticut will establish to operate these entities post-closing require separate DPH licensure.

   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:

Curriculum Vitae for the following individuals are attached as Exhibit D:

- Robert Friedberg, President, Health Quest Systems, Inc.
- Glenn Loomis, M.D., Chief Medical Operating Officer, Health Quest Systems, Inc. and President, Helath Quest Medical Practice
- Gary Zmrhal, Senior Vice President and Chief Financial Officer, Health Quest Systems, Inc.
- David Ping, Senior Vice President of Strategic Planning and Business Development, Health Quest Systems, Inc.
- Robert Diamond, Chief Information Officer, Health Quest Systems, Inc.
- Michael Holzhueter, Esq., Senior Vice President and General Counsel, Health Quest Systems, Inc.
- Peter Cordeau, President and Chief Executive Officer, Sharon Hospital
- Christian Bergeron, Chief Financial Officer, Sharon Hospital
- Lori Puff, Chief Nursing Officer, Sharon Hospital
- Christopher Miller, Director, RHA & TWS

   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. The CON Application involves the transfer of ownership of the Physician Practices and not the establishment of a new service.

d. letters of support for the proposal;

RESPONSE:

See Exhibit E. With respect to letters that are unsigned, signed versions are forthcoming and will be provided to OHCA as they are received.

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.

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:

Attached as Exhibit F are copies of the following agreements related to the proposed transfer of ownership of the Physician Practices:

- Asset Purchase Agreement, dated September 13, 2016;
- Management Agreement, dated September 13, 2016.

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:

The Department of Public Health, Office of Health Care Access Division has not yet established policies and standards in regulation concerning the transfer of ownership of physician practices. Notwithstanding, this proposal improves the quality, accessibility and cost-effectiveness of care, ensures the continued existence of physician services in a rural community, brings these services under the auspices of a not-for-profit entity that provides services to all individuals regardless of ability to pay consistent with its mission, and promises the enhancement of technology,

equipment, services, and resources for the benefit of Sharon area residents. All of this is consistent with the statutes that guide OHCA's decision making process for CON requests, as well as the objectives of the Statewide Healthcare Facilities and Services Plan ("SHP") as discussed below.

§ "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 proposed sale of Sharon and the Physician Practices to Vassar Connecticut aligns with many of the goals, objectives and guiding principles of the 2012 Statewide Healthcare Facilities and Services Plan and the 2014 Supplement ("SHP Supplement"). One of the primary purposes of the SHP is to examine access to and utilization of facilities and services state-wide and determine how best to distribute healthcare resources in order to serve those in need and keep the system financially viable.

The SHP aims to provide "better access to services through planned geographic distribution" and ensure that "overall access to quality health care" is maintained (SHP, pp. 1, 2). As previously mentioned, access to physician services in the Sharon area, in particular specialty services, is limited. There is a need to ensure that RHA and TWS remain viable so that their physicians are available to maintain access to care for area residents. Vassar Connecticut and Health Quest can help to make this possible through their regional resources.

The SHP also seeks to "enhance primary care access and availability" and promote "equitable access to health services (e.g., reducing financial barriers, increasing availability of physicians) and facilitate access to preventive and medically necessary healthcare" (SHP, pp. 1, 2). In addition, the SHP supports the need for "a sufficient health care workforce that facilitates access to the appropriate level of care in a timely manner (e.g., optimal number of primary and specialty provider)" (SHP, p. 2). As previously mentioned, Vassar Connecticut intends to place HQMP physicians in the Sharon area and to recruit new physicians to practice locally and maintain Medical Staff privileges at the Hospital. Recruitment of physicians has been extremely difficult under Essent Connecticut ownership because of the Hospital's remote location and the absence of a regional network of RCCH hospitals in the Northeast. Physician recruitment will focus not just on specialty physicians, but on enhancing the primary care network in the Sharon area. This increased availability of physicians will promote equitable access to care in an appropriate and timely manner. Moreover, the Health Quest relationship will allow patients from the Sharon area to receive tertiary services in a more coordinated fashion at other system hospital such as VBMC. This will also support equitable access to appropriate care for resident of the service area.

The SHP also encourages "collaboration among health care providers to develop health care delivery networks," particularly on a regional level (SHP, p. 2). The inability to collaborate

regionally under RCCH leadership was a significant issue for Sharon that impacted its ability to deliver services and remain financially strong. Bringing the Hospital and Physician Practices into the Health Quest system will "promote and support the long term viability of the state's health care delivery system," including the long term viability of Sharon and its ability to continue to serve the needs of a community with no other hospital option (SHP, p. 2).

§ "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 includes patients from the PSA of the Physician Practices as set forth in OHCA Tables 2. According to the Truven Health Analytics data attached as Exhibit G, the combined service area has a population of 114,598. A majority of residents (62%) are over the age of 35, with roughly equal numbers of men and women. While the service area population is in a slight decline, a significant percentage of the population (35%) is over the age of 55, with this number projected to reach 38.9% by FY 2021. The population is largely white (84.5%) and 29.9% of residents are college educated. The average household income is nearly $90,000.

Note also that FCH conducted a Study of Community Health Needs in October of 2014 (the "Assessment") (see Exhibit H). The Assessment identifies certain specific health considerations among the population surveyed, which includes residents of Litchfield County in Connecticut and Columbia and Dutchess Counties in New York. These include rising substance abuse rates, including the abuse of prescription drugs and cheaper opiate substitutes, and obesity, especially among children and youth.

The Assessment also remarks on the unique health challenges faced by Hispanics, the region's largest non-white population, including transportation, cost and communication barriers, as well as lack of awareness of services. Moreover, the Assessment cites the higher proportion of seniors in the service area as compared with other counties in Connecticut and New York. Seniors face many of the same barriers to access as other vulnerable populations. In addition, they often face challenges such as social isolation, memory loss and unwillingness to accept services. Insufficient follow-up care for seniors after a hospital stay is another identified concern.

As previously mentioned, Health Quest will conduct its own CHNA after purchase of the Hospital and Physician Practices is complete. The assessment will further identify and clarify significant health issues in the Sharon area, vulnerable populations, and barriers to access faced by these individuals.

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

RESPONSE:

The target population for this proposal is currently receiving services at Sharon and/or the Physician Practices. Alternatively, patients may be traveling outside of the service area for physician services that are not available in and around Sharon due to the recruitment issues discussed previously.

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

RESPONSE:

Not applicable. This proposal does not involve the acquisition of new equipment or the establishment of a service. The clear public need for the sale of the Physician Practices to the Medical Foundation is detailed in Response to Question 1 (Project Description) above.

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

RESPONSE:

Not applicable. Applicants are not proposing a new facility or service location. A discussion of the needs of the greater Sharon service area, and how addition of the Physician Practices to the Health Quest system will help meet those needs, is included in Response to Question 1 (Project Description) above.

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

RESPONSE:
See Response to Question 8a above. See also FCH's CHNA attached as Exhibit H and Truven Health Analytics data attached as Exhibit G.

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

RESPONSE:

Health Quest has a history of providing services to all patients in a non-discriminatory fashion. The company does not discriminate against patients in the provision of healthcare services at its hospitals, skilled nursing facility or physician practices based upon race, color, national origin, sex, age, or disability. Health Quest is fully compliant

in this regard with Section 1557 of Patient Protection and Affordable Care Act. Health Quest will bring its commitment to serving these individuals to its ownership of the Physician Practices as a non-profit medical foundation. As mentioned above, the FCH Assessment of health needs in the greater Sharon area identified Hispanics as the largest non-white population and identified certain barriers to access faced by these individuals. Health Quest will work to ensure that these individuals have meaningful access to healthcare services despite any language issues and address any other barriers to access that they might encounter.

In addition, as a non-profit health system, Health Quest provides services to all individuals regardless of payer status or ability to pay. This includes participation with Medicare and Medicaid and the care and treatment of many uninsured and underinsured individuals. Medicare patients accounted for 22.4% of office visits for the Physician Practices combined in FY 2016. Medicaid and uninsured individuals accounted for 19.7% of visits in FY 2016 for the Physician Practices. According to Truven Health Analytics data, 37.5% of the service area population has a median household income of less than $50,000 per year (see Exhibit G). The Physician Practices have historically treated governmentally insured and low income patients and will continue to do so under the Medical Foundation's ownership as part of the non-profit Health Quest system.

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

RESPONSE:

Vassar Connecticut and Health Quest intend to recruit cardiologists, OB/GYNs, surgeons, and medical oncologists, among others, to practice in Sharon. This will include the relocation of HQMP physicians as well as the addition of physicians to the newly formed Connecticut Medical Foundation. This will enhance access to care, allowing more patients to remain in the Sharon area for their physician services.

h. explain how access to care will be affected;

RESPONSE:

The proposed transfer of ownership of the Physician Practices to the Medical Foundation, part of the non-profit Health Quest system, will increase access to care for all residents of the Sharon area. As previously mentioned, the Physician Practices have had significant issues recruiting physicians to practice in remote Sharon. With the Hospital and Physician Practices becoming part of the Health Quest system, Applicants anticipate being able to leverage the system's resources, placing more doctors in the Sharon area and increasing access to healthcare services. These would include cardiologists, OB/GYNs, primary care physicians, surgeons, and medical oncologists. Area residents would also have access to more than 300 providers employed by HQMP. In addition, patients from the Sharon area will have enhanced access to services offered at other

Health Quest hospitals. For example, patients will be able to receive certain tertiary services at VBMC in Poughkeepsie in the coordinated manner typical of referrals between hospitals and providers within an integrated health system. These services would include open heart surgery, interventional cardiac catheterization, neonatal ICU and neuro-interventional stroke treatment.

Moreover, as a non-profit medical foundation the Physician Practices will treat all patients regardless of ability to pay. The Medical Foundation will participate with most commercial insurers, Medicare and New York and Connecticut Medicaid. It will also provide services to the uninsured, underinsured and those without means to pay consistent with its charitable mission. This will enhance access to services for low-income residents in particular in the Sharon area.

i. discuss any alternative proposals that were considered.

RESPONSE:

As previously mentioned, RCCH conducted an ongoing review of a wide range a strategic options to address the financial and recruitment issues that have threatened the viability of the Hospital and Physician Practices. These included discussions with larger health systems, both not-for-profit and investor-owned. They included in-state systems, as well as out-of-state companies pursing expansion opportunities in-state. At the end of the day, RCCH determined that Health Quest was the best option for Sharon in terms of proximity, resources and overall fit.

§ "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:

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

RESPONSE:

The acquisition of Sharon and the Physician Practices by Health Quest subsidiaries will enhance the quality of healthcare services consistent with the system's practices and objectives. Health Quest has a goal of achieving top decile performance in quality and patient satisfaction. All of the initiatives and best practices from Health Quest's other hospitals, facilities and physician practices will be utilized to improve quality.

The quality of healthcare in the Sharon region will also be enhanced by increased access to physician services through the recruitment efforts of Health Quest. Residents will have coordinated access to physician and hospital services, including tertiary services, at other Health Quest system hospitals. In addition, Vassar Connecticut plans to evaluate

capital investments in the Hospital. Preliminarily, these might include a daVinci robot for the Hospital's surgical suite and the upgrade of Sharon's IT systems. The latter will integrate the Hospital and Physician Practice's EHR with other Health Quest providers to better coordinate care. All of these quality improvement measures will be beneficial to area residents.

b. improve accessibility of health care in the region; and

RESPONSE:

See Responses to Questions 8f and 8h (Public Need & Access to Care) above.

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

RESPONSE:

This proposal to bring Sharon and the Physician Practices into the non-profit Health Quest system improves the cost-effectiveness of healthcare delivery in several ways:

- Treatment of patients locally – Health Quest will recruit physicians to the Sharon area who will treat patients both in their practices and at the Hospital. Studies show that treating patients locally is the most cost-effective way to treat patients.

- Conversion to not-for-profit – The conversion of Sharon and the Physician Practices to not-for-profit entities means that the people in the service area are the "shareholders." There is no longer an incentive to take profits out of the area and pay shareholders. Any profit will be reinvested to improve the facilities and the services at the Hospital and Physician Practices, allowing even more patients to be treated locally. Not-for-profit status will also lead to greater access to care. In order to maintain its tax-exempt status, Vassar Connecticut and the Medical Foundation will have to show that it is meeting the needs of the local community. An important part of this access is ensuring that care is available to all in the community and that Vassar Connecticut and the Medical Foundation treat all of those patients that can safely be treated locally.

- Ownership by local entity – Having the Hospital and Physician Practices owned by local entities with local board representation by people who live and work in the service area will also ensure cost-effectiveness. Health Quest understands the local economy and the local market and its board will make sure that care is provided in as cost-effective manner as possible.

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 acquisition of Sharon and the Physician Practices by Health Quest and its subsidiaries will help improve the coordination of care by integrating the Hospital and Physician Practices into a regional health system. For the first time, Sharon area residents will have meaningful access to a local health system whereby they can receive tertiary hospital services, skilled nursing services and enhanced specialty physicians services within the system, depending upon their needs. With integrated EHR, providers throughout the Health Quest system can access a patient's records instantaneously and coordinate care with referring providers, allowing for more accurate and timely diagnosis and treatment.

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

RESPONSE:

This proposal will ensure access to care for Medicaid recipients and indigent persons. As a tax-exempt entity, the Medical Foundation will be required to care for all patients regardless of payer source or ability to pay. Consistent with the Health Quest mission, the Medical Foundation will participate with Medicare, and New York and Connecticut Medicaid and will provide services to uninsured and underinsured individuals residing in the Sharon area. In FY 2016, 22.4% of Physician Practices' combined visits were Medicare patients and 19.7% of their visits were Medicaid and uninsured patients. This represents a significant percentage of overall visits. These patients deserve access to the highest quality, comprehensive healthcare in their community and Health Quest will work to provide this.

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

RESPONSE:

See Exhibit I. The Medical Foundation will adopt the Health Quest system's Financial Assistance Policy. As a non-profit entity, Health Quest is required to treat all patients regardless of ability to pay and its policy is broad and inclusive.

> § *"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.

RESPONSE:

Not applicable. If anything, the conversion of the Physician Practices to non-profit status will increase access to services for Medicaid recipients and indigent persons consistent with the mission of Health Quest, Vassar Connecticut and the Medical Foundation as tax-exempt entities.

§ "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))

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:

The sale of Sharon and the Physician Practices to Health Quest subsidiaries will not adversely impact patient healthcare costs in any way. Neither Vassar Connecticut nor the Medical Foundation plans to adjust price structure as a result of the proposal or to impose any facility fees that are not already imposed by Essent Connecticut as the Hospital's current owner.

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:

Health Quest was recently rated A3 with a negative outlook from Moody's and A- with a stable outlook from Standard and Poor's. The company will use its financial strength to grow and stabilize the Hospital and Physician Practice's. Health Quest's ability to bring physicians to the community and to serve more patients locally will cause physician visits and volume at the Hospital to increase. This will lead to increased revenue and will help to improve its financial viability of the Hospital and Physician Practices and the overall strength of the healthcare delivery system in Northwestern Connecticut.

16. Provide a final version of all capital expenditure/costs for the proposal using **OHCA Table 3.**

RESPONSE:

See OHCA Table 3.

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:

As previously mentioned, $3 million of the $5 million purchase price for Sharon Hospital and the Physician Practices will be funded through the Asset Purchase Grant from FCH. Any remaining balance after consideration of working capital and other adjustments contemplated in the Asset Purchase Agreement will be paid with Health Quest operating funds.

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;

RESPONSE:

FY 2015 audited financial statements for Essent Connecticut and its parent company, SHHC, dated June 27, 2016, are on file with OHCA. Under its services agreements with the Physician Practices, SHHC has the power to direct certain activities of the Physician Practices and the obligation to absorb all losses and the right to receive benefits of the Physician Practices. As a result, the Physician Practices are variable interest entities that are required to be consolidated with SHHC for purposes of audited financials. In addition, FY 2015 Audited Financial Statements for Health Quest and its subsidiaries are attached as Exhibit J.

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:

Financial Worksheet B for the Physician Practices (including projected with CON as a Connecticut Medical Foundation) and Financial Worksheet A for the Health Quest are attached as Exhibit K.

The Applicants used Financial Worksheet B, which applies to for-profit entities, for the Physician Practices so that they could properly account for income taxes and retained earnings when disclosing "actual" and "without CON" figures. Financial Worksheets A and B are identical with the exception of these provisions. When projecting "incremental" and "with CON figures" for the new non-profit entity these sections were simply left blank.

Financial Worksheet B for Health Quest shows as incremental the combined impact to the system of the acquisition of both the Hospital and the Physician Practices.

19. Complete **OHCA Table 4** utilizing the information reported in the attached Financial Worksheet.

RESPONSE:

See OHCA Table 4.

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

RESPONSE:

The following are assumptions used, and clarifications regarding, the Financial Worksheets attached as Exhibit K:

Projection Assumptions (w/out CON):

Sharon Hospital:

A. Projecting 1.25% net year over year growth (FY 2017 – FY 2020). The net impact considers historical trends, stable payer mix, payer contract changes, volume changes, and service mix (inpatient & outpatient) changes.
B. Operating expense projections assume cost of living / price index based increases:

a. Salary & Benefits @ 2%
b. Supplies (including Rx) @ 5%
c. Other expenses @ 1%

C. Intercompany fees representing loss transfer from the Physician Practices have been accounted for in the Physician Practice transfer CON. These totaled approximately $3.1 million in FY 2015 and $3.4 million in FY 2016.

Health Quest:

A. Projecting 3.3% net year over year growth (2017 – 2020). The net impact considers historical trends, strategic growth initiatives, increased physician recruitment, opening of a new bed tower at VBMC, stable payer mix, payer contract changes, volume changes, and service mix (inpatient & outpatient) changes.
B. Operating expense projections assume cost of living / price index based increases:
   a. Salary & Benefits @ 3%
   b. Supplies (including Rx) @ 6.4%
   c. Other expenses @ 3%
C. Malpractice and Lease/Rental expenses are included in the "Other" Expense line.

Projection Assumptions (incremental):

A. Incremental projections are pro-rated for an acquisition date of 7/1/2017.
B. The net impact considers historical trends, stable payer mix, payer contract changes, volume changes and service line growth.
C. Projected volume growth is based upon the factors detailed in response to Question 1 (Project Description) above and Question 24 (Financial Information) below.
D. Administrative efficiencies that contribute to cost-savings are detailed in response to Question 1 (Project Description) above.

21. Explain any projected incremental losses from operations resulting from the implementation of the CON proposal.

RESPONSE:

Incremental losses projected for the Medical Foundation are typical of community-based physician practices that offer necessary services such as internal and family medicine, OB/GYN, oncology, and the like. Many factors contribute to these types of practices operating at a loss including physician salaries, insurance reimbursement, and volume and productivity. However, the services provided by physician practices like RHA and TWS, which will be continued and expanded by the Medical Foundation under Health Quest ownership, are critical to the health of the Sharon community and symbiotic to the Hospital's core services. As the financial worksheet and audited financials for Health Quest attached as

Exhibits J & K demonstrate, the system is well positioned financially. Health Quest can easily absorb the projected Medical Foundation losses, making the proposed transaction financially feasible.

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

RESPONSE:

See Response to Question 21 (Financial Information). Given the nature of the Physician Practices and the associated revenue and expense variables discussed above, they simply do not make money. Applicants are therefore unable to project a breakeven volume. Notwithstanding the foregoing, the Medical Foundation will be a part of the Health Quest system and will benefit from the company's strong financial position. Accordingly, even with the projected losses incurred by the Physician Practices the proposal is financially feasible.

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;" (Conn.Gen.Stat. § 19a-639(a)(6))

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:

See OHCA Tables 5 and 6. Units reported are physician office visits.

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:

The decrease in RHA volume from FY 2014 to FY 2015 was due to the loss of physicians and ancillary providers and the divestiture of several practices. These losses touched the specialties of cardiology, pain management, OB/GYN, primary care and pediatrics. The decline in TWS volume from FY 2014 to FY 2015 was a result of two (2) physicians who stopped seeing obstetrics patients. The increase in volume from FY 2015 to FY 2016 was a result of the recruitment of a new OB/GYN physician.

The projected increase in volume is due to the addition of physicians to the Medical Foundation under Health Quest system ownership. In FY 2017 and FY 2018, the Medical Foundation expects to add 1.0 cardiologist, 0.5 medical oncologist, 2.0 primary care physicians (internal medicine or family practice), 2.0 OB/GYNs, and 1.0 general surgeon. Typically, Health Quest finds that it takes 18 to 24 months for a new physician to achieve between 50th and 75th percentile for productivity based on Medical Group Management Association ("MGMA") standards. Projected growth is based on these additional physicians and also on working with existing physicians in the Physician Practices to achieve this benchmark level of performance.

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:

See OHCA Tables 7. Projections are based on the current patient population mix for office visits for each of the Physician Practices. The Physician Practices accept all patients regardless of payer source or ability to pay and treat a considerable amount of governmentally insured and uninsured individuals. They will continue to accept all patients regardless of payer source or ability to pay under the Medical Foundation's ownership. Applicants do not anticipate any appreciable change in patient population mix as a result of this transaction and considering the demographics of the Sharon service area.

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:

See Response to Question 1 (Project Description) and Question 8a (Public Need & Access to Care) above.

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:

See OHCA Tables 8. Utilization is reported by number of physician office visits.

§ "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:

See OHCA Table 9. This table includes information regarding the only other Connecticut medical foundations operating with the primary service areas of RHA and TWS, Western Connecticut Medical Group, Inc. ("WCMG"). WCMG is the medical foundation for Western Connecticut Health Network, which includes the New Milford campus of Danbury Hospital. In addition, a list of all HQMP providers by practice location is attached as Exhibit C. HQMP has some service area overlap with the PSAs of the Physician Practices, as discussed above. Columbia Memorial Hospital in Hudson, New York has affiliated medical practices (the New York equivalent of a medical foundation) as well. Information regarding these practices is also included in OHCA Table 9.

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

RESPONSE:

This proposal will have no impact on existing providers. The Physician Practices have their own referral bases, as do the existing medical foundations and hospital-affiliated practices in Connecticut and New York, which will remain intact following the change of ownership. With the recruitment of additional physicians to the Sharon area, more patients will be able to stay local. To this end, providers such as HQMP may see some patients shift to the new Connecticut Medical Foundation. However, Health Quest intends to relocate HQMP doctors to the Sharon area as well, which will supplement their existing practices.

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

RESPONSE:

The Physician Practices' patients originate from the 15 PSA towns, located in Connecticut and New York, listed in OHCA Tables 2. In addition, as OHCA Tables 8 show, patients come to the Physician Practices in smaller numbers from elsewhere in Connecticut, New York and other states as well.

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

RESPONSE:

The Physician Practices expect their patients to originate from the same service area towns listed in OHCA Tables 2 & 8 under Medical Foundation ownership. The only potential changes in referral patterns are due to physician recruitment and the strengthening of tertiary services relationship. With respect to physician services, the recruitment of additional primary care and specialty physicians to practice in the area might result in patients who would otherwise leave the service area for treatment receiving care in their local community. In addition, the relationship among hospitals in the Health Quest system will encourage the referral of patients in need of tertiary services to VBMC where they can receive the highest-quality coordinated care.

§ "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:

This proposal does not result in the unnecessary duplication of services because the Physician Practices are existing providers in a remote community with few other physician services options. The Applicants are not proposing the addition of any services or the acquisition of any equipment in connection with this transaction. Rather, the Medical Foundation will assume ownership of the Physician Practices and stabilize them financially so that they can continue to exist essential community resources.

§ "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:

The sale of the Physician Practices to a Medical Foundation that is a subsidiary of Vasar Connecticut will have a positive impact on the diversity of healthcare in Sharon area. Currently, the number of primary care and specialty physicians practicing in the area is extremely limited. With this transaction, the Physician Practices will become members of the Health Quest system. This will bring Health Quest resources, mainly physicians, to the Sharon area and/or diversify physician service options for local residents. It will also enhance access to Health Quest's other services, mainly tertiary services, for area residents who need to be transferred out of Sharon due to the nature and severity of their conditions. While these patients have always had the choice to be transferred to a Health Quest hospital, they will now be able to obtain services at system providers in a better coordinated manner.

Tables

TABLE 1a – RHA
APPLICANT'S SERVICES AND SERVICE LOCATIONS

Service	Street Address, Town	Population Served	Days/Hours of Operation	New Service or Proposed Termination
Physician Services – Internal Medicine (Kent Primary Care)	64 Maple Street Kent, CT 06757	See OHCA Tables 2 & 8 for Service Area Towns and Utilization by Town	Mon. – Fri., 8 a.m. – 4:30 p.m.	Change of Ownership, Continuation of Services
Physician Services – Obstetrics/Gynecology (New Milford OB/GYN)	2 Old Park Lane New Milford, CT 06776		Mon. – Fri., 9 a.m. – 5 p.m. (varied by day)	
Physicians Services – Urology (Associated Northwest Urology)	2 Old Park Lane New Milford, CT 06776		Mon. – Fri., 9 a.m. – 5 p.m.	
Physician Services – Orthopedic Surgery (Regional Orthopedics & Sports Medicine	50 Hospital Hill Road Sharon, CT 06069		Mon. – Fri., 8 a.m. – 5 p.m.	
Physician Services – General Surgery/ (Sharon Surgical Associates)	50 Hospital Hill Road Sharon, CT 06069		Mon. – Fri., 8 a.m. – 5 p.m.	
Physician Services – Hospitalist Department	50 Hospital Hill Road Sharon, CT 06069		24/7	
Physician Services – Internal Medicine (Regional Family Care/Sharon Primary Care)	29 Hospital Hill Road, Suite 1400 Sharon, CT 06069		Mon, Wed. – Fri., 8 a.m. – 6 p.m.; Tue., 8 a.m. – 5 p.m.	
Physicians Services – Urology (Associated Northwest Urology)	17 Hospital Hill Road Sharon, CT 06069		Mon. – Fri., 9 a.m. – 5 p.m.	

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TABLE 1b – TWS
APPLICANT'S SERVICES AND SERVICE LOCATIONS

Service	Street Address, Town	Population Served	Days/Hours of Operation	New Service or Proposed Termination
Physician Services – Obstetrics/Gynecology (Sharon OB/GYN Associates)	50 Amenia Road Sharon, CT 06069	See OHCA Tables 2 & 8 for Service Area Towns and Utilization by Town	Mon. – Fri., 8:30 a.m. – 5 p.m.	Change of Ownership, Continuation of Services
Physician Services – Obstetrics/Gynecology (Sharon OBGN Associates)	115 Spencer Street Winsted, CT 06098		Thurs., 9 a.m. – 5 p.m.	
Physician Services – Obstetrics/Gynecology (Sharon OB/GYN Associates)	76 Church Street Canaan, CT 06018		Friday, 1:30 p.m. – 4:15 p.m.	

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TABLE 2a
SERVICE AREA TOWNS – RHA

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

Town*	Reason for Inclusion
Kent, CT Salisbury, CT New Milford, CT Sharon, CT Dover, NY Amenia, NY Cornwall, CT North Canaan, CT North East, NY Canaan, CT Torrington, CT	These towns comprise the lowest number of contiguous zip codes that account for at least 75% of patient visits at RHA in FY 2016 (Primary Service Area).

* Village or place names are not acceptable.

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TABLE 2b
SERVICE AREA TOWNS – TWS

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

Town*	Reason for Inclusion
North Canaan, CT Salisbury, CT Dover, NY Amenia, NY Torrington, CT North East, NY Sharon, CT Winchester, CT Washington, NY Canaan, CT Cornwall, CT Pine Plains, NY Norfolk, CT Kent, CT	These towns comprise the lowest number of contiguous zip codes that account for at least 75% of patient visits at TWS in FY 2016 (Primary Service Area).

* Village or place names are not acceptable.

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TABLE 3
TOTAL PROPOSAL CAPITAL EXPENDITURE

Purchase/Lease	Cost
Equipment (Medical, Non-medical, Imaging)	$0
Land/Building Purchase*	$0
Construction/Renovation**	$0
Other (specify): **Purchase Price for the Assets of Sharon Hospital and Affiliated Entities**	$5,000,000.00 + subject to certain adjustments for working capital and other considerations
Total Capital Expenditure (TCE)	$5,000,000.00 + subject to certain adjustments for working capital and other considerations
Lease (Medical, Non-medical, Imaging)***	$0
Total Lease Cost (TLC)	$0
Total Project Cost (TCE+TLC)	$5,000,000.00 + subject to certain adjustments for working capital and other considerations

* 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.

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TABLE 4
PROJECTED INCREMENTAL REVENUES AND EXPENSES

	FY 2017*	FY 2018*	FY 2019*	FY 2020*
Revenue from Operations	$660,401	$2,761,410	$3,936,899	$4,549,902
Total Operating Expenses	$1,311,383	$4,582,690	$5,008,782	$5,633,819
Gain/Loss from Operations	**($650,983)**	**($1,821,280)**	**($1,071,883)**	**($1,083,918)**

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

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TABLE 5a – RHA
HISTORICAL UTILIZATION BY SERVICE

Service**	Actual Volume (Last 3 Completed FYs)			CFY Volume*
	FY 2013***	FY 2014***	FY 2015***	FY 2016***[8]
Physician Office Visits – Multi-specialty	30,953	32,189	22,076	22,449
Total	30,953	32,189	22,076	22,449

* 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.

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TABLE 5b – TWS
HISTORICAL UTILIZATION BY SERVICE

Service**	Actual Volume (Last 3 Completed FYs)			CFY Volume*
	FY 2013***	FY 2014***	FY 2015***	FY 2016***[9]
Physician Office Visits – Obstetrics & Gynecology	8,807	8,787	5,121	9,786
Total			5,121	9,786

* 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.

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[8] Data includes a complete fiscal year from October 1, 2015 through September 30, 2016.
[9] Data includes a complete fiscal year from October 1, 2015 through September 30, 2016.

TABLE 6a – CONNECTICUT MEDICAL FOUNDATION (RHA/TWS)
PROJECTED UTILIZATION BY SERVICE

Service* (Inpatient Discharges)[10]	Projected Volume			
	FY 2017**	FY 2018**	FY 2019**	FY 2020**
Physician Office Visits – Multi-specialty	46,901	60,802	67,113	70,598
Total	**46,901**	**60,802**	**67,113**	**70,598**

* 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.

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[10] Data for rehabilitation discharges is not included because Sharon Hospital does not provide inpatient rehabilitation services. Instead, ICU discharges have been included in both historic and projected utilization figures.

TABLE 7a – RHA/TWS COMBINED ACUTAL/CONNECTICUT MEDICAL FOUNDATION PROJECTED

Payer	FY 2016		Projected					
			FY 2017		FY 2018		FY 2019	
	Visits	%	Visits	%	Visits	%	Visits	%
Medicare*	7,213	22.4%	11,276	24.0%	15,125	24.9%	16,851	25.1%
Medicaid*	5,849	18.1%	8,336	17.8%	10,694	17.6%	11,769	17.5%
Champus & Tricare	110	0.3%	149	0.3%	186	0.3%	203	0.3%
Total Government	**13,172**	**40.9%**	**19,761**	**42.1%**	**26,005**	**42.8%**	**28,824**	**42.9%**
Commercial	18,401	57.1%	26,130	55.7%	33,456	55.0%	36,800	54.8%
Uninsured	505	1.6%	752	1.6%	987	1.6%	1,093	1.6%
Workers Compensation	157	0.5%	258	0.6%	354	0.6%	396	0.6%
Total Non-Government	**19,063**	**59.1%**	**27,140**	**57.9%**	**34,797**	**57.2%**	**38,289**	**57.1%**
Total Payer Mix	**32,235**	**100.0%**	**46,901**	**100.0%**	**60,802**	**100.0%**	**67,113**	**100.0%**

*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.

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TABLE 8a – RHA
UTILIZATION BY TOWN

Town	Utilization FY 2016**[11]
Kent, CT	2,641 (11.77%)
Salisbury, CT	2,225 (9.91%)
New Milford, CT	2,223 (9.90%)
Sharon, CT	2,182 (9.72%)
Dover, NY	1,639 (7.30%)
Amenia, NY	1,491 (6.64%)
Cornwall, CT	1,335 (5.95%)
North Canaan, CT	1,189 (5.30%)
North East, NY	1,185 (5.28%)
Canaan, CT	506 (2.25%)
Torrington, CT	468 (2.09%)
Other CT	3,211 (14.30%)
Other NY	1,801 (8.02%)
All Other	353 (1.57%)
TOTAL:	**22,449 (100%)**

* List inpatient/outpatient/ED volumes separately, if applicable
** Fill in most recently completed fiscal year.

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[11] Data includes a complete fiscal year from October 1, 2015 through September 30, 2016.

TABLE 8b – TWS
UTILIZATION BY TOWN

Town	Utilization FY 2016**[12]
North Canaan, CT	996 (10.18%)
Salisbury, CT	973 (9.94%)
Dover, NY	904 (9.24%)
Amenia, NY	760 (7.77%)
Torrington, CT	680 (6.95%)
North East, NY	635 (6.49%)
Sharon, CT	623 (6.37%)
Winchester, CT	566 (5.78%)
Washington, NY	336 (3.43%)
Canaan, CT	289 (2.95%)
Cornwall, CT	277 (2.83%)
Pine Plains, NY	273 (2.79%)
Kent, CT	197 (2.01%)
Norfolk, CT	172 (1.76%)
Other CT	889 (9.08%)
Other NY	1,025 (10.48%)
All Other	191 (1.95%)
TOTAL:	**9,786 (100%)**

* List inpatient/outpatient/ED volumes separately, if applicable
** Fill in most recently completed fiscal year.

[back to question]

[12] Data includes a complete fiscal year from October 1, 2015 through September 30, 2016.

TABLE 9a
SERVICES AND SERVICE LOCATIONS OF EXISTING PROVIDERS

Service or Program Name	Population Served	Facility ID* (NPI)	Facility's Provider Name, Street Address and Town	Hours/Days of Operation	Current Utilization
Western Connecticut Medical Group, Inc.	Physician Services Patients	1407898117	Numerous locations, including the following locations in the PSAs of the Physician Practices: WCMG Kent 17 Old Barn Road Kent, CT 06757 Litchfield Crossing 169 Danbury Road New Milford, CT 06776 New Milford Endocrinology 169 Danbury Road New Milford, CT 06776 WCMG New Milford Green 50 Bridge Street New Milford, CT 06776 New Milford Pulmonary 21 Elm Street New Milford, CT 06776 New Milford Radiation Oncology 21 Elm Street New Milford, CT 06776 General Surgery 21 Elm Street New Milford, CT 06776 Anesthesiology 21 Elm Street New Milford, CT 06776	Varied by location	Not publically available.

Service or Program Name	Population Served	Facility ID* (NPI)	Facility's Provider Name, Street Address and Town	Hours/Days of Operation	Current Utilization
Western Connecticut Medical Group, Inc. (contd.)	Physician Services Patients	1407898117	Emergency Medicine 21 Elm Street New Milford, CT 06776	Varied by location	Not publically available.
Columbia Memorial Health – Affiliated Physician Practices	Physician Services Patients	Varied by individual provider.	Cairo Family Care 4383 Route 23 Cairo, NY 12413 Chatham-Ghent Family Care 31 Dardess Drive Chatham, NY 12037 Coxsackie Medical Care 9 Law Street West Coxsackie, NY 12192 Broadway Family Care 7385 S. Broadway Red Hook, NY 12571 Windham Medical Care 345 State Route 296 Hensonville, NY 12439	Mon. – Fri. 7:30 a.m. – 4:30 p.m. Mon. – Fri., 8:30 a.m. – 4:30 p.m. Mon. – Fri., 8 a.m. – 4 p.m. Mon. – Fri., 8 a.m. – 4 p.m. Mon. – Fri., 8 a.m. – 4 p.m.	All locations, 50th – 75th percentile MGMA

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

EXHIBIT A

REGIONAL HEALTHCARE ASSOCIATES, LLC

ACTION BY WRITTEN CONSENT
OF THE
BOARD OF MANAGERS

September 9, 2016

The undersigned, constituting all of members of the board of managers ("Board") of Regional Healthcare Associates, LLC, a Connecticut limited liability company ("RHA") do hereby unanimously consent to taking action without a meeting, by written consent, and hereby take the following actions:

RESOLVED, that the terms and provisions of the Asset Purchase Agreement dated as of September 9, 2016 (the "Asset Purchase Agreement") which has been made available to the Board, between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, a Connecticut corporation ("Sharon"), Sharon Hospital Holding Company, a Delaware corporation ("SHHC"), RHA, Tri State Women's Services, LLC, a Connecticut limited liability company ("TSWS" and collectively with Sharon, SHHC, and RHA, the "Sellers"), Health Quest Systems, Inc., a New York non-profit corporation ("Health Quest"), and Vassar Health Connecticut, Inc., a Connecticut non-profit corporation ("VHC" and, collectively with Health Quest, the "Buyer") and RegionalCare Hospital Partners, Inc., a Delaware corporation ("RCHP"), solely for the purposes of Sections 13.32 and 13.33 therein, pursuant to which the Sellers will sell substantially all of their assets to the Buyer as specified in the Asset Purchase Agreement, are hereby approved and confirmed;

RESOLVED FURTHER, that each of the Chairman, Chief Executive Officer, President, Chief Financial Officer, Executive Vice President, Chief Administrative Officer, Associate General Counsel, Corporate Controller, Treasurer, Secretary, Assistant Secretary, Vice President or such other appropriate officer of RHA, acting on behalf of RHA (each an "Officer"), is hereby directed to take, or cause to be taken all action, and to prepare, execute, deliver and file, or cause to be prepared, executed, delivered and filed, all agreements, instruments and documents, including, without limitation, the Asset Purchase Agreement, Bills of Sale, Assignment and Assumption Agreement, and any amendments thereto, as such officers, or any of them, deem necessary or advisable to effectuate the intent of the Asset Purchase Agreement and perform the actions required therein, as conclusively evidenced by the execution and delivery thereof;

RESOLVED FURTHER, that any Officer is hereby authorized and directed to do any and all other or further things, and to execute any and all other or further documents and agreements, including any amendments to the documents referenced above, all on behalf of RHA, as each of them, acting in their sole discretion, may deem necessary or desirable to effectuate the purposes of the foregoing resolutions; and

RESOLVED FURTHER, that any actions taken by any Officer prior to the date hereof that would have been authorized hereby except that such actions occurred prior to such date are hereby ratified, confirmed, approved and adopted in all respects.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Action by Written Consent as of the date and year set forth above.

REGIONAL HEALTHCARE ASSOCIATES, LLC

Name: A. Martin Clark, M.D.
Title: Manager

Name: Leonard Astrauskas, M.D.
Title: Manager

[Signature Page to Board Consent]

TRI STATE WOMEN'S SERVICES, LLC

ACTION BY WRITTEN CONSENT
OF THE
BOARD OF MANAGERS

September 9, 2016

The undersigned, constituting all of members of the board of managers ("Board") of Tri State Women's Services, LLC, a Connecticut limited liability company ("TSWS") do hereby unanimously consent to taking action without a meeting, by written consent, and hereby take the following actions:

RESOLVED, that the terms and provisions of the Asset Purchase Agreement dated as of September 9, 2016 (the "Asset Purchase Agreement") which has been made available to the Board, between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, a Connecticut corporation ("Sharon"), Sharon Hospital Holding Company, a Delaware corporation ("SHHC"), TSWS, Regional Healthcare Associates, LLC, a Connecticut limited liability company ("RHA" and collectively with Sharon, SHHC, and TSWS, the "Sellers"), Health Quest Systems, Inc., a New York non-profit corporation ("Health Quest"), and Vassar Health Connecticut, Inc., a Connecticut non-profit corporation ("VHC" and, collectively with Health Quest, the "Buyer") and RegionalCare Hospital Partners, Inc., a Delaware corporation ("RCHP"), solely for the purposes of Sections 13.32 and 13.33 therein, pursuant to which the Sellers will sell substantially all of their assets to the Buyer as specified in the Asset Purchase Agreement, are hereby approved and confirmed;

RESOLVED FURTHER, that each of the Chairman, Chief Executive Officer, President, Chief Financial Officer, Executive Vice President, Chief Administrative Officer, Associate General Counsel, Corporate Controller, Treasurer, Secretary, Assistant Secretary, Vice President or such other appropriate officer of TSWS, acting on behalf of TSWS (each an "Officer"), is hereby directed to take, or cause to be taken all action, and to prepare, execute, deliver and file, or cause to be prepared, executed, delivered and filed, all agreements, instruments and documents, including, without limitation, the Asset Purchase Agreement, Bills of Sale, Assignment and Assumption Agreement, and any amendments thereto, as such officers, or any of them, deem necessary or advisable to effectuate the intent of the Asset Purchase Agreement and perform the actions required therein, as conclusively evidenced by the execution and delivery thereof;

RESOLVED FURTHER, that any Officer is hereby authorized and directed to do any and all other or further things, and to execute any and all other or further documents and agreements, including any amendments to the documents referenced above, all on behalf of TSWS, as each of them, acting in their sole discretion, may deem necessary or desirable to effectuate the purposes of the foregoing resolutions; and

RESOLVED FURTHER, that any actions taken by any Officer prior to the date hereof that would have been authorized hereby except that such actions occurred prior to such date are hereby ratified, confirmed, approved and adopted in all respects.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Action by Written Consent as of the date and year set forth above.

TRI STATE WOMEN'S SERVICES, LLC

Name: Joshua Jaffe, M.D.
Title: Manager

Name: Robert Schnurr, M.D.
Title: Manager

Name: Howard Mortman, M.D.
Title: Manager

HEALTHQUEST

Health Quest Systems, Inc.
1351 Route 55, Suite 200
LaGrangeville, NY 12540

(845) 475-9500
healthquest.org

Secretary Certificate

I, Cheryl Booth, Assistant Secretary to the Board of Trustees of Health Quest Systems, Inc., hereby certify the resolution attached hereto as **Exhibit A** was unanimously approved and adopted at a meeting of the Board of Trustees of Health Quest Systems, Inc., at its meeting held on July 29, 2016:

Health Quest Systems, Inc.

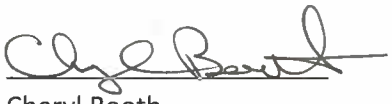
By: 
Cheryl Booth
Its: Assistant Secretary

EXHIBIT A

The Board of Trustees of Health Quest Systems, Inc., hereby approves the following:

The Board of Trustees of Health Quest Systems, Inc. hereby approves, adopts and ratifies Management's execution and delivery of an Asset Purchase Agreement (the "APA") to purchase substantially all the assets operated by Sharon Hospital and its affiliates as discussed;

Management's execution, delivery and implementation of a Management Agreement to provide comprehensive management services to Sharon Hospital and its affiliates during the period between execution of APA and the closing of the transaction described therein; and

Management's execution and delivery of a grant or contribution agreement whereby the Foundation for Community Health will provide support for the transaction described in the APA and for Health Quest's operation of the assets post-closing, expected to be valued at approximately $9,000,000.

EXHIBIT B

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

VBH Corporation
Reade Place
Poughkeepsie, N.Y. 12601

Person to Contact:

Telephone Number:

Refer Reply to:
OP:E:EO:R:2

Date:
SEP 30 1987

Employer Identification Number: 14-1678068
Key District: Brooklyn, N.Y.
Accounting Period Ending: December 31
Foundation Status Classification: 509(a)(2)
Advance Ruling Period Ends: December 31, 1989

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(c)(3) of the Internal Revenue Code.

Because you are a newly created organization, we are not now making a final determination of your foundation status under Code section 509(a). However, we have determined that you can reasonably be expected to be a publicly supported organization described in the sections shown above.

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during the advance ruling period. This advance ruling period begins on the date you were organized and ends on the date shown above.

Before the end of your advance ruling period, you will be asked to furnish to your key District Director information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. (If you received a 2 or 3 year advance ruling, you will be given an opportunity to extend the advance ruling to 5 years.) If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, (or do not request an extension to 5 years, if appropriate), you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the effective date of your exemption for purposes of section 4940, which imposes an excise tax on your net investment income, and section 507(d), which defines, in the event of termination of status, the aggregate tax benefit derived from tax exemption as a section 501(c)(3) organization.

Grantors and donors may rely on the advance ruling that you are not a private foundation until 90 days after your advance ruling period ends. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance ruling until we make a final determination of your foundation status. However, if notice that you will no longer be treated as the type of organization shown above is published in the Internal Revenue Bulletin, grantors and donors may not rely on this advance ruling after the date of such publication. Also, a grantor or donor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of the foundation classification shown above, or if he or she acquired knowledge that we had given notice that you would be removed from classification as the type of organization shown above.

If your sources of support, or your purposes, character, or methods of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. Also, you should inform your key District Director of all changes in your name or address.

Unless specifically excepted, beginning January 1, 1984, you must pay taxes under the Federal Insurance Contributions Act (social security taxes) for each employee who is paid $100 or more in a calendar year. You are not required to pay tax 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, you are not automatically exempt from other federal excise taxes. If you have questions about excise, employment, or other federal taxes, contact your key District Director.

Donors may deduct contributions to you as provided in Code section 170. 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 sections 2055, 2106, and 2522.

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than $25,000. If your gross receipts are not normally more than $25,000 we ask that you establish that you are not required to file Form 990 by completing Part I of that Form for your first tax year. Thereafter, you will not be required to file a return until your gross receipts normally exceed the $25,000 minimum. For guidance in determining if your gross receipts are "normally" not more than the $25,000 limit, see the instructions for the Form 990. 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. There is a penalty of $10 a day, up to a maximum of $5,000, when a return is filed late unless you establish, as required by section 6652(d)(1), that the failure to file timely was due to reasonable cause.

VBH Corporation

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under Code section 511. 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.

Please show your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely yours,

Milton Cerny
Chief, Exempt Organizations
Rulings Branch

Attachment:
Form 872-C

Colby Attorneys Service Co.

U.S. Corporate and Information Services

Est. 1939

SEP 15 1999

(800) 832-1220
(518) 463-4426
Fax (518) 434-2574

David Daniels, Esq.
David E. Daniels, Attorneys at Law, P.C.
243 Route 22 P.O. Box 668
Pawling NY 12564-0668

RE: HEALTH QUEST SYSTEMS, INC.

Enclosed, please find the requested copy(ies): 1

Date Completed: 9/3/99

F 990903000104

CERTIFICATE OF

AMENDMENT

OF

VBH CORPORATION

Under Section 803 of the Not for Profit Corporation Law

RECEIVED
SEP 2 2 35 PM '99

RECEIVED
SEP 2 9 09 AM '99

1 cc

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED SEP 03 1999
TAX $ [illegible]
BY: Dutchess

Filed by:

Ruth A. Dennehey
Colby Attorneys Service Co.
41 State Street, Suite 106
Albany, NY 12207

D.C.-08 3 BILLED

990903000111

24 HOUR

DC-08

F99090300104

CERTIFICATE OF AMENDMENT
OF THE CERTIFICATE OF INCORPORATION
OF
VBH CORPORATION

Under Section 803 of the Not-for-Profit Corporation Law

We, the undersigned, Ronald T. Mullahey and Susan Davis being the President and Chief Executive Officer, and Assistant Secretary, respectively, of VBH Corporation, do hereby certify:

(1) The name of the corporation is VBH Corporation.

(2) The certificate of incorporation of VBH Corporation was filed by New York State, Department of State on the 17th day of July, 1985. The said corporation was formed under the Not-For-Profit Corporation Law of the State of New York.

(3) That VBH Corporation is a corporation as defined in subparagraph (a)(5) of section 102 of the Not-For-Profit Corporation Law and is a Type B corporation under section 201 of the said law.

(4) Paragraph First of the certificate of incorporation of VBH Corporation which sets forth the name of the corporation is hereby amended to read as follows:

"The name of the corporation is Health Quest Systems, Inc."

(5) The address to which the Secretary of State shall mail a copy of any process served upon him or her is also changed to read:

The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him/her is: c/o Vassar Brothers Hospital, 45 Reade Place, Poughkeepsie, NY 12601, Attn: Chief Executive Officer.

1

(6) This amendment to the certificate of incorporation of VBH Corporation was authorized by the consent of a majority of the entire Board of Trustees of the corporation voting in person at a meeting duly called and held on the 19th day of August, 1999, there being no members entitled to vote thereon.

(7) The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him/her is: c/o Vassar Brothers Hospital, 45 Reade Place, Poughkeepsie, NY 12601, Attn: Chief Executive Officer.

IN WITNESS WHEREOF, the undersigned have subscribed this certificate and affirm the statements herein as true under the penalties of perjury this 1st day of September, 1999.

Ronald T. Mullahey, President and Chief Executive Officer

Susan Davis, Ass't. Secretary

2

State of New York
Department of State } ss:

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on SEP 07 1999

STATE OF NEW YORK ★ DEPARTMENT OF STATE ★ EXCELSIOR

Special Deputy Secretary of State

DOS-1266 (5/96)

BV

COPY

HEALTH QUEST SYSTEMS, INC.
45 Reade Place
Poughkeepsie, New York 12601

March 30, 2000

Internal Revenue Service
Andover, MA 05501

RE: VBH Corporation Name Change
EIN: 14-1678068

To Whom It May Concern:

Please accept this letter as notification that the above-referenced entity has changed its name from VBH Corporation to Health Quest Systems, Inc..

There have been no other changes made to this entity.

Sincerely,

Richard J. Henley
Executive Vice President

State of New York
Department of State } ss:

I hereby certify, that the Certificate of Incorporation of HEALTH QUEST SYSTEMS, INC. was filed on 07/17/1985, under the name of VBH CORPORATION, as a Not-for-Profit Corporation and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation. I further certify the following:

A certificate changing name to HEALTH QUEST SYSTEMS, INC. was filed on 09/03/1999.

A Certificate of Amendment was filed on 03/07/2001.

A Certificate of Amendment was filed on 11/04/2003.

I further certify that no other documents have been filed by such corporation.

***

Witness my hand and the official seal of the Department of State at the City of Albany, this 27th day of February two thousand and fourteen.

Anthony Giardina
Executive Deputy Secretary of State

201402280217 * J8

EXHIBIT C

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Tamai	Janet	MD	Neurology	1548259112	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Csury	Laszlo	MD	Pathology	1245219062	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Cioffiro	Douglas J.	NP	Acute Care	1649580770	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Kabbash	Barbara	NP	Acute Care	1215070255	21 Fox St., Suite 104, Poughkeepsie, NY 12601 45 Reade Place, Poughkeepise, NY 12601
Health Quest Medical Practice	MD serves patients	Kightlinger-Steiger	Kathleen	NP	Acute Care	1346674132	670 Stoneleigh Avenue, Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Hartman	Lisa L.	NP	Acute Care NP	1336489921	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Maggio	Paul	NP	Acute Care NP	1174857403	45 Reade Place, Dyson Center 2nd Fl., Poughkeepsie NY 12601 45 Reade Place, Dyson Center 3rd Fl, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Maggio	Paul	NP	Acute Care NP	1174857403	45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Eckardt	Elizabeth	PA	Adult Health	1710351150	45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Maggio-Silverman	Cynthia	NP	Adult Health	1164672127	4068 Albany Post Road Hyde Park, NY 12538 45 Reade Place, Poughkeepsie, NY 12601 21 Reade Pl, Suite 1000, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	McKenna	Maria	NP	Adult Health	1982014106	942 Rte 376, Ste 16, Wappingers Falls, NY 12590 200 Westage Business Center, Suite 240, Fishkill NY 12524 1100 Route 55, Suite 101, Lagrangeville NY 12540
Health Quest Medical Practice	MD serves patients	Stent	Sabrina N.	NP	Adult Health	1023272762	55 Grand Street, Kingston NY 12401 279 Main Street, New Paltz NY 12561 854 Route 212, Saugerties NY 12477 42084 Highway 28, Palen Bldg., Margaretville, NY 12455 10 Healthy Way, Ellenville, NY 12428 6511 Springbrook Ave Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Ricker	Lisa M.	NP	Adult Health NP	1386674844	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Winterleitner	Sara	NP	Adult Health NP	1538324991	21 Reade Place, Suite 2100 Poughkeepsie, NY 12601 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Leibell	Corey Jeanne	NP	Adult Health-NP	1326469651	45 Reade Place Poughkeeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Leibell	Corey Jeanne	NP	Adult Health-NP	1326469651	21 Fox St Suite 104 Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Kostov	Atanas K.	PA	Cardiothoracic Surg. PA	1245266774	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Kostova	Mariyka K.	PA	Cardiothoracic Surg. PA	1548299951	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Menard	Alfred J.	PA	Cardiothoracic Surg. PA	1598797102	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Prince	Ronald M.	PA	Cardiothoracic Surg. PA	1588600423	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Suleiman	Mary K.	RPA-C	Cardiothoracic Surg. PA	1316017767	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Tecchio	David A.	PA	Cardiothoracic Surg. PA	1427095868	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Wiesenthal	Adam	PA	Cardiothoracic Surg. PA	1972796696	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Pazian	Amanda	PA	Cardiothoracic Surgery	1346612744	45 Reade Pl Poughkeepsie, NY 12601 1 Columbia St, Suite 300 Poughkeepsie, NY 12601

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Abi Fadel	Dina	MD	Critical Care	1528234135	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Apedo	Matthew Y.	MD	Critical Care	1932161932	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Aziz	Mohammed A.	MD	Critical Care	1992780456	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Avenue, Rhinebeck NY 12572 670 Stoneleigh Avenue, Carmel NY 10512
Health Quest Medical Practice	MD serves patients	Hasselmark	Fairouz	MD	Critical Care	1265602833	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Khan	Samar	DO	Critical Care	1679691059	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Kumar	Neena	MD	Critical Care	1780844142	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Lam	Pang Wai	MD	Critical Care	1639497183	45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Lantsberg	Ilya	MD	Critical Care	1306941711	45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Lee	Raciel	NP	Critical Care	1386078970	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Pradhan	Anuja	MD	Critical Care	1528260064	45 Reade Pl Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Ritter	Steven	MD	Critical Care	1073544292	45 Reade Pl., Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Brooks	Francine H.	MD	Emergency Med	1518912260	21 Fox St., Suite 103, Poughkeepsie, NY 12601 45 Reade Place, Poughkeepise, NY 12601
Health Quest Medical Practice	MD serves patients	Apedo	Margaret	MD	Endocrinology	1831240886	21 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Bloss	Katherine E.	NP	Family Health	1568718369	1 Pine Street, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Childs	Timothy A.	NP	Family Health	1164731634	45 Reade Place, Poughekeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Childs	Timothy A.	NP	Family Health	1164731634	21 Reade Place, Suite 3100, Poughkeesie, NY 12601
Health Quest Medical Practice	MD serves patients	Dooley	Dawn	NP	Family Health	1770518482	2044 Rt. 32, Ste. 4, Modena, NY 12548
Health Quest Medical Practice	MD serves patients	Horiszny	John A.	MD	Family Health	1811927312	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Ave., Rhinebeck,NY 12572
Health Quest Medical Practice	MD serves patients	Reyes	Trisha M.	NP	Family Health	1881001675	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Reynolds	Tanesha	NP	Family Health	1659759454	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Reynolds	Tanesha	NP	Family Health	1659759454	21 Reade Place, Suite 3100, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Battle	Jennifer B.	NP	Family Health NP	1790818458	6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Mastrocola	Nancy	NP	Family Health NP	1225092489	404 Zena Road Woodstock NY 12498 4080 State Route 28, Boiceville NY 12412
Health Quest Medical Practice	MD serves patients	McKenna	Linda F.	NP	Family Health NP	1275821274	240 So. Riverside Drive, Highland, NY 12538
Health Quest Medical Practice	MD serves patients	Paskey	Rachel	NP	Family Health NP	1659659340	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Rasmussen	Christine A.	FNP	Family Health NP	1689806341	6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Spatz	Dawn	NP	Family Health NP	1659678084	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Valentine -Chase	Jeanne	NP	Family Health NP	1407875974	6511 Springbrook Ave Suite 103 , Rhinebeck, NY 12572 166 Albany Avenue, Kingston NY 12401 6511 Springbrook Ave Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Burns	Stephen M.	NP	Family Health NP	1184735623	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Higgins	Michelle	NP	Family Health NP	1194755025	365 Broadway, Kingston, NY 12401 150 Sawkill Road Kingston, NY 12401
Health Quest Medical Practice	MD serves patients	Hopper	Rebecca J.	NP	Family Health NP	1134157688	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Kenny	Geraldine M.	NP	Family Health, NP/ Cardiothoracic	1750580908	45 Reade Place., Poughkeepsie, NY 12601

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Allegro-Skinner	Loraine	MD	Family Medicine	1558497602	2044 Rt 32 Modena, NY 12548
Health Quest Medical Practice	MD serves patients	Alyea	Sonya	NP	Family Medicine	1023203734	45 Reade Place, Dyson Center 3rd Floor, Poughkeepsie, NY 12601 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Callahan	Brian	NP	Family Medicine	1932153301	404 Zena Road Woodstock NY 12498 4080 State Route 28, Boiceville NY 12412
Health Quest Medical Practice	MD serves patients	Chasin	Zacharias	MD	Family Medicine	1740447382	6511 Springbrook Avenue, Suite 1001, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	D'Ambrosio	Anthony W.	MD	Family Medicine	1437322385	200 Westage Bus Ctr Drive, Suite 240 Fishkill, NY 12524
Health Quest Medical Practice	MD serves patients	Douyard	Jessica	DO	Family Medicine	1871800607	1 Pine Street Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Forst	Heidi L.	NP	Family Medicine	1891730552	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Foster	Teresa	DO	Family Medicine	1467554014	404 Zena Road Woodstock NY 12498 4080 State Route 28, Boiceville NY 12412
Health Quest Medical Practice	MD serves patients	Friedman	Jodi B.	MD	Family Medicine	1184674996	6511 Springbrook Ave., Rhinebeck, NY 12572 6525 Springbrook Ave. , Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Guzi	Andria	NP	Family Medicine	1912081092	6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Hambright	Maya	MD	Family Medicine	1891744314	404 Zena Rd., Woodstock NY 12498 4080 State Route 28, Boiceville NY 12412
Health Quest Medical Practice	MD serves patients	Heffernan	William	MD	Family Medicine	1356306617	240 South Riverside Road, PO Box 799, Highland, NY 12528-2523 1 Pine St Poughkeepsie, Ny 12601
Health Quest Medical Practice	MD serves patients	Kemp	Sharagim S.	DO	Family Medicine	1912012345	6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Kemp	Sharagim S.	DO	Family Medicine	1912012345	6511 Springbrook Park, Suite 1001, Rhinebeck NY 12572 31 Springbrook Ave, Rhinebeck, Ny 12572
Health Quest Medical Practice	MD serves patients	Khankhel	Israr	MD	Family Medicine	1427382399	45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Krakower	Martin	MD	Family Medicine	1073615738	404 Zena Road Woodstock NY 12498 4080 State Route 28, Boiceville NY 12412
Health Quest Medical Practice	MD serves patients	Krakower	Martin	MD	Family Medicine	1073615738	6511 Springbrook Ave Rhinebeck, NY
Health Quest Medical Practice	MD serves patients	Kumar	Kantha	MD	Family Medicine	1043643620	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Labrenz	Bryon	MD	Family Medicine	1548202021	240 South Riverside Road Highland NY 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Lindor (Antoine)	Nirva M.	MD	Family Medicine	1023061579	1 Pine Street, Poughkeepsie, NY 12601 45 Reade Place Pougkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Mayle	Francis C	MD	Family Medicine	1447234604	2044 Rt. 32, Ste. 4, Modena, NY 12548
Health Quest Medical Practice	MD serves patients	Siddiqui	Mohamad	DO	Family Medicine	1568742666	670 Stoneleigh Ave Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Steenbergen	Mark A.	DO	Family Medicine	1508805136	1 Pine Street, Poughkeepsie, NY 12601 45 Reade Place Pougkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Steres	David	MD	Family Medicine	1992751168	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Vazquez-Bryan	Jennifer	MD	Family Medicine	1750539789	1 Pine Street Poughkeepsie, Ny 12601 200 Westage Bus Ctr Dr S 240 Fishkill, NY 12528
Health Quest Medical Practice	MD serves patients	Vazquez-Bryan	Jennifer	MD	Family Medicine	1750539789	6511 Springbrook Ave Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Wolfsberger	Gabrielle J.	MD	Family Medicine	1124067988	4068 Albany Post Road, Hyde Park, NY 12538-3900 45 Reade Place Poughkeepsie, NY 12601

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Maggio	Charmaine	NP	Family NP	1073928032	45 Reade Pl., Dyson Ctr, 3rd Fl, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Maggio	Charmaine	NP	Family NP	1073928032	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Salisbury	Janet	NP	Family NP	1780023093	45 Reade Pl., Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Via	Christine	NP	Family Nurse Practtioner	1366727513	404 Zena Road Woodstock NY 12498 4080 State Route 28, Boiceville NY 12412 6511 Springbrook Avenue, Suite 1001, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Walsh	Jean	NP	Family Nurse Practtioner	1255619367	45 Reade Place Pok, NY 12601
Health Quest Medical Practice	MD serves patients	Walsh	Jean	NP	Family Nurse Practtioner	1255619367	21 Reade Place S 3100 Poughkeepsie, NY
Health Quest Medical Practice	MD serves patients	Rendich	Kathleen	NP	Family PCP	1558491910	2510 Route 44, Salt Point, NY 12578
Health Quest Medical Practice	MD serves patients	Stamberg	Eric B.	MD	Family Practice	1659392215	40 Hurley Avenue, Suite 18 Kingston NY 12401
Health Quest Medical Practice	MD serves patients	Stamberg	Eric B.	MD	Family Practice	1659392215	6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Nemec	Carolyn	MD	Fanily Medc\icne	1972695559	1 Pine Street, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Ave., Rhinebeck NY 1572
Health Quest Medical Practice	MD serves patients	Behm	Robert J	MD	General Surgery	1629242623	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Behm	Robert J	MD	General Surgery	1629242623	21 Reade Pl, Suite 3100 Pok, NY 12601
Health Quest Medical Practice	MD serves patients	Choi	John J.	MD	General Surgery	1558695874	21 Reade Place, Suite 3100, Poughkeepsie NY 12601 45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Ave Rhinebeck, NY 12572 45 Reade Place, Dyson Center, 2nd Floor, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Connery	Cliff	MD	General Surgery	1417948761	45 Reade Place, Poughkeepsie, NY 12601 670 Stoneleigh Avenue, Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Connery	Cliff	MD	General Surgery	1417948761	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Delgado	Ruben	MD	General Surgery	1558369066	21 Fox Street, Suite 104, Poughkeepsie, NY 12601 45 Reade Place Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Farber	Lee A.	DO	General Surgery	1417152208	21 Reade Place, Suite 3100, Poughkeepsie, NY 12601 45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Avenue, Suite 101, Rhinebeck, NY 12572 6511 Springbrook Avenue, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Golden	Daniel	MD	General Surgery	1225262900	45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Golden	Daniel	MD	General Surgery	1225262900	21 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Keleher	Angela J.	MD	General Surgery	1972510535	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Keleher	Angela J.	MD	General Surgery	1972510535	21 Reade Pl Suite 2100 Poughkeepsie, NY 12601

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Kumar	Pranat	MD	General Surgery	1275793549	45 Reade Place, Poughkeepsie, NY 12601 21 Reade Pl., Ste. 3100, Poughkeepsie, NY 12601 6511 Springbrook Ave., Rhinebeck, NY 12572 6511 Springbrook Ave., Ste. 101, Rhinebeck, NY 12572 45 Reade Pl,. Dyson Center 2nd floor Pok, NY 12601 6511 Springbrook Ave., Ste 1004, Rhinebeck, NY 12572 334 Plaza Road, Kingston, NY 12401
Health Quest Medical Practice	MD serves patients	Nitzkorski	James R	MD	General Surgery	1245471986	21 Reade Place, Suite 3100, Poughkeepsie NY 12601 45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Ave, Rhinebeck, NY 12572 670 Stoneleigh Ave., Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	O'Shaughnessy	Caitlin M	NP	General Surgery	1255689683	45 Reade Place, Dyson Ctr, 3rd Floor Poughkeepsie, NY 12601 45 Reade Pl, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Ramalingam	Saravanan	MD	General Surgery	1114163706	21 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Ramalingam	Saravanan	MD	General Surgery	1114163706	45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Swan	Ryan	MD	General Surgery	1922325539	45 Reade Pl, Dyson Center 3rd Floor Poughkeepsie, NY 12601 45 Reade Pl Poughkeepsie, NY 12601 21 Reade Place 4th Flr Poughkeepsie, NY 12601 200 Westage Business Ctr Dr Fishkill, NY 12524 6511 Springbrook Ave Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Thomas	Sanjay	MD	General Surgery	1902877822	21 Reade Place, Suite 3100, Poughkeepsie, NY 12601 45 Reade Place Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Wing	James A.	MD	General Surgery	1841303906	6511 Springbrook Ave, Suite 101 Rhinebeck, NY 12572 6511 Springbrook Ave, The Wound Care Center Annex, Rhinebeck, NY 12572 670 Stoneleigh Avenue, Carmel, NY 10512 *Supervisory Only 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Wing	James A.	MD	General Surgery	1841303906	6511 Springbrook Avenue, The Wound Care Center Annex, Rhinebeck, NY 1
Health Quest Medical Practice	MD serves patients	Zale	Grerory P	MD	General Surgery	1922187558	6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Zale	Grerory P	MD	General Surgery	1922187558	6511 Springbrook Ave, S 1004 Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Zanieski	Gregory J.	MD	General Surgery	1235320474	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Rojas	Rolando J.	MD	GYN	1174626410	150 Rt 52, Carmel, NY 10512 670 Stoneleigh Ave Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Harandi	Amir	MD	Hemotology/Oncology	1003893199	45 Reade Place, Dyson Center 3rd fl Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Harandi	Amir	MD	Hemotology/Oncology	1003893199	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Leonardo	James	MD	Hemotology/Oncology	1285699017	45 Reade Pl., Dyson Center, 3rd Fl, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Mohindra	Reena	MD	Hospitalist	1811955594	670 Stoneleigh Avenue, Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Molazadeh-Yazdi	Hossein	MD	Hospitalist	1881829661	45 Reade Place, Poughkeepsie, NY 2601

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Sullivan	Levia	NP	Hospitalist	1720431893	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Vladi	Ketevan	MD	Hospitalist	1750521571	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Feinstein	Stuart	MD	Infectious Disease	1023010055	21 Reade Place, Poughkeepsie NY 12601 45 Reade Place Poughkeepsie NY 12601 6511 Springbrook Ave Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Parmar	Nishant	MD	Internal Medcine	1861759946	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Abis	Michelle J.	MD	Internal Medicine	1437144359	6511 Springbook Avenue, Suite 1001, Rhinebeck NY 125702 31 Springbrook Park, Rhinebeck NY 12572 6511 Springbrook Ave Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Agricola	Catherine	MD	Internal Medicine	1083970149	334 Plaza Road, Kingston, NY 12401 6511 Springbrook Ave, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Apel	Anatoly Y.	MD	Internal Medicine	1851454805	670 Stoneleigh Ave., Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Ayers	Brenda L.	MD	Internal Medicine	1477570992	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Bashir	Muhammad (Omer)	MD	Internal Medicine	1710984703	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	670 Stoneleigh Ave., Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Bhitiyakul	Sarahat	MD	Internal Medicine	1104921295	45 Reade Place, Poughkeepsie, NY 10601
Health Quest Medical Practice	MD serves patients	Cho	David S.	MD	Internal Medicine	1033103445	6511 Springbrook Ave., Rhinebeck, NY 12572 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Cho	David S.	MD	Internal Medicine	1033103445	4068 Albany Post Road, Hyde Park, NY 12538-3900
Health Quest Medical Practice	MD serves patients	Choudhury	Aswini	MD	Internal Medicine	1528033487	150 Route 52, Carmel, NY 10512 670 Stoneleigh Ave Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Cocina	Amy	MD	Internal Medicine	1689833394	6511 Springbrook Park, Suite 1001, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Collins	Susan E.	MD	Internal Medicine	1518125822	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Coryat	Laura	NP	Internal Medicine	1538492202	6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Demeterio	Marinela	MD	Internal Medicine	1811964067	670 Stoneleigh Avenue, Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Der Cola	Kelly S.	MD	Internal Medicine	1376523688	6511 Springbrook Ave Rhinebeck NY 12572 334 Plaza Road, Kingston NY 12401
Health Quest Medical Practice	MD serves patients	Dubin	Michael	MD	Internal Medicine	1346333564	150 Route 52, Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Gorich	George	MD	Internal Medicine	1730125618	670 Stoneleigh Ave, Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Gujadhur	Nili	MD	Internal Medicine	1003887258	670 Stoneleigh Ave., Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Gujadhur	Nili	MD	Internal Medicine	1003887258	21 Reade Place, Poughkeepsie, NY 12601 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Isabell	Lee J.	DO	Internal Medicine	1861444671	6511 Springbrook Ave., Rhinebeck,NY 12572
Health Quest Medical Practice	MD serves patients	Isabell	Lee J.	DO	Internal Medicine	1861444671	40 Hurley Avenue, Suite 18 Kingston NY 12401 6511 Springbrook Ave Rhinebeck NY 12572 334 Plaza Road, Kingston NY 12401
Health Quest Medical Practice	MD serves patients	Jee	Paul Y.	MD	Internal Medicine	1972575124	2510 Rt 44 Salt Point, NY 12578 45 Reade Place Poughkeepsie NY 12601

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Joseph	Deepa	MD	Internal Medicine	1457432007	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Kantaros	Diane C.	MD	Internal Medicine	1528099736	45 Reade Place, Poughkeepsie, Ny 12601
Health Quest Medical Practice	MD serves patients	Lal	Inder	MD	Internal Medicine	1124227889	45 Reade Place, Dyson Center 2nd Fl, Poughkeepsie NY 12601 45 Reade Place, Dyson Center 3rd FL, Poughkeepsie NY 12601 21 Reade Place, 2nd Floor, Poughkeepsie NY 12601 21 Reade Place, Suite 3100, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Lal	Inder	MD	Internal Medicine	1124227889	45 Reade Place, Poughkeepsie NY 12601 6511 Springbrook Avenue, Rhinebeck NY 12572 670 Stoneleigh Avenue, Carmel NY 10512 200 Westage Business Center, Suite 330, Fishkill NY 12524
Health Quest Medical Practice	MD serves patients	Lee	Hattie	DO	Internal Medicine	1962847525	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Levine	Elizabeth	MD	Internal Medicine	1548273030	6511 Springbrook Avenue, Rhinebeck, nY 12572
Health Quest Medical Practice	MD serves patients	Malik	Aqsa	MD	Internal Medicine	1750359584	670 Stoneleigh Avenue, Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Mani	Egesta	MD	Internal Medicine	1679791651	150 Route 52, Carmel, NY 10512 670 Stoneleigh Ave Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Mantrala	Pranitha	MD	Internal Medicine	1578843496	670 Stoneleigh Ave., Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Masood	Ahmad	MD	Internal Medicine	1396712790	6511 Springbrook Ave., Rhinebeck, NY 12572 45 Reade PLace, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Mayne	Jeffrey	MD	Internal Medicine	1558597690	6511 Springbrook Ave Rhinebeck, NY
Health Quest Medical Practice	MD serves patients	Medapati	Uma	MD	Internal Medicine	1053486530	45 Reade Place Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Merrill	Richard	MD	Internal Medicine	1508182676	21 Reade Place Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Merrill	Richard	MD	Internal Medicine	1508182676	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Mikati	Tarek	MD	Internal Medicine	1831117894	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Myaing	Yin Yin	MD	Internal Medicine	1629280201	45 Reade Place Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Nesheiwat	Ogleh I.	MD	Internal Medicine	1194809145	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Ave, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Park	Hang Kyu	MD	Internal Medicine	1528243813	1100 Route 55 , Suite 100, Lagrangeville, NY 12540 1 Pine St Pougheepsie, NY 12601 942 Rt 376 Wappingers Falls, NY 12590 45 Reade Place Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Pine	Diane	MD	Internal Medicine	1730169830	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Raz	Amy B.	MD	Internal Medicine	1881669315	670 Stoneleigh Avenue, Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Russell	Nils	MD	Internal Medicine	1902838386	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Sakal	Christopher D	MD	Internal Medicine	1407068141	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Samantara	Sandhyarani	MD	Internal Medicine	1619176807	670 Stoneleigh Avenue, Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Sangurima	Jessica F.	MD	Internal Medicine	1053354159	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Scaduto	James M.	MD	Internal Medicine	1811929540	6511 Springbrook Ave., Rhinebeck, NY 12572

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Shah	Shariyar	MD	Internal Medicine	1003825126	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Sharaiha	Talal Z.	MD	Internal Medicine	1629225651	45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Sim	Vimala	MD	Internal Medicine	1972744977	45 Reade Place., Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Singh	Bramdeo	MD	Internal Medicine	1093743999	670 Stoneleigh Ave., Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Singh	Manjhinder	MD	Internal Medicine	1619112489	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Sohi	Arshwinder S.	MD	Internal Medicine	1073761649	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Tan	Raymond	MD	Internal Medicine	1457523995	45 Reade Place, Poughkeepsie, NY 12601 670 Stoneleigh Avenue, Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Verma	Varun	MD	Internal Medicine	1164669511	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Woo	Sunhee D.	MD	Internal Medicine	1437293479	1100 Rt 55, Suite 101 Lagrangeville, NY 12540 45 Reade Place Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Wu	Tso Huang	DO	Internal Medicine	1396906046	670 Stoneleigh Ave., Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Forson	Afua Y.	MD	Internal Medicine	1740219658	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Jeffries	Jessica L.	MD	Internal Medicine - Pulmonary	1033377106	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Mogul-Ashraf	Zainab	MD	Internal Medicine Hospitalist	1881959484	45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Esteves	Carly	NP	Internal Medicine, Critical Care, Pulmonary	1982027835	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Kung	David H.	MD	Internal Medicine, Critical Care, Pulmonary	1669656922	45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Ross-King	Michelle	MD	Internal Medicine, Critical Care, Pulmonary	1124132527	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Belinskaya	Ilona	MD	Internal Medicine, Pulmonary, Critical Care	1376691949	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Heller	Kimberly A.	MD	Maternal Fetal Peri.	1063426195	45 Reade Place, Poughkeepsie, NY 12601 21 Reade Place, Suite 1000, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	O'Dowd	Marie	PA	Medical Oncology/Hematology	1164659066	45 Reade Pl., Dyson Center, 2nd Fl, Poughkeepsie, NY 12601 45 Reade Pl., Poughkeepsie, NY 12601 21 Reade Pl., Suite 2100, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Rachamalla	Radhika	MD	Medical Oncology/Hematology	1669466595	45 Reade Pl., Dyson Center, 2nd Fl, Poughkeepsie, NY 12601 45 Reade Pl, Poughkeepsie, NY 12601 21 Reade Pl, Ste 2100, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Kissin	Annette	NP	Neonat NP	1295895456	6511 Springbrooke Avenue, Rhinebeck NY 12572 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Grieg	Adolfo F.	DO	Neonatal-Perinatal	1801860259	6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Kovacs	Stephen J.	MD	Neonatal-Perinatal	1053349605	6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Witman	Michael N.	MD	Neonatal-Perinatal	1225054026	6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Zacharatos	Haralabos	DO	Neuro Interventional Surg.	1639345333	21 Reade Place, Suite 3100, Poughkeepsie, NY 12601

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Zacharatos	Haralabos	DO	Neuro Interventional Surg.	1639345333	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Nohara	Alison J.	MD	Neuro. Interventional Surg.	1063465656	21 Reade Place, Suite 3100, Poughkeesie, NY 12601
Health Quest Medical Practice	MD serves patients	Nohara	Alison J.	MD	Neuro. Interventional Surg.	1063465656	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Burshtein	Reuben	DO	Neurology	1033458526	6511 Springbrook Avenue, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Chowdhrey	Naseer	MD	Neurology	1174585608	6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Isakov	Yakov	MD	Neurology	1205096310	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Kufner	Gerald M.	MD	Neurology	1821085747	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Mitchell	Amber Noelle	MD	Neurology	1275767675	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Rapoport	Yul	MD	Neurology	1699935080	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Vieira	Julio	MD	Neurology	1962776138	365 Broadway, Kingston, NY 12401 150 Sawkill Road Kingston, NY 12401 6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Vieira	Julio	MD	Neurology	1962776138	6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Brown	Healther	NP	NP Neonatalology	1841573565	6511 Springbrook Avenue, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Rankie	Eileen T.	NP	NP- Neonatology	1649208380	6511 Springbrook Avenue, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	O'Neal	Cristin	MD	NP-Adulth Health	1063822500	45 Reade Place, 2nd FL, Poughkeepsie NY 12601 21 Reade Place, Suite 2100, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	O'Neal	Cristin	MD	NP-Adulth Health	1063822500	45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Artigas	Valarie A.	NP	NP-Neonatology	1871521559	6511 Springbrook Avenue, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Baez	Jose E.	MD	OB/GYN	1467566299	19 Baker Ave., Suite 302, Poughkeepsie, NY 12601 200 Westage Bus. Ctr. Dr., Suite 230, Fishkill NY 12524 45 Reade Place Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Berger	Renee Suzanne	CNM	OB/GYN	1386664001	6511 Springbrook Ave Suite 103 , Rhinebeck, NY 12572 6511 Springbrook Ave Rhinebeck NY 12572 334 Plaza Road, Kingston NY 12401
Health Quest Medical Practice	MD serves patients	Cingel	Jessica A.	CNM	Ob/Gyn	1205290418	6511 Springvbrook Avenue, Suite 103, Rhinebeck NY 12572 334 Plaza Raod, Kingston NY 12401
Health Quest Medical Practice	MD serves patients	Cingel	Jessica A.	CNM	Ob/Gyn	1205290418	6511 Springbrook Avenue, Rhinebeck NY 12572

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Cowgill	Molly	MD	OB/GYN	1700858958	652 Route 299, Suite 102, Highland, NY 12528 19 Baker Ave Suite 302 Poughkeepsie NY 12601 200 Westage Suite 230 Fishkill, NY 12524 45 Reade Place Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Denney	Julie W.	CNM	OB/GYN	1275693061	6511 Springbrook Ave Suite 103 , Rhinebeck, NY 12572 6511 Springbrook Ave Rhinebeck NY 12572 334 Plaza Road, Kingston NY 12401
Health Quest Medical Practice	MD serves patients	Henderson	Kimberly	DO	OB/GYN	1790070787	6511 Springbrook Ave West Wing Suite 103, Rhinebeck, NY 12572 166 Albany Ave Kingston, NY 12401 6511 Springbrook Ave Rhinebeck NY 12572 45 Reade Place Poughkeepsie, NY 12601 334 Plaza Road, Kingston NY 12401
Health Quest Medical Practice	MD serves patients	Kasello	Donna J.	MD	OB/GYN	1902876535	19 Baker Ave., Suite 302. Poughkeepsie, NY 12601 200 Westage Bus. Ctr. Dr., Suite 230, Fishkill NY 12524 652 Rt 299 Suite 102 Highland, NY 12528 45 Reade Place Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Madoff	Stacey A.	MD	OB/GYN	1750477402	19 Baker Ave., Suite 302. Poughkeepsie, NY 12601 200 Westage Bus. Ctr. Dr., Suite 230, Fishkill NY 12524 652 Rt 299 Suite 102 Highland, NY 12528 45 Reade Place Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	McDowell	Meredith B.	MD	OB/GYN	1740332410	6511 Springbrook Ave Suite 103 , Rhinebeck, NY 12572 166 Albany Avenue, Kingston NY 12401 6511 Springbrook Ave Rhinebeck, NY 12572 334 Plaza Road Kingston, NY 12401
Health Quest Medical Practice	MD serves patients	Osawe	Obosa N.	MD	OB/GYN	1831308675	19 Baker Ave., Suite 302, Poughkeepsie, NY 12601 200 Westage Bus. Ctr. Dr., Suite 230, Fishkill NY 12524 45 Reade Place Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Rosensweig	Nancey	CNM	OB/GYN	1083696322	6511 Springbrook Ave, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Salem	Azzam M.	MD	OB/GYN	1891899126	19 Baker Ave., Suite 302, Poughkeepsie, NY 12601 200 Westage Bus. Ctr. Dr., Suite 230, Fishkill NY 12524 45 Reade Place Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Stern	Robert A.	MD	OB/GYN	1073608691	19 Baker Ave., Suite 302, Poughkeepsie, NY 12601 200 Westage Bus. Ctr. Dr., Suite 230, Fishkill NY 12524 45 Reade Place Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Swingle	Jane	CNM	OB/GYN	1558312157	6511 Springbrook Avenue, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Turk	Jed L.	MD	OB/GYN	1265527220	19 Baker Ave., Suite 302. Poughkeepsie, NY 12601 200 Westage Bus. Ctr. Dr., Suite 230, Fishkill NY 12524 652 Rt 299 Suite 102 Highland, NY 12528 45 Reade Place Poughkeepsie NY 12601

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Zolnik	Lawrence A.	MD	OB/GYN	1154416113	19 Baker Ave., Suite 302, Poughkeepsie, NY 12601 200 Westage Bus. Ctr. Dr., Suite 230, Fishkill NY 12524 45 Reade Place Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Bloch	Dean L.	MD	OB/GYN	1215988779	6511 Springbrook Ave Suite 103 , Rhinebeck, NY 12572 6511 Springbrook Avenue Rhinebeck NY 12572 Plaza Road, Kingston NY 12401
Health Quest Medical Practice	MD serves patients	Simmons	Tayler	PA	PA-Neonatology	1245666783	6511 Springbrook Avenue, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Cruser	Daniel	MD	Pathology	1972551828	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Avenue, Rhinebeck NY 12572 200 Westage Business Center, Suite 330, Fishkill NY 12524 21 Reade Place, 4th Floor, Fishkill NY 12524
Health Quest Medical Practice	MD serves patients	McKnight	Ryan	MD	Pathology	1033395991	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Avenue, Rhinebeck NY 12572 200 Westage Business Center, Suite 330, Fishkill NY 12524 21 Reade Place, 4th Floor, Poughkeepsie NY 12524
Health Quest Medical Practice	MD serves patients	Quinn	David	MD	Pathology	1871557405	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Avenue, Rhinebeck NY 12572 200 Westage Business Center, Suite 330, Fishkill NY 12524 21 Reade Place, 4th Floor, Fishkill NY 12524
Health Quest Medical Practice	MD serves patients	Wendel	Shannon Ann	NP	Pediatric Nurse Practioner	1609188721	6511 Springbrook Avenue, Rhinebeck, NY 12572 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Triegel	Johanna	MD	Pediatrics/ Neonatal-Perinatal	1518026707	6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	DiSimone	Kathleen	PA	Phyician Assistant	1366997371	45 Reade Place., Poughkeepsie, NY 12601 6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Yaple	Amanda	PA	Physical Assistant	1386094829	45 Reade Place, Poughkeepsie NY 12601 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Karra	Srivani	MD	Physical Medicine & Rehabilitation	1225126758	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Ballister	Brandon	PA	Physician Assistant	1225313430	6511 Springbrook Ave Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Browne	Lisa	PA	Physician Assistant	1013060664	6511 Springbrook Avenue, Suite 1001, Rhinebeck NY 12572 40 Hurley Ave, Suite 18 Kingston NY 12401 31 Springbrook Park Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Denter	Alana	PA	Physician Assistant	1861677676	6511 Springbrook Avenue, Rhinbeck NY 12572 45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Doud	Jenna	PA	Physician Assistant	1417338765	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Avenue, Rhinebeck NY 12524
Health Quest Medical Practice	MD serves patients	Dougherty	Eugene	PA	Physician Assistant	1265534895	404 Zena Road Woodstock NY 12498 4080 State Route 28, Boiceville NY 12412

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Forlivio	Johanna	PA	Physician Assistant	1780715979	21 Reade Place, Suite 3100, Poughkeepsie NY
Health Quest Medical Practice	MD serves patients	Forlivio	Johanna	PA	Physician Assistant	1780715979	45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Lent	Tara	PA	Physician Assistant	1588940233	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Rinzler	Cinnamon	PA	Physician Assistant	1205938313	404 Zena Road Woodstock NY 12498 4080 State Route 28, Boiceville NY 12412
Health Quest Medical Practice	MD serves patients	Sepulveda	Celestino	MD	Plastic Surg.	1457401168	21 Reade Place, Suite 2100, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Sepulveda	Celestino	MD	Plastic Surg.	1457401168	45 Reade Place, Puoghkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Ferro	John	MD	Psych/Neurology	1750333449	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Barreras-Cruz	Tania	MD	Psychiatry	1750532164	9 Livingston St Suite 4S Poughkeepsie, NY 12601 660 Stoneleigh Ave Carmel, NY 10512 21 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Barreras-Cruz	Tania	MD	Psychiatry	1750532164	670 Stoneleigh Ave., Carmel, NY 10512 45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Doyle	Michael E	MD	Psychiatry	1568430262	45 Reade Pl., Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Dudas	Melissa	DO	Psychiatry	1790939429	660 Stoneleigh Ave., Carmel, NY 10512 9 Livingston Street Suite 4S Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Dudas	Melissa	DO	Psychiatry	1790939429	670 Stoneleigh Ave., Camel, NY 10512 45 Reade Pl., Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Harrison	Hillary	MD	Psychiatry	1073768297	660 Stoneleigh Ave Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Harrison	Hillary	MD	Psychiatry	1073768297	660 Stoneleigh Ave Carmel, NY 10512

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Markarian	Marylinn	MD	Psychiatry	1609834514	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Ave Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Markarian	Marylinn	MD	Psychiatry	1609834514	9 Livingston St Suite 4S Poughkeepsie, NY 12601 21 Reade Place Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Park	Brian	MD	Psychiatry	1104935998	45 Reade Place, Poughkeepsie, NY 12601 21 Reade Pl Poughkeepsie, Ny
Health Quest Medical Practice	MD serves patients	Park	Brian	MD	Psychiatry	1104935998	670 Stoneleigh Ave Carmel, New York 10512
Health Quest Medical Practice	MD serves patients	Stumacher	Mark J.	MD	Psychiatry	1023150745	670 Stoneleigh Ave, Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Yermak	Yelena	MD	Psychiatry	1689705659	670 Stoneleigh Ave., Carmel, NY 10512 45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Avenue, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Yermak	Yelena	MD	Psychiatry	1689705659	660 Stoneleigh Ave., Carmel, NY 10512 9 Livingston Street Suite 4S Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Abi Fadel	Dina	MD	Pulmonary	1528234135	21 Reade Place, Suite 1000, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Collins	Timothy	DO	Pulmonary/Critical Care	1760586903	4068 Albany Post Road, Hyde Park, NY 12538 21 Reade Pl Suite 1000, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Collins	Timothy	DO	Pulmonary/Critical Care	1760586903	45 Reade Place Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Mahmood	Nader	MD	Pulmonary/Critical Care	1396906913	21 Reade Pl Suite 1000 Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Mahmood	Nader	MD	Pulmonary/Critical Care	1396906913	45 Reade Place, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Suseelan	Hary	MD	Pulmonary/Critical Care	1619298981	4068 Albany Post Rd., Hyde Park, NY 12538
Health Quest Medical Practice	MD serves patients	Hasselmark	Fairouz	MD	Pulmonolgy	1265602833	21 Reade Pl., Ste. 1000, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Levy	Richard	MD	Radiology	1437120714	365 Broadway, Kingston NY 12401
Health Quest Medical Practice	MD serves patients	Shepard	Timothy F	MD	Radiology	1700082740	150 Sawkill Rd., Kingston, NY 12401
Health Quest Medical Practice	MD serves patients	Wise	James	MD	Rheumatology	1548206998	78 Maiden Lane, Kingston NY 12401 6511 Springbrook Avenue, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Gould	Allison G.	LCSW	Social Worker	1790880417	6525 Springbrook Ave. , Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Casos	Steven	MD	Sugery/Critical Care	1609849959	45 Reade Place, Poughkeepsie, NY 12601 21 Reade Pl., Ste 3100, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Basini	Diana	PA	Surg Asst. PA	1730102013	45 Reade Place, Poughkeepsie, NY 12601 670 Stoneleigh Ave Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Mack	John E.	PA	Surg Asst. PA	1619918968	45 Reade Place, Poughkeepsie, NY 12601 670 Stoneleigh Ave, Carmel, NY 10512 6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	McErleane	Ann J.	PA	Surg Asst. PA	1649368820	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Perdigao	Kristen A.	PA	Surg Asst. PA	1871733212	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Ave, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Powers	Lisa	PA	Surg Asst. PA	1396187605	45 Reade Place, Poughekkepsie, NY 12601 6511 Springbrook Avenue, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Prezzano	Christopher M.	PA	Surg Asst. PA	1063448496	45 Reade Place, Poughkeepsie, NY 12601

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Simmons	Lolita	PA	Surg Asst. PA	1518102599	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Ave., Rhinebeck, NY 12572 670 Stoneleigh Avenue, Carmel NY 10512
Health Quest Medical Practice	MD serves patients	Bischof	Elyse	PA	Surg. Asst. PA	1568708451	670 Stoneleigh Avenue, Carmel NY 10512
Health Quest Medical Practice	MD serves patients	Graham	Kristen E.	PA	Surg. Asst. PA	1316209703	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Heisey	Baron	PA	Surg. Asst. PA	1467463323	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Ave., Rhinebeck,NY 12572
Health Quest Medical Practice	MD serves patients	Heisey	Baron	PA	Surg. Asst. PA	1467463323	21 Reade Pl, Suite 3100 Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Lugo	Rachel	PA	Surg. Asst. PA	1972903243	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Lihau-N'Kanza	Anne	MD	Surgery	1730127788	21 Reade Place, Suite 3100, Poughkeepsie NY 12601
Health Quest Medical Practice	MD serves patients	Lihau-N'Kanza	Anne	MD	Surgery	1730127788	45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Esteves	Carly	NP	Surgery/Trauma	1982027835	21 Reade Pl, Suite 3100 Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Fillerup	Chris	PA	Surgical Assist. PA	1922381219	45 Reade Place, Poughkeepsie, NY 12601 670 Stoneleigh Ave., Carmel, NY 10512 6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Black	Felicia	PA	Surgical Asst. PA	1598795197	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Ave., Rhinebeck, NY 12572

Health Quest Medical Practice	MD serves patients	Adepoju	Linda	MD	General Surgery	1558599852	6511 Springbrook Avenue, Suite 1004, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Bhat	Anil	MD	Internal Medicine	1558393223	189 NY 100, Somers NY 10589
Health Quest Medical Practice	MD serves patients	Gooch	William	MD	Neurology	1457348351	365 Broadway, Kingston NY 12401 150 Sawkill Rd, Kingston NY 12401 279 Main Street New Paltz, NY 12561 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Cadmus	Caroline M.	PA	Surgical Asst. PA	1326270067	45 Reade Place, Poughkeepsie, NY 12601 670 Stoneleigh Ave., Carmel, NY 10512 6511 Springbrrok Ave, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Dos Reis	Roberto P.	PA	Surgical Asst. PA	1023239555	[illegible] 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Duda	Rozalia	PA	Surgical Asst. PA	1245662097	670 Stoneleigh Ave., Camel, NY 10512 45 Reade Pl., Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Edugene	Christine A.	PA	Surgical Asst. PA	1427350982	[illegible] 670 Stoneleigh Ave., Carmel, NY 10512 6511 Springbrook Avenue, Rhinebeck NY 12572
Health Quest Medical Practice	MD serves patients	Feldman	Emily N.	PA	Surgical Asst. PA	1609065259	6511 Springbrook Ave., Rhinebeck, NY 12572 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Girardin	Lisa S.	PA	Surgical Asst. PA	1972836005	670 Stoneleigh Ave., Carmel, NY 10512 45 Reade Place Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Humphreys	Jonathan	PA	Surgical Asst. PA	1194017772	45 Reade Place, Poughkeepsie, NY 12601 670 Stoneleigh Ave Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Huynh	Thanh	PA	Surgical Asst. PA	1902207954	[illegible] 6511 Springbrook Avenue, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Shah	Niral	MD	Surgical Critical Care	1053563072	45 Reade Place, Poughkeepsie, NY 12601 21 Reade Pl., Ste 3100, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Barlow	Allyse D.	PA	Surgical PA	1740530492	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Ave., Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Kyle	Alexa N.	PA	Surgical PA	1073815700	45 Reade Place, Poughkeepsie, NY 12601 6511 Springbrook Avenue, Suite 101, Rhinebeck, NY 12572
Health Quest Medical Practice	MD serves patients	Thomson	Dianne	PA	Surgical PA	1003847377	45 Reade Place., Poughkeepsie, NY 12601 670 Stoneleigh Avenue, Carmel, NY 10512
Health Quest Medical Practice	MD serves patients	Sarabu	Mohan R.	MD	Thoracic Surgery	1922048222	1 Columbia St., Suite 300 Poughkeepsie, NY 12601 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Shahani	Rohit B.	MD	Thoracic Surgery	1003851379	1 Columbia St., Suite 300 Poughkeepsie, NY 12601 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Zakow	Peter K.	MD	Thoracic Surgery	1568408623	1 Columbia St., Suite 300 Poughkeepsie, NY 12601 45 Reade Place, Poughkeepsie, NY 12601
Health Quest Medical Practice	MD serves patients	Granet	Paul	MD	Trauma	1992785497	21 Reade Place, Suite 3100, Poughkeepsie, NY 12601

EXHIBIT D

ROBERT FRIEDBERG

Cell:
Work: 845-475-5910

Professional Experience

Health Quest Systems, Inc. LaGrangeville, NY 2014 - Present
President

- Vassar Brothers Medical Center Bed Tower CON, Groundbreaking 2019

Health Quest Systems, Inc., LaGrangeville, NY 1999 – Present

Health Quest (HQ) is the Mid-Hudson Valley's largest integrated healthcare system. HQ includes Northern Dutchess Hospital, Putnam Hospital Center and Vassar Brothers Medical Center, as well as The Heart Center, Health Quest Medical Practice, Hudson Valley Homecare and the Thompson House. HQ's annual revenue approximates $870 million with more than 6,000 staff, 1,400 medical staff, a total of 697 licensed beds and provides healthcare to 1.5 million residents in the Hudson Valley.

PREVIOUS POSITIONS

Delnor Hospital, Geneva, IL
President & EVP of Operations

Rush Presbyterian/St. Luke's Medical Center, Chicago, IL
Senior Administrator

MacNeal Health Network, Berwyn, IL
Vice President and Chief Operating Officer

EDUCATION & PROFESSIONAL DEVELOPMENT

Cornell University, Ithaca, NY
Master's Degree in Health Administration

University of Rochester, Rochester, NY
Bachelor's Degree

PROFESSIONAL AFFILIATIONS/BOARDS/COMMUNITY ACTIVITIES	

LICENSURE & CERTIFICATION

PERSONAL DATA

Married with two children.

GLENN LOOMIS, MD, MSHM, FAAFP

Cell: 859-462-3134
Work: 845-475-9506
Fax: 845-475-9511

Professional Experience

Health Quest Systems, Inc. LaGrangeville, NY Date January 2016 - Present
Title: Chief Medical Operations Officer &
President, Health Quest Medical Practice

Chief Medical Operations Officer:

- Provide leadership for urgent care, ambulatory and physician operations & issues
- Provide leadership for all quality operations in all facilities
- Lead numerous initiatives
- Lead clinical integration start-up and strategy
- Critical role in creating an integrated physician/hospital enterprise.
- **President, Health Quest Medical Practice**:
- Report directly to the Board of Directors and provide executive leadership to a physician organization of 125+ physicians, 200+ providers and 525+ employees
- Oversee group growth and development including practice acquisitions.
- Provide physician leadership for ambulatory HER implementation and optimization.

Health Quest Systems, Inc., LaGrangeville, NY 1999 – Present

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St. Elizabeth Healthcare/St. Elizabeth Physicians, Edgewood, KY
President/CEO, St. Elizabeth Physicians 2010 – 2016
Senior VP, St. Elizabeth Healthcare 2010 – 2015

St. Francis Hospitals/St. Francis Medical Group , Beech Grove, IN 2008 - 2010
President, St. Francis Medical Group
Associate Director, Family Practice Residency Program 1999 – 2002
Physician Advisor, Integrated Case Management 2001 - 2002

Sparrow Health System/Sparrow Medical Group, Lansing, MI 2002 - 2006

PREVIOUS POSITIONS

President, Sparrow Medical Group 2007 – 2008

Carson City Hospital
Member, Board of Directors 2007 – 2008

Mercy Health System
Associate System Medical Director 2005 – 2006
Program Director, Family Medicine Residency Program 2002 - 2006

United States Air Force Medical Corps, Malcolm Grow Medical Center, MD 1995 – 1999
Faculty Physician, Family Medicine Residency
Staff Flight Surgeon & Interim Dept. Chair, Flight Medicine Clinic
Staff Family Physician

EDUCATION & PROFESSIONAL DEVELOPMENT

Department of Health and Human Services
Primary Health Care Policy Fellowship

American Academy of Family Physicians
National Institute for Program Director Development Fellowship

University of North Carolina
Faculty Development Fellowship

University of Texas
Masters of Science in Healthcare Management

Community Hospitals of Indianapolis Family Medicine
Chief Administrative Resident

Ohio State University College of Medicine
Doctor of Medicine

Ohio State University College of Arts and Sciences
Bachelors of Science in Psychology/Biology

PROFESSIONAL AFFILIATIONS/BOARDS/COMMUNITY ACTIVITIES	
American Medical Group Association	2007 - present
American College of Physician Executives	2205 - present
American Medical Association	1998 - present
Kentucky Medical Association	1998 - present
American Academy of Family Physicians	1998 - present
Kentucky Academy of Family Physicians	2011 - present
Indiana Academy of Family Physicians	1999-2002/2009-2010
Michigan Academy of Family Physicians	2007 - 2008
Wisconsin Academy of Family Physicians	2003 - 2008
Indiana State Medical Association	1999-2002/2009-2010
Wisconsin Medical Society	2003 - 2006
Michigan State Medical Society	2007 - 2009
Comprehensive Primary Care Initiative	2012 - 2015
HealthBridge (Regional Health Information Exchange)	2011 - 2015
Indiana Health Information Exchange/Quality Health First	2009 - 2011
Janesville Community Health Center	2006
Central Indiana Coalition to Reinvent Healthcare	2000 - 2002
Central Indiana Health Improvement Council	2001 - 2002
Indiana State Health Commissioner's Chronic Disease Advisory Council	2000 - 2002

LICENSURE & CERTIFICATION

1992 - present:
State of New York Medical License - unrestricted
State of Kentucky Medical License - unrestricted
State of Indiana Medical License - unrestricted
State of Michigan Medical License – unrestricted
State of Wisconsin Medical License – expired
State of Missouri Medical License – expired
1999 - present:
American Academy of Family Physicians, Fellow
1995 - present:
American Board of Family Medicine, Board
1993 - present:

DEA – current registration, active

PERSONAL DATA

Married with three children.

GARY ZMRHAL

3108 Twilight Avenue
Naperville, Illinois 60564

Cell:
Work: 845-475-9538
gzmrhal@health-quest.org

Professional Experience

Health Quest Systems, Inc. LaGrangeville, NY 2014 - Present
Title Senior Vice President and Chief Financial Officer

Health Quest Systems, Inc., LaGrangeville, NY 1999 – Present

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PREVIOUS POSITIONS

CIRE CONSULTING LLC, Naperville, IL 2000-2003, 2004-2005, 2008 - Present
Managing Director

Interim CFO for a Chicago-suburban, acute-care hospital June 2014 -Present

Project Director for a large Chicago-suburban, multi-hospital system January – June 2014

Interim CFO for a Peoria, Illinois, acute-care hospital 2013

Interim CFO for a Topeka, Kansas, acute-care hospital 2010 - 2013

Acting President of Empire Health Foundation in Spokane, Washington 2008 - 2010

SAINT VINCENT CATHOLIC MEDICAL CENTER, NYC 2004 - 2005
Provided executive-level expertise in finance and operations

SAINT JOSEPH'S WAYNE HOSPITAL, Wayne, NJ
Acting CFO

RIVERSIDE HOSPITAL Kankakee, Il 2000 - 2003
Supervisor of Projects, Marketed professional services, planned/directed consulting assignments, and developed/implemented recommendations

HOLY CROSS HOSPITAL, Chicago, IL 2005 - 2008
Vice President and CFO

PREVIOUS POSITIONS

BLACKMAN KALLICK BARTELSTEIN LLP, Chicago, IL — 2003 - 2004
Partner-Consulting/Tax

MACNEAL HEALTH NETWORK AND FOUNDATION, Berwyn, IL — 1996 - 2000
Vice President and CFO

STRATEGIC BUSINESS CONSULTING, Indianapolis, IN — 1993 - 1996
Senior Consultant

ARTHUR ANDERSEN & CO., Chicago, IL and Indianapolis, IN — 1971 - 1993
Indianapolis Tax Partner-in-Charge (1987 to 1993)
Chicago Tax Partner (1983 to 1986)
Chicago Tax Manager (1976 to 1983)
Chicago Senior Tax Accountant (1972 to 1976)
Chicago Audit Staff Accountant (1971 to 1972).

EDUCATION & PROFESSIONAL DEVELOPMENT

Illinois State University
B.S. in Accounting

PROFESSIONAL AFFILIATIONS/BOARDS/COMMUNITY ACTIVITIES

Chartered Global Management Accountant	
American Institute of CPA's Illinois CPA Society	

LICENSURE & CERTIFICATION

PERSONAL DATA

David Ping
Senior Vice President of Strategic Planning and Business Development
Health Quest

David Ping joined Health Quest in September of 2005 and serves as the Senior Vice President of Strategic Planning and Business Development. In this role, David is responsible for the development of the strategic direction for Health Quest and its family of providers. David is also responsible for business development activities, analyzing potential new service offerings, provider acquisitions and increasing volume at Health Quest. David is also responsible for Health Quest Community Education, which provides CPR and other health related courses.

David has a BA from Indiana University and a Master's in Healthcare Administration from the University of Minnesota. David is an adjunct faculty member of University of Minnesota, teaching planning in the MHA independent Study Program.

David was the recent Chair of the American Heart Association Dutchess and Ulster Heart Walks and is the current Chair of the American Heart Association Dutchess and Ulster Board of Directors. He also is on the board of directors of Family Services and Walkway Over the Hudson. David and his wife Cyndie live in Rhinebeck and have three children.

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1/20/16

ROBERT DIAMOND

19 Hopeview Court
Newburgh, NY 12550

Cell: 845-224-5847
Work: 845-483-6790
rdiamond@health-quest.org

Professional Experience

Health Quest Systems, Inc., LaGrangeville, NY 2007 – Present
Title: Chief Information Officer

Responsible for all facets of the IS department of Health Quest Systems and its affiliates. Directly accountable for the management of all IT related executive activities including strategic and operational planning, budgeting (capital/operational), IT leadership staff management, contract negotiations and prospective contract management.

- Ultimately responsible for vendor relations and their adherence to project scope, timelines and budgets.
- Executive owner of the HQ multi-thousand node wide area network and all applications and data that resides on this network.
- Principle owner for both clinical and revenue cycle workflow redesign and standardization across the organization.
- Executive manager over all Bio Med services for the organization.

Health Serve, Inc. (Subsidiary of Health Quest Systems Inc.) 2007 - Present
President
Provides IT related services to a multitude of clients including local health care providers, national organizations and other regional and national hospitals.

Health Quest Systems, Inc., LaGrangeville, NY 1999 – Present

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PREVIOUS POSITIONS

Orange Regional Medical Center, Middletown, NY 2003 – 2007
Vice President of Business Process Management/CIO
Vice President of Information Systems/Chief Information Officer

Kingston Regional Health Care System, Kingston NY 2001 – 2003

Vice President of Information Technology/CIO
Interim CFO, Revenue Cycle

Healthcare Associates, LLC, Lake Katrine, NY 1999 – 2001
Vice President/Chief Information Officer

New York Association of Homes and Services for Aging, Albany, NY 1988 – 1999
Vice President of Information Systems
Director of Information Systems
Applications Programmer

EDUCATION & PROFESSIONAL DEVELOPMENT

New York State University at New Paltz, New Paltz, NY
Bachelor of Arts Degree in Computer Science-Information System/Business Systems

PROFESSIONAL AFFILIATIONS/BOARDS/COMMUNITY ACTIVITIES

NYS Dept. of Health-Data Protection Review Board - Board Member	1995 – 2015
Healthcare Association of New York State-CIO Committee - Member	2004 - Present
Greater Hudson Valley-Regional Health Information Organiz.-Board Member	2006 – 2007
Kingston Board of Education – Board Member	1998 -2001
Kingston City Laboratory – Board Member	2015 – Present
Healthcare Association of New York State	
Health Information Managers Society	
College of Healthcare Management Executives	
Greater New York Hospital Association	
Health Facilities Managers Association	

LICENSURE & CERTIFICATION

PERSONAL DATA

Married; 3 daughters

MICHAEL HOLZHUETER, ESQ.

Cell:
Work: 845-475-9808
mholzhueter@health-quest.org

Professional Experience

Health Quest Systems, Inc. LaGrangeville, NY 2014 - Present
Senior Vice President and General Counsel

Health Quest Systems, Inc., LaGrangeville, NY 1999 – Present

Health Quest (HQ) is the Mid-Hudson Valley's largest integrated healthcare system. HQ includes Northern Dutchess Hospital, Putnam Hospital Center and Vassar Brothers Medical Center, as well as The Heart Center, Health Quest Medical Practice, Hudson Valley Homecare and the Thompson House. HQ's annual revenue approximates $870 million with more than 6,000 staff, 1,400 medical staff, a total of 697 licensed beds and provides healthcare to 1.5 million residents in the Hudson Valley.

PREVIOUS POSITIONS

Cadence Health, Chicago, IL
VP and General Counsel

Cleveland Clinic Foundation, Cleveland, IL

University of Chicago Medical Center, Chicago, IL

Advocate Health Care

McDermott, Will and Emery

EDUCATION & PROFESSIONAL DEVELOPMENT

Loyola University Chicago School of Law, Chicago, IL
Juris Doctor (Health Law Focus)
Loyola University
Bachelors in Economics

PROFESSIONAL AFFILIATIONS/BOARDS/COMMUNITY ACTIVITIES

LICENSURE & CERTIFICATION

PERSONAL DATA

Married with two children.

PETER R. CORDEAU, RN, BSN, MBA

43 Rockwall Court • Goshen, Connecticut 06756
(860) 491-1190 • Peter.Cordeau@gmail.com

Exceptionally qualified healthcare administrator, with more than 29 years of experience managing and enhancing operations for reputable healthcare systems ranging from department startups to acute care hospitals with 1500+ employees, serving 200+ patients. Continuously improve performance and level of patient care through effective team leadership and superior clinical skills. Dynamic communicator and motivator, with demonstrated success in forging positive relationships with peers, subordinates, and general public. Key strengths include:

Hospital Administration • Critical & Acute Care Nursing • Staffing • Recruitment • Organizational Development
Case Management • Cross-Functional Team Leadership • Performance Management • Policy Development
Patient Relationship Management • Patient Advocacy • Regulatory Compliance • Training & Development
Grievance & Appeal Claims • Presentations • Emergency Preparedness • Home Care Coordination

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PROFESSIONAL EXPERIENCE

SHARON HOSPITAL, Sharon, Connecticut • Chief Executive Officer (March 2016 – present)

Responsible for the overall operation and strategic direction of the hospital. Responsible to the Governing and Advisory Boards for the organization as well as the management of the organization in accordance with policies established by and subject to the direction of the Board. Required to demonstrate fiscal accountability to the Board and corporate parent to ensure appropriate systems and structures are in place for the effective management and control of resources. Highly visible leader in the community, sponsoring, volunteering, and speaking at community events, as well as serving on the Northwest Chamber of Commerce Board of Directors.

SHARON HOSPITAL, Sharon, Connecticut • Interim Chief Executive Officer (November 2015 – March 2016)

SHARON HOSPITAL, Sharon, Connecticut • Chief Nursing Officer / Chief Operating Officer (October 2013 – November 2015)

78 bed for-profit, full service community hospital, servicing Connecticut, New York, and Massachusetts. Work in collaboration with CEO and CFO in the development of strategic, financial, and operational plans for the organization. Responsible for the performance and operations of all inpatient nursing units, ED, Wound Care, Pharmacy, Senior Behavior Health, Radiology, Lab, HIM, and CRM.

- Improved HCAPH scores from 56th to 76th percentile
- Redesigned inpatient organizational structure improving patient throughput, employee satisfaction, and physician satisfaction.
- Recruited, hired, and oriented 5 new clinical directors (Surgical Services, OB, ICU, Med/Surg, and Senior Behavioral Health).
- Eliminated the need for travel nurses and contracted sitters, reduced overtime, improved staffing coverage, resulting in decreased year over year salary expenditure.
- Redesigned radiology scheduling process to improve patient throughput, employee satisfaction, and physician satisfaction.
- Created position control for all inpatient units to accurately assess and address staffing needs and replacement factor for all departments.
- Participate in Governing Board of Directors, Advisory Board of Directors, Medical Executive Committees, Physician Leadership Council, and all clinical section meetings.

ST. MARY'S HOSPITAL, Waterbury, Connecticut • (June 2002 – October 2013)
200-bed non-profit acute care inner-city hospital, servicing greater Waterbury community; teaching hospital affiliated with the Yale School of Medicine.

Director Cardiac Service Line – (April 2012 – October 2013)
Director of the first ever Cardiac Service Line. Management and leadership of thirteen cost centers and 300+ employees. Responsibilities as listed below in addition to managing Cardiology, Cath lab, EKG, EP, EEG, Respiratory, Rehab, and Laboratory.

Director of Critical Care, CVU, and Telemetry (October 2008- April 2012)
Nursing Director for Critical Care, Telemetry and Cardiovascular Unit (CVU). Responsible for the management of a 14.8 million dollar budget, 120 clinical and non-clinical staff, 6 mid-level practitioners and 2 Clinical Managers.

- Co-chair Clinical Content and Process committee for EMR rollout.
- Received Gold Awards in both CHF and AMI from American Heart Association
- Increased voluntary retention from 80% to 95%.
- Improved staff satisfaction to 93rd percentile in recent 2011 Health Stream staff satisfaction survey.
- Created corrective action plans in response to Department of Public Health (DPH) and Centers for Medicaid and Medicare Services (CMS) audits.
- Created Cardiac Quality Workgroup to review all PCI and open heart surgery quality markers.
- Developed throughput analysis resulting in improved employee satisfaction, patient satisfaction, decreased ED wait times and increased throughput.
- Developed and championed the new "Falling Star" program which has reduced falls by greater than 40% over two years.
- Developed processes and procedures to eliminate central line associated blood stream infections (CLABSI's); effectively reducing CLABSI's to a median of zero over the past twelve months.

Clinical Nursing Supervisor (2004-2008)
Manage hospital administration during 16-hour period (3pm-7am); Managed 100+ employees daily, from ER doctors to housekeeping staff. Oversee staffing of entire hospital, balancing financial needs of hospital without sacrificing patient care. Directly supervise and manage "float pool," comprised of 7 RN's, 4 nurse aides, and 2 clerical staff. Maintain working relationship with state and local police, Connecticut Organ Bank, and State Medical Examiner.

- Garnered a Service Excellence Award for loyal and dedicated service in May 2008.
- Ensured preparation for any internal or external disaster.
- Interfaced with local media pertaining to sensitive patient information; ensured HIPPA regulations were adhered to accordingly.
- Collaborated with underprivileged families to assist with funeral arrangements and provide appropriate referrals and contacts on their behalf.

Staff Nurse, Intensive Care Unit (2002-2004)
Managed direct patient care for critically ill (ACLS certification required for position).

- Functioned as preceptor for new hires as well as nursing students.
- Served as patient advocate between patient, family, and medical team.
- Assisted families with coping and life changing decisions.

AETNA U.S. HEALTHCARE, Middletown, Connecticut • 1998-2002
One of the nation's leading healthcare companies.

Healthcare Consultant, Grievance & Appeals Unit (2000-2002)
Retroactively reviewed previously denied claims. Made determinations for authorization or denial of claims based on ISD and M&R guidelines .Collaborated frequently with Medical Directors and Department of Insurance.

Concurrent Review Nurse (1999-2000)
Reviewed clinical information on members' inpatient hospitalizations. Certified or denied days based on ISD and M&R guidelines.

Diabetes Disease Case Manager / Home Care Coordinator (1998-1999)
Reviewed cases by diagnostic set, i.e. a diagnosis of diabetes. Reviewed pharmacy records and hospital admissions, focused on disease prevention. Educated members and provided resources to avoid hospitalization. Conducted regular presentations of disease/case management program to participating providers. Coordinated home care and durable medical equipment for states of Connecticut, Rhode Island, New York, New Hampshire, and Massachusetts.

- Facilitated development of new Home Care department from ground up in 6 months; encompassed implementation of new policies/procedures.

OMNI HOME HEALTH SERVICES, Wallingford, Connecticut • 1995-1998
Largest for-profit home health agency in State of Connecticut at the time (now defunct).

Case Manager, Corporate Office (1997-1998)
Served as Case Manager for all managed care contracts as part of corporate team. Contracts included MDHP, Oxford, Northeast Health Direct, Connecticut Health Plan, and Medspan.

Director of Patient Services (1995-1997)
Managed 40 licensed and non-licensed staff at agency's largest branch; encompassed hiring, firing, annual reviews, and licensure requirements. Also oversaw contract employees (Physical Therapy and Occupational Therapy were outsourced). Ensured appropriate allocation of staff to provide services to meet clients' needs daily; also maintained excess capacity in order to provide same-day service for unexpected referrals. Ensured compliance with state and federal regulations.

- Doubled census in first 3 months by marketing services to area hospitals and ECF's.

EARLY CAREER NOTES (full details on request)

INTERIM HEALTH CARE, Middlebury, Connecticut / Case Manager • Sales Representative

ST. MARY'S HOSPITAL, Waterbury, Connecticut / Intensive Care Unit Staff Nurse

EDUCATION

Master of Business Administration
University of Hartford, West Hartford, Connecticut

Bachelor of Science, Nursing (BSN)
University of Connecticut, Storrs, Connecticut

ADDITIONAL TRAINING

Advanced Cardiac Life Support

Baptist Leadership Training

PROFESSIONAL ACTIVITIES

HPI – (Healthcare Performance Institute) High Reliability Trainer
Member ONE – CT (The Organization of Nurse Executives-Connecticut)
Northwest Chamber of Commerce Board of Directors
Chairman of Clinical Content and Process Committee for electronic health record transition 2010
Chairman SMH Cardiac Quality
Co-Chair Joint Quality Oversight Committee
Co-chair St. Mary's Employee Enrichment Grant Fund
Member of Editorial Advisory Board for "The Compass" (Hospital Newsletter)
Executive Leader 2008-2009 Connecticut Hospital Association (CHA) Falls Collaborative
Executive Leader Blood Stream Infection Collaborative in conjunction with Johns Hopkins University 2009
Executive Champion CAUTI collaborative with Connecticut Hospital Association

CHRISTIAN S. BERGERON

43 Marjorie Lane • Manchester, Connecticut 06042
CBergeronCT@aol.com • 860.918.6072 (C)

FINANCE PROFESSIONAL

A result oriented Finance Professional with extensive experience in healthcare, financial analysis, cost accounting, reporting and process improvement with a history of partnering effectively with line management and senior leadership in order to deliver solutions that achieve business objectives. Strong negotiator, communicator, and leader with high integrity level, courage to make tough decisions and proven success in developing and retaining talented financial teams.

Core Competencies include:

- Strategic Financial Planning
- Cost Reduction & Control
- Financial Analysis & Modeling
- Reporting & Forecasting
- Operational Efficiency
- Business Case Modeling
- Capacity Planning
- Cost Accounting
- Team Building & Coaching

Key Accomplishments include:

- **Identified and implemented numerous cost saving initiatives and processes, resulting in savings of over $15+ million in ongoing expenses**
- **Conceptualized, developed, and launched capacity planning models that became a vital tool utilized across the operations organization.**
- **Extensive IT infrastructure and consumption analysis, resulting in significant rebates to business segment.**
- **Identified and negotiated over $2+ million of contractual savings.**

PROFESSIONAL EXPERIENCE

FALLON COMMUNITY HEALTH PLAN — WORCESTER, MASSACHUSETTS

SENIOR DIRECTOR, STRATEGIC COST ANALYSIS (2011 TO CURRENT)

Responsible for: Cost Accounting, Expense Control, Procurement, Facilities, Business Continuity Planning, Accounts Payable, Payroll, Strategic Planning, and Competitive Analysis

Brief Description: Partner with Senior Leadership on the development of strategic plans and the identification of emerging cost trend changes. Hands on development and maintenance of cost accounting models utilized for pricing. Actively support State and regulatory filing requirements (e.g. NAIC Supplement, DOI Supplement, MLR reporting, product expansion efforts). Negotiation of all non-provider related contracting and procurement efforts. Management of accounts payable and payroll functions. Real estate management activities (approx. 170,000 sqft.) including business continuity, disaster recovery planning, landlord relations, space planning and general building maintenance.

Report To: Chief Financial Officer ***Direct Reports:*** 9 finance professionals

Selected Achievements:

- Identified and negotiated **over $2M of contractual savings**.
- Developed **activity based costing model focused on providing insight and transparency** to Fallon administrative cost structure by line of business.
- Instituted several administrative **process improvements**. For example, established American Express Corporate Card program, payroll deposit of employee expense reimbursements, and payroll self-service.
- Concurrent real estate expansion and site build out of 5 locations across Massachusetts.

CHRISTIAN S. BERGERON • CBergeronCT@aol.com • (860) 918-6072

CONTROLLER/MANAGER, IT FINANCE (2008 TO 2011)

Responsible for: Financial Reporting and Analysis, Month Close, IT Project Controller

Brief Description: Partner with IT leadership to accurately forecast project spends, execute monthly close and consolidated reporting for project (capital) portfolio. Conduct ad-hoc portfolio analysis and research required for specific cost/benefit requests. Develop controls and process improvements to increase efficiency and accountability across the project controller function.

Report To: Senior Director ***Direct Reports:*** 2 finance professionals

Selected Achievements:

- Developed new ledger structure to **improve accountability, control and expense transparency** across the project portfolio.
- Conducted **activity analysis focused on providing a competitive comparison and recommendations** associated with specific system capabilities.

HARTFORD, CONNECTICUT

DIRECTOR, STRATEGIC COST MANAGEMENT (UNITEDHEALTHCARE) (2004 TO 2008)

Responsible for: Cost Accounting, Financial Analysis, Cost Control and Sales Incentive Administration

Brief Description: Partnered with CEO, CFO and Departmental Vice Presidents on articulating cost trend changes and proposing recommendations on go-forward pricing. Hands on maintenance of cost accounting models utilized for internal and external pricing. Conducted ad-hoc financial analysis and research required for specific costing requests. Development and execution of organizational expense control plans.

Report To: Chief Financial Officer (2004 – 2007) *VP* (2008) ***Direct Reports:*** 5 finance professionals

Selected Achievements:

- Created and implemented expense savings programs, producing **over $3 million in operational savings** during tenure.
- Conceptualized, customized, and implemented **customer level profitability reporting** enabling accurate determination of price penetration opportunities across specific books of business.
- **Increased program member retention by 10%** through participating in creation of targeted rebate program.
- Key **participant in extensive IT infrastructure project** which analyzed, targeted, and made recommendations regarding application consumption and transactional activity.

DIRECTOR, MANAGEMENT REPORTING & INTERCOMPANY PRICING (UNIPRISE) (2004)

Responsible for: Reporting and Forecasting, Financial Analysis, Intercompany Transactions

Brief Description: Held full accountability for supporting operations and IT monthly closing processes and variance analysis. Perform intercompany price negotiations, forecasting, and variance analysis.

Report To: Vice President ***Direct Reports:*** 8 finance professionals

Selected Achievements:

- Controlled costs through **establishment of internal practices and authorization procedures** around purchasing of certain intercompany services.
- Reduced staffing by 2 associates while **improving productivity by 20%** through consolidation of activities and cross-functional training.

CHRISTIAN S. BERGERON • CBergeronCT@aol.com • (860) 918-6072

COST CONTROLLER (UNIPRISE) (2002 TO 2004)

Responsible for: Cost Control, Operational Efficiency, Strategic Financial Planning, Analysis and Modeling

Brief Description: Evaluation, initiation, monitoring and tracking of business sponsored expense reduction initiatives that delivered true value to the enterprise.

Report To: Director ***Direct Reports:*** 5 finance professionals

Selected Achievements:

- Researched, data mined, and project managed a bulk mailing of Explanation of Benefits, reducing number of mailing and **generating $10 million** in postage savings.
- Member of team that **performed emergency recovery of third party billing vendor.** Remediation and recovery efforts included: contract negotiations, financial remediation, action plans to re-establishing service standards, and training staff.

REGIONAL FINANCE MANAGER (UNIPRISE) (1999 TO 2002)

Responsible for: Financial Planning and Analysis, Reporting, Operational Efficiency, Accounting

Brief Description: Managed all aspects of financial planning, budget and analysis for 6 claim / customer service centers in the Northeast region.

Report To: Regional Vice President ***Direct Reports:*** Individual Contributor

Selected Achievements:

- Spearheaded migration of all Flexible Spending Account administration into single site.
- Designed and introduced **site level capacity planning models** for managing claims and call center operations, adopted for national application.
- Developed northeast region disaster recovery plans and project managed Y2K readiness initiatives.

BUSINESS MANAGER (UNIPRISE) (1997 TO 1999)

Responsible for: Frontline Management, Financial Planning and Analysis, Mail Operations

Brief Description: Managed daily claim inventories, service levels, and proactive relationship with national account employer groups on a daily basis.

Report To: Site Director ***Direct Reports:*** 30 claim & customer service professionals

Selected Achievements:

- Established and developed teams that consistently ranked **1 or 2 in service, productivity, and quality.**
- Created internal standards enabling **no performance payouts** to accounts during tenure.

ST. PETER'S HOSPITAL ALBANY, NEW YORK

FINANCIAL TRANSACTION COORDINATOR (1992 TO 1997)

Responsible for: Financial Analysis and Modeling, Operational Efficiency, Accounting, Internal Controls

Brief Description: Supported Medicare and Medicaid cost reporting compilation. Provided financial analysis on insurer contract proposals and physician owned practices. Oversaw account receivables collection, cashier's office, audit and internal control functions.

Report To: Director ***Direct Reports:*** 5 clerical / accounting professionals

Selected Achievements:

- **Selected to Physician Orthopedic Council** charged with evaluation of physician cost efficiency relating to specific procedures.
- Optimized collection vendor selection, improving overall **collection recovery rate by 10%.**

CHRISTIAN S. BERGERON • CBergeronCT@aol.com • (860) 918-6072

PREVIOUS EMPLOYERS	ALBANY, NEW YORK
ALBANY MEDICAL CENTER – Albany, New York	1991 to 1992
HOME AND CITY SAVINGS BANK – Albany, New York	1989 to 1991

EDUCATION AND CREDENTIALS

Master of Business Administration (Honors) • UNIVERSITY OF HARTFORD – West Hartford, CT (2009)

Bachelors of General Studies • UNIVERSITY OF CONNECTICUT – West Hartford, CT (2006)

Associates in Applied Science (Accounting) • HUDSON VALLEY COMMUNITY COLLEGE – Troy, NY (1995)

SAS Activity Based Software Training – Minneapolis, MN (2008)

Dale Carnegie Institute Certification – Albany, NY (1994)

COMPUTER SKILLS

Proficient in: Excel, Word, PowerPoint, Visio, and Outlook

PROFESSIONAL ASSOCIATIONS & HONORS

Healthcare Financial Management Association (2008 to Present)

Beta Gamma Sigma – University of Hartford (Honors)

Lori Puff

20 Woodland Rd., Craryville, NY 12521 Cell (518) 965-5540 lori_puff@yahoo.com

PROFESSIONAL SUMMARY

Chief Nursing Officer with twenty years of health care experience with a passion for generating results through people, innovative approaches, and teamwork. Proven expertise in creating positive professional practice environment with emphasis on high quality care, patient experience, and patient safety; strong departmental strategic planning, operations management, problem solving, decision making, and change management.

SKILLS

Adept at prioritizing deadlines	Regulatory compliance	Professional integrity
Patient focused care	Critical care nursing	Staffing management

WORK HISTORY

Sharon Hospital – 50 Hospital Hill Rd., Sharon CT 06069

Chief Nursing Officer - promoted and accepted 11/2015

- Provide direct leadership and oversee day to day operations for: Nursing, Surgical Services, Senior Behavioral Health, Pharmacy, Wound Care Center, Advanced Therapy, Radiology, and Laboratory
- Oversee productivity, hiring, budget, quality measures, and patient satisfaction
- Utilized management skills to successfully guide the team through a state DPH and CMS survey
- Collaborate with CQO to organize monthly quality reporting for corporate review
- Attend and present to Medical Staff Committees, Medical Executive Committee, and Governing Board
- Report to CEO

Chief Quality Officer, Safety and Risk Officer – promoted and accepted 10/2012

- Provided direct leadership and day to day oversight of: Quality, Infection Control, Nursing Supervision, and Bio-Med
- Enhanced the quality program adding structure to ensure regulatory compliance; successfully led team through Joint Commission Accreditation survey; Recognized by Joint Commission as Top Key Performer on Key Quality Measures
- Analyzed organizational data to improve processes and/or implement evidence based practice
- Chaired Fall Prevention Committee for eight hospital system developing best practices in fall reduction strategies
- Collaborated with CMO to improved relationships between nursing and physicians
- Planned, coordinated, and implemented Patient Safety Program for 500+ employees/physicians, transforming culture to High Reliability Organization
- Obtained Rural Health grant two consecutive years; instrumental in coordinating system wide use of CPOE
- Collaborated with Medical Staff Coordinator with direct oversight of FPPE, OPPE, and Peer Review process

Director of Nursing Resources – 4/2011 – 10/2012

- Provided direct leadership to Nursing Supervision; collaborated with nursing directors to improve communication
- Functioned in Nursing Supervisor role; direct oversight of organization, reported to clinical directors and CNO

Columbia Memorial Hospital – 71 Prospect St., Hudson, NY 12534

Assistant Director, Emergency Services – 12/2003 – 12/2013

- Provided leadership and managed 22 bed emergency department, 35.000 annual visits; monitored budget to ensure financial objectives were met
- Responsibilities included staffing, coordination of services, and evaluation of activities in accordance with organizational policies, regulatory and union guidelines
- Ensure patient safety, delivery of quality care, improved patient and staff satisfaction; supported just culture and self-governance model

Lori Puff

20 Woodland Rd., Craryville, NY 12521 Cell (518) 965-5540 lori_puff@yahoo.com

- Minimized staff turnover through initiation of peer interview process, improved orientation process and staff education and competency development
- Collaborated with medical, staffing, and ancillary personnel in Lean Design project; improving patient flow
- Participated in planning expansion project for psychiatric services within emergency department; developed staffing model and mental health worker job description

Hudson Valley Hospital Center – 1980 Crompond Rd., Cortlandt Manor, NY 10567
Clinical Coordinator, Emergency Services 09/2000 – 12/2003

- Level II Trauma center, 36, 000 annual visits; assisted with restructuring staffing for efficiency of patient flow
- Planned, coordinated, organized, and directed nursing assignments; coordination of patient flow
- Collaborated with peers to coach and develop a care team consistently ranked among the top in the region for key clinical performance
- Provided administrative and clinical leadership to nursing staff; evaluated employee performance, supported a just culture

Sound Shore Medical Center of Westchester – 16 Guion Place, New Rochelle, NY 10802
Registered Nurse, Staff/Charge Emergency Services 07/1996 – 09/2000

- 350 bed community based teaching hospital, Level II Trauma Center
- RN position 42 bed surgical unit with step-down unit, rotated charge nurse position
- Transfer to Emergency Department after one year of service, promoted to Charge Nurse role within first year of transfer
- Evaluated and prioritized patient needs, treatment, and maintained patient flow
- Conducted probationary and annual job performance of nursing and ancillary staff

EDUCATION

State University of New York, Institute of Technology, Utica, NY
Master of Science: Nursing Administration, 2014
Bachelor of Science: Nursing, 2007

ACCOMPLISHMENTS

- Recipient of Connecticut Rural Health Grant 2013-14, 2014-15
- Developed and chaired multidisciplinary Fall Prevention team, reduced fall rate by 75%
- Implemented concurrent Core Measure review process, improving overall compliance to ≥95%
- Reduced serious safety events by 50% within first year of implementing patient safety program

LICENSURE

- Registered Nurse – New York State
- Registered Nurse – Connecticut

PROFESSIONAL PRESENTATIONS

- Invited: Healthcare Performance Improvement, presenter at National Safety Summit 2015, "Building a culture of safety; Successes and challenges of a small rural hospital"
- Invited: Emergency Nurses Association, National annual conference 2007, "Emergency Preparedness"

Christopher F. Miller, MHA

57 Milton Road, Litchfield, CT 06759 • 203.751.1922 • millercf45@gmail.com

Profile

Strongly self-motivated healthcare Leader focused on growth and development, financial and capital planning and physician relations. Has a proven track record of building teams through positive relationships in progressive leadership positions across both civilian and military occupations.

Competencies

- Building External Relationships
- Building Internal Teams
- Interpersonal Communications
- Executing Vision
- Project Management
- Process Improvement
- Business Strategy
- Decision Analysis
- Data Analysis

Professional Experience

Regional Healthcare Associates LLC, Sharon, CT 03/14-Present
Director

Partner with Senior Leadership on development of strategic plans as it relates to the integrated delivery network's operations and provider recruitment. Collaborate with group's providers through the operations council to help guide group strategies and goals. Develop the group's short- and long-term financial modeling including analyses of operating and financial performance. Manage the group's operating budget of approximately $12 million in gross revenue. Develop vision for group's marketing and branding including patient outreach initiatives. Perform due diligence on practice acquisitions and new business opportunities. Files state and federal regulatory filings as necessary.

Selected Achievements:

- Recruit 4 providers to practice and onboarding of group's Urology and Hospitalist practice.
- Reduce overall loss per provider to less than ($200k). Primary care loss per provider reduced to ($110k).
- Restructure group's billing department resulting in the following achievements:
  - Lowering Days in AR from 40 to 31 days.
  - Reduced Percentage of AR greater than 90 days from 40% to 16%.
  - Increased cash collections by $4.00/wRVU.

Franklin Medical Group P.C., Waterbury, CT 07/13-03/14
Business Manager

- Manage the integrated delivery system operating budget of approximately $52 million in gross revenue.
- Aid in the development of the employed-physician contracting model.
- Perform due diligence on multiple practice acquisitions.

Christopher F. Miller, MHA

57 Milton Road, Litchfield, CT 06759 • 203.751.1922 • millercf45@gmail.com

Saint Mary's Hospital, Waterbury, CT 07/12-07/13
Administrative Fellow

Collaborate with Saint Mary's Hospital's Senior Leadership Team to drive system initiatives. Report directly to System CEO and CMO. Aid in development of physician practice strategic plan with group's President. Present integrated delivery system strategic plan to the Strategic Planning Committee of Hospital's Board of Directors.

Selected Achievements

- Project Manager responsible for leading the Stage 1 Meaningful Use Committee; Saint Mary's Hospital was awarded over $2.2 million for the successful attestation of Meaningful Use Stage 1.
- Develop communication programs to aid in increasing the overall physician satisfaction scores of the Hospital's medical staff.
- Additional responsibility as administrator on-call.

Military Experience

248th Engineer Company (Support) , Connecticut Army National Guard 12/14-Present
Company Commander

Responsible for the overall readiness of the 248th Engineer Company (Support). Responsible for developing effective training management, supply management and accountability, administrative management and development of a combat-ready unit. Plan effective, motivating, and realistic training events within ARFORGEN framework. Emphasize and enforce a rigorous safety and risk management plan and culture. Ensure unit is adequately and properly manned, equipped, and trained for federal and state missions. Prepare for and respond to emergency situations and other requirements in or out of the state of Connecticut.

- Ranked top rapid deployable engineer company out of 21 like engineer companies in the Army's inventory during command rating period.
- Security Clearance: Top Secret - SCI

192nd Engineer Battalion, Connecticut Army National Guard 08/12-12/14
Battalion Logistics Officer/S4

- Plan and coordinate with individuals at the brigade level and below to resource battalion-level maintenance and refit, training operations, and state-directed missions.

Assistant Operations Officer/Plans Officer

- Serve as Battalion Battle Captain in direct response to Hurricane Sandy (Fall 2012) and Winter Storm Nemo (Winter 2013).

Christopher F. Miller, MHA

57 Milton Road, Litchfield, CT 06759 • 203.751.1922 • millercf45@gmail.com

- Assist in planning battalion training operations to include combat and civilian emergency response operations.

1221st Engineer Company, South Carolina Army National Guard 11/05-08/12

Battle Captain

- Manage combat operations for 13 Route Clearance Patrols operating in 4 battle spaces during Operation Enduring Freedom X-XI.

Platoon Leader

- Responsible for the training and preparation of 38 combat engineers to deploy to Afghanistan in support of Operation Enduring Freedom X-XI.
- Lead route clearance patrols in support of counter-IED and assured-mobility operations.
- Accountable for over $10,000,000 of engineer route-clearance equipment.

Education, Training and Professional Development

Master of Health Administration December 2011
University of South Carolina, Columbia, SC

Bachelor of Science in Physical Education December 2007
Emphasis: Athletic Training
University of South Carolina, Columbia, SC

Community Involvement

- Leadership of Greater Waterbury, Waterbury Chamber of Commerce, Class of 2013

Professional Affiliations

- Member – American College of Healthcare Executives
    - CT ACHE Communications and Membership Committee
- Member – Medical Group Management Association
- Army Engineer Association

EXHIBIT E

State of Connecticut

SENATE

SENATOR CLARK CHAPIN
THIRTIETH DISTRICT

LEGISLATIVE OFFICE BUILDING
SUITE 3400
HARTFORD, CONNECTICUT 06106-1591
Capitol: (800) 842-1421
E-mail: Clark.Chapin@cga.ct.gov
Website: www.SenatorChapin.com

DEPUTY MINORITY LEADER

RANKING MEMBER
ENVIRONMENT COMMITTEE

CHAIR
REGULATIONS REVIEW COMMITTEE

MEMBER
APPROPRIATIONS COMMITTEE

November 2, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Public Health
Office of Health Care Access Division
410 Capitol Avenue
MS #13HCA
Hartford, CT 06134-0308

Dear Deputy Commissioner Addo:

I write in enthusiastic support of Sharon Hospital's request for a Certificate of Need (CON). Upon obtaining a CON, Sharon Hospital will be able to complete the process of transitioning to a non-profit hospital and join a group of other non-profit hospitals known as Health Quest.

As a member of the Sharon Hospital Advisory Board for the past four years, I can personally vouch for the expert level care that the hospital consistently provides to residents of northwest Connecticut. With your approval, area residents will have improved access to a high level of quality care for years to come.

Thank you for your consideration of this worthwhile request.

Sincerely,

Clark

Clark J. Chapin
State Senator, 30th District

October 20, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Public Health
Office of Health Care Access Division
410 Capitol Avenue
MS #13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

I am currently an Attending Staff Physician at Sharon Hospital and serve as the Medical Director for the Department of Emergency Medicine. I am writing to support the proposed acquisition of Sharon Hospital into the HealthQuest hospital network.

As part of a larger healthcare system, Sharon Hospital will have access to a wealth of resources that will ultimately serve and benefit our local community. As an ED physician, I have seen firsthand and continue to experience on a daily basis the impact that a hospital has on its community's quality of life, both in the acute phase of an illness as well as the ongoing care that is often required.

A partnership between our hospital and HealthQuest will allow us to pool our resources and offer specialty services locally instead of requiring our patients to drive to another part of the state to obtain. Furthermore, the financial stability that a larger health system affords will allow us to focus on our main goal, taking care of people.

Thank you for your time,

Ron M. Santos, DO, JD
Medical Director
Department of Emergency Medicine
Sharon Hospital

November 1, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Health
Office of Health Care Access Division
410 Capital Avenue
MS#13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

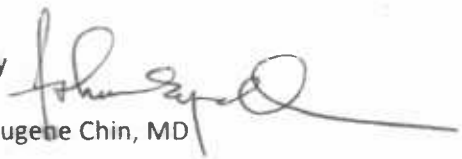
I have lived in Lakeville CT for 17 years and work as an Emergency Physician at Sharon Hospital and Fairview Hospital (Great Barrington, MA). Sharon Hospital is a critical part of this community. In addition to providing crucial access to health care (that would otherwise necessitate a 45 minute drive in any direction, including for Emergency Department services), Sharon Hospital provides jobs, for many is an important part of the decision to live in the area, and is an important component of outpatient community health.

I am writing this letter in support of the Health Quest acquisition of Sharon Hospital from Regional Care. Health Quest is a not-for-profit, locally based organization. Health Quest has demonstrated by their example at their existing facilities that they will expand services, increase access to care in our community and enhance the services that are already available at Sharon Hospital. They have committed to having a local board, as Health Quest has in their other hospitals, which will provide local input into quality, physician credentialing and community need for services.

I believe that Health Quest represents the best possible solution for the current financial and clinical challenges that Sharon Hospital faces today. I am very worried that Sharon Hospital will be forced to eliminate clinical services and at worst, close its doors, if this acquisition agreement is not completed.

Health Quest has my full support and I look forward to having Sharon Hospital become part of the Health Quest family.

Sincerely



Arthur Eugene Chin, MD

59 Old Asylum Road

Lakeville CT 06069

gchinsem@sbcglobal.net

Mark J. Marshall, DO, MA, FACP,FHM
Board Certified in Internal Medicine and Palliative Medicine
Director of the Hospitalist Program
Chief Medical Officer,
Sharon Hospital
50 Hospital Hill Road
Sharon Connecticut 06069

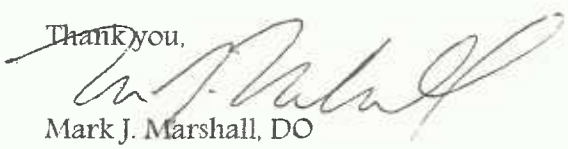
Ms. Yvonne T. Addo, MBA, Deputy Commissioner
State of Connecticut Department of Public Health
Office of Health Care Access Division
410 Capitol Avenue
MS #13HCA
Hartford, CT 06134-0308
October 17, 2016

Dear Ms. Addo,

I wish to express my support for the pending sale of Sharon Hospital to Health Quest. I have been on the medical staff at Sharon Hospital for the last seventeen years. During this time I have served as Associate Chief of Staff, Chief of Staff and most recently, Chief Medical Officer. I have always found Sharon Hospital to be a place of great caring. Our administration is always striving to provide the best care possible for our patients close to home.

The partnership between Sharon Hospital and Health Quest will bring much needed medical expertise and capital to our hospital and our community. The availability of a regional tertiary care partner will improve access to subspecialty services for our patients and our families. In addition, our reversion to not-for-profit status will allow us to reconnect with local community organizations and participate in joint projects for the purpose of improving the health of our neighbors. Please support the approval of the certificate of need for the sale of Sharon Hospital to Health Quest.

Thank you,



Mark J. Marshall, DO

October 17, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Public Health
Office of Health Care Access Division
410 Capitol Avenue
MS #13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

I am writing to support the CON for Sharon Hospital to join the Health Quest hospital network and convert to not-for profit status. I have been an active member of the Sharon Hospital Medical staff since 2005. I presently serve as the Chairman of Medicine and the Medical Director of the Wound Center.

While I greatly appreciate the support and administrative expertise of Sharon Hospital's corporate partners over the years, I do feel it is time for our community hospital to strengthen local ties while becoming part of a larger regional network.

I am excited that significant new capital investments in our facility are planned. I foresee opportunities to reestablish and expand services in areas such as oncology subspecialties that were withdrawn over the years by other regional health networks. I am also pleased that we will again be able to partner with The Foundation for Community Health to improve the health of our citizens.

Thank you for your consideration,

Douglas A. Finch, MD, FIDSA

Chairman of Medicine
Director, Sharon Hospital Wound Center
Sharon Hospital

November 1, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Health
Office of Health Care Access Division
410 Capital Avenue
MS#13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

I am a retired pediatrician on the Emeritus Medical Staff of Sharon Hospital after practicing for 30 years with offices in Sharon and Canaan, Connecticut and with significant numbers of patients in adjacent New York State and Massachusetts.

I have watched Sharon Hospital change since I arrived in 1962. It was very busy and expanded into the 1980's. Then it experienced a time of little growth followed by retrenchment, especially as high tech specialty care developed. This led to our having to send out many patients that we used to treat. This resulted in the eventual sale of the Hospital to a for profit company based in Tennessee, which has itself been sold twice. With these sales we lost much of the local control we previously enjoyed. Now Health Quest, working in towns adjacent to our New York service area, wishes to buy us, returning us to local and near local control as a non-profit entity.

I have been on the Board of the Foundation for Community Health for most of the time since its inception in 2003. We have thoroughly investigated Health Quest for over a year. We believe it is a responsible, well run operation that will stabilize Sharon Hospital and improve the delivery of care to our citizens.

I sincerely believe the sale should be approved.

John W. Gallup, MD

23 Gay Road
Millerton, New York 12546
September 23, 2016

Mr. Peter Cordeau
CEO
Sharon Hospital
50 Hospital Hill
Sharon, CT 06069

Dear Mr. Cordeau:

My husband and I were absolutely thrilled to read that Sharon Hospital will be joining HealthQuest in New York State.

We are a retired couple who have United Healthcare coverage but our plan (MedicareComplete Choice) is limited to New York State and specific counties. Therefore, Sharon Hospital and its doctors have been "out of network" for us. We have lived all our lives in Sharon and/or Millerton and enjoyed using Sharon Hospital and doctors for our health care. In addition, I was a Sharon Hospital employee for 22 years.

A couple of years ago I made the mistake of using a Sharon, CT physical therapy facility thinking it was "participating" in my plan. Actually, they thought so too since they did participate in United Healthcare but, not our particular plan. After several visits I received my EOBs only to discover I owed an "out of network" balance. Neither the facility nor I thought I would be billed in that way and we made many phone calls and wrote many letters of complaint to UHC. Eventually, UHC agreed to the "in network" fees but admonished me and encouraged me to be more careful about where I received my care in the future. I also wrote to my NYS Senator and Congressman stating that all insurances should be able to cross state lines; especially border states when the nearest hospital is located there.

Since that time my husband and I have chosen doctors in Dutchess and Columbia counties but we have to travel anywhere from 20 to 35 or more miles each way. As we continue to age this would be even more of a burden. You can see why it is such a relief to know that in the near future we will once again be able to use our favorite facility (seven minutes away) and its doctors. From what I have read and heard I know that Sharon Hospital will flourish under its new leadership.

With all best wishes going forward as Sharon Hospital's CEO.

Sincerely,

Diane Walters

Diane Walters

FOUNDATION
for
COMMUNITY
HEALTH

Prevention, Access, Collaboration

October 28, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Health
Office of Health Care Access Division
410 Capital Avenue
MS#13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

As the CEO of the Foundation for Community Health, I write this letter in support of Health Quest Systems, Inc.'s acquisition of Sharon Hospital from Regional Care, a for-profit corporation based in Tennessee.

Integrating Sharon Hospital into Health Quest is a perfect option for the residents of Northwestern Connecticut and will have a dramatic effect on enhancing healthcare in the region. Health Quest is a local nonprofit organization and is an active member of the communities it serves. It has a proven track record of running hospitals and other practices in small communities, with successful operations in Rhinebeck and Carmel. Its system hub, Vassar Brothers Medical Center in Poughkeepsie, provides access to the quality of care and patient experience the region's residents deserve. Health Quest reinvests in its communities and is committed to bringing both technological innovation and top physicians into its markets. The same would be true in Sharon. The Health Quest communities take pride in their hospitals and share the same core values. I firmly believe the Sharon community will equally embrace that commitment to these values.

As a local nonprofit organization, Health Quest's only shareholders are the communities it serves. Its "profits" are reinvested in the system, updating facilities, purchasing the latest technology and hiring the best physicians, nurses and staff members, whose commitment to healthcare is second to none.

About one-third of the residents who go to Sharon Hospital, especially on the New York side, already go to Health Quest for their tertiary care. The system is developing a hub-and-spoke system with Vassar Brothers Medical Center in the center and the other hospitals and affiliates as the healthcare arms that reach into the outlying communities. On the eastern side of this wheel, Sharon Hospital will mesh well as an important addition to the population health model, opening up access for multidisciplinary, specialized care in the eastern Dutchess County, New York, northwestern Connecticut region.

Health Quest has the Foundation's full support and we look forward to having Sharon Hospital become part of the Health Quest family.

Sincerely,

Nancy ~~L. He~~aton, MPH
Chief Executive Officer
Foundation for Community Health

The Foundation for Community Health (FCH) is a private, not-for-profit foundation dedicated to improving the health and wellbeing of the residents of the greater Harlem Valley in New York and the northern Litchfield Hills of Connecticut with an emphasis on serving those most vulnerable. FCH works with health and social service providers, other foundations and with government for change that improves rural health and rural healthcare delivery systems.

October 27, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Health
Office of Health Care Access Division
410 Capital Avenue
MS#13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

I am writing this letter in support of the Health Quest acquisition of Sharon Hospital from Regional Care. Health Quest is a not-for-profit, locally based organization. Health Quest has demonstrated by their example at their existing facilities that they will expand services, increase access to care in our community and enhance the services that are already available at Sharon Hospital. They have committed to having a local board, as Health Quest has in their other hospitals, which will provide local input into quality, physician credentialing and community need for services.

Health Quest has my full support and I look forward to having Sharon Hospital become part of the Health Quest family.

Sincerely

Gertrude O'Sullivan

Gertrude O'Sullivan

Director of Communications & Special Programs

Foundation for Community Health

November 2, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Health
Office of Health Care Access Division
410 Capital Avenue
MS#13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

I am writing this letter in support of the Health Quest acquisition of Sharon Hospital from Regional Care. Health Quest is a not-for-profit, locally based organization. Health Quest has demonstrated by their example at their existing facilities that they will expand services, increase access to care in our community and enhance the services that are already available at Sharon Hospital. They have committed to having a local board, as Health Quest has in their other hospitals, which will provide local input into quality, physician credentialing and community need for services.

As Administrator of a nursing home and retirement village located 8 miles from Sharon Hospital I can attest to the crucial services they provide to our residents on a daily basis. We are dependent on their services and the availability of critical care for our elderly population. As a resident of the same area I am greatly enthused by the possibility of the hospital returning to not for profit status.

Health Quest has my full support and I look forward to having Sharon Hospital become part of the Health Quest family. I hope for a speedy and favorable decision on behalf of the Health Quest proposal.

Sincerely
Eileen M. Mulligan

Eileen M. Mulligan

Administrator

Noble Horizons

Salisbury, CT

October 31, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Health
Office of Health Care Access Division
410 Capital Avenue
MS#13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

I am writing this letter in support of the Health Quest acquisition of Sharon Hospital from Regional Care.

I am a full-time resident of Millbrook and I frequently use Sharon Hospital and feel so lucky to have it in our community. I delivered both of my children there, and we have visited the Sharon Emergency Room for various bumps and bruises over the years and we also frequently use the lab for blood work, etc., etc.

Health Quest is a not-for-profit, locally based organization. Health Quest has demonstrated by their example at their existing facilities that they will expand services, increase access to care in our community and enhance the services that are already available at Sharon Hospital. They have committed to having a local board, as Health Quest has in their other hospitals, which will provide local input into quality, physician credentialing and community need for services.

Health Quest has my full support and I look forward to having Sharon Hospital become part of the Health Quest family.

Sincerely

Krista B. Fragos

Krista B. Fragos
183 Route 343
Millbrook, NY 12545

Karren Garrity, LPC

56 Elizabeth Street Kent, CT 06757 860.927.1464

October 31, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Health
Office of Health Care Access Division
410 Capital Avenue
MS#13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

As a fulltime, 28 year resident, and local business owner in Kent, CT I am writing this letter in support of the Health Quest acquisition of Sharon Hospital from Regional Care. I am very excited about the possibility of Health Quest taking the reins of Sharon Hospital. Not only is Health Quest is a not-for-profit, locally based organization but it has also demonstrated by their example at their existing facilities that they will expand services, increase access to care in our community and enhance the services that are already available at Sharon Hospital. They have committed to having a local board, as Health Quest has in their other hospitals, which will provide local input into quality, physician credentialing and community need for services.

Health Quest has my complete support is their goal of acquiring Sharon Hospital.

Sincerely,

Karren Garrity

Miriam Tannen
796 Camby Road
Millbrook, NY 12545

October 31, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Health
Office of Health Care Access Division
410 Capital Avenue
MS#13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

I am writing this letter in support of the Health Quest acquisition of Sharon Hospital from Regional Care. Health Quest is a not-for-profit, locally based organization. Health Quest has demonstrated by their example at their existing facilities that they will expand services, increase access to care in our community and enhance the services that are already available at Sharon Hospital. They have committed to having a local board, as Health Quest has in their other hospitals, which will provide local input into quality, physician credentialing and community need for services.

As a resident of this Community, Health Quest has my full support and I look forward to having Sharon Hospital become part of the Health Quest family. I think it is important to this Community that Sharon Hospital returns to its not-for-profit status. The services that Health Quest brings to a Community are sorely needed in our area that serves residents of both NYS and Connecticut.

Sincerely

Miriam Tannen

Grace Episcopal Church, Millbrook, NY

Grace Latino Outreach

GLO

Lighting the Future ~ Iluminando el Futuro

October 27, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Health
Office of Health Care Access Division
410 Capital Avenue
MS#13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

I am writing this letter in support of the Health Quest acquisition of Sharon Hospital from Regional Care. Health Quest is a not-for-profit, locally based organization. Health Quest has demonstrated by their example at their existing facilities that they will expand services, increase access to care in our community and enhance the services that are already available at Sharon Hospital. They have committed to having a local board, as Health Quest has in their other hospitals, which will provide local input into quality, physician credentialing and community need for services.

As at Not-for-Profit in the Northeastern Dutchess area we have many of our immigrant community population who will be dependent on this organization to be a part of the community and the population. We are looking forward to working very closely with Health Quest to ensure that this community is able to have their health care needs met.

Health Quest has our full support and I look forward to having Sharon Hospital become part of the Health Quest family.

Sincerely,

Evelyn E. Garzetta

Director Grace Latino Outreach
917-705-9600

EGE

October 27, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Health
Office of Health Care Access Division
410 Capital Avenue
MS#13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

I am writing this letter in support of the Health Quest acquisition of Sharon Hospital from Regional Care. Health Quest is a not-for-profit, locally based organization. Health Quest has demonstrated by their example at their existing facilities that they will expand services, increase access to care in our community and enhance the services that are already available at Sharon Hospital. They have committed to having a local board, as Health Quest has in their other hospitals, which will provide local input into quality, physician credentialing and community need for services.

Health Quest has my full support and I look forward to having Sharon Hospital become part of the Health Quest family.

Sincerely,

Evelyn E. Garzetta

29 Briarwood Lane
Millerton, New York 12546

Evelyn E. Garzetta

917-705-9600

October 27, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Health
Office of Health Care Access Division
410 Capital Avenue
MS#13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

As a member of the community for over 45 years, a member of the Sharon Hospital staff for 12 years when it was still not for profit, and a member of the FCH Board who has been active in working with HealthQuest in acquiring Sharon Hospital, I strongly support Sharon Hospital becoming a part of the HealthQuest care system.

I and my colleagues have looked carefully at Sharon Hospital and the structure and functioning of the HealthQuest system. They have demonstrated their high levels of competence in running hospitals and in assuring steady consistent meaningful quality improvement.

Keeping the hospital in a very respected locally based health system, bringing it back to a not for profit status, and expanding and improving services is very important to me and all the members of the community I have spoken with.

Having the depth and scope of a tertiary system reassures me that Sharon Hospital will continue to have an important place in our community and a meaningful future.

Health Quest has my full support and I look forward to having Sharon Hospital become part of the Health Quest family.

Sincerely

John Charde, MD

October 31, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Health
Office of Health Care Access Division
410 Capital Avenue
MS#13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

I am writing this letter in support of the Health Quest acquisition of Sharon Hospital from Regional Care. I am a resident of Millbrook and I frequently use Sharon Hospital. Both of my children were born there, and we have gone to Sharon for various bumps and bruises over the years. Health Quest is a not-for-profit, locally based organization. Health Quest has demonstrated by their example at their existing facilities that they will expand services, increase access to care in our community and enhance the services that are already available at Sharon Hospital. They have committed to having a local board, as Health Quest has in their other hospitals, which will provide local input into quality, physician credentialing and community need for services.

Health Quest has my full support and I look forward to having Sharon Hospital become part of the Health Quest family.

Sincerely

James G. Snyder
183 Route 343
Millbrook, NY 12545

October 27, 2016

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Health
Office of Health Care Access Division
410 Capital Avenue
MS#13HCA
Hartford, CT 06134-0308

Dear Ms. Addo:

I am writing this letter in support of the Health Quest acquisition of Sharon Hospital from Regional Care. Health Quest is a not-for-profit, locally based organization. Health Quest has demonstrated by their example at their existing facilities that they will expand services, increase access to care in our community and enhance the services that are already available at Sharon Hospital. They have committed to having a local board, as Health Quest has in their other hospitals, which will provide local input into quality, physician credentialing and community need for services.

Health Quest has my full support and I look forward to having Sharon Hospital become part of the Health Quest family. It will be wonderful to have locally based, expanded and improved access to services for the Sharon Hospital catchment area, as the medical care provided here has been vital to so many members of our communities. My children were born at Sharon Hospital; I taught prepared childbirth classes at Sharon Hospital for over fifteen years; and both my parents received their end of life care Sharon Hospital when it was a quality not-for-profit hospital. As a community member I support this acquisition and conversion back to not-for-profit status.

Currently, I am the Board Chair for the Foundation for Community Health and we are very excited to support this acquisition and return to not-for-profit status. The FCH Board looks forward to working closely with Sharon Hospital and Health Quest during this transition process.

Sincerely,

Nancy T. Murphy

11 Linden Ct

Millbrook, NY 12545

Dear Ms. Addo:

I am writing this letter in support of the Health Quest acquisition of Sharon Hospital from Regional Care. Health Quest is a not-for- profit, locally based organization. As a local member of the community I am glad to see Sharon Hospital returning to not-for-profit status, Health Quest have committed to having a local board, as Health Quest has in their other hospitals, which will provide local input into quality, physician credentialing and community need for services. Health Quest has my full support and I look forward to having Sharon Hospital become part of the Health Quest family.

Sincerely,

Ryan Murphy
Associate Director
Four Way Books

EXHIBIT F

ASSET PURCHASE AGREEMENT

AMONG

HEALTH QUEST SYSTEMS, INC.,

VASSAR HEALTH CONNECTICUT, INC.

ESSENT HEALTHCARE OF CONNECTICUT, INC.,

SHARON HOSPITAL HOLDING COMPANY.

REGIONAL HEALTHCARE ASSOCIATES, LLC,

TRI STATE WOMEN'S SERVICES, LLC

AND

REGIONALCARE HOSPITAL PARTNERS, INC.,

(solely for the limited purpose of Section 13.32 and 13.33 herein)

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Exhibits

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (the "**Agreement**") is made and entered into this 13th day of September, 2016, by and among **ESSENT HEALTHCARE OF CONNECTICUT, INC.** d/b/a Sharon Hospital, a Connecticut corporation ("**Sharon**") Sharon Hospital Holding Company, a Delaware corporation ("**SHHC**") Regional Healthcare Associates, LLC, a Connecticut limited liability company ("**RHA**") and Tri State Women's Services, LLC, a Connecticut limited liability company ("**TSWS**" and with Sharon, SHHC and RHA, individually a "**Seller**" and collectively, the "**Sellers**"), **HEALTH QUEST SYSTEMS, INC.**, a New York non-profit corporation ("**Health Quest**") and **VASSAR HEALTH CONNECTICUT, INC.**, a Connecticut non-profit corporation ("**Newco**" and with Health Quest, individually a "**Buyer**" and collectively, the "**Buyer**"). Sharon, SHHC, RHA, TSWS, Sellers, Health Quest, Newco and Buyer may be referred to individually as a "**Party**" and, collectively, as the "**Parties.**" RegionalCare Hospital Partners, Inc., a Delaware corporation ("**RCHP**") joins this Agreement solely for the purposes of Sections 13.32 and 13.33 herein.

RECITALS

WHEREAS, SHHC and Sharon own and operate Sharon Hospital, currently licensed as a 78-bed general acute care community hospital located in Sharon, Connecticut (the "**Hospital**"), and SHHC, Sharon, RHA and TSWS own or lease and operate the other healthcare facilities or operations listed on Exhibit A (collectively, with the Hospital, the "**Facilities**");

WHEREAS, Sharon is an indirect wholly-owned subsidiary of RCHP;

WHEREAS, RHA and TSWS are physician-owned group practice entities that employ or otherwise engage physicians who provide services at the Facilities and both RHA and TSWS are managed by the Hospital;

WHEREAS, the Parties desire to enter into this Agreement to provide for the sale by the Sellers to Buyer of substantially all of the assets, real and personal, tangible and intangible, constituting the Facilities; and

WHEREAS, Sharon and Newco or an affiliate thereof (the "**Manager**") will enter into a management agreement as of the date hereof wherein the Manager will provide management services and other services as set forth therein at the Facilities commencing as of the date hereof until the Closing Date (the "**Management Agreement**").

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the adequacy and receipt of which hereby are acknowledged, the Parties, intending to be legally bound, agree as follows:

AGREEMENT

ARTICLE I

DEFINITIONS

"**Actual Closing Net Working Capital Statement**" has the meaning set forth in Section 2.6(b).

"**ADA**" means the Americans with Disabilities Act.

"**Advisory Board**" has the meaning set forth in Section 11.4.

"**Affiliate**" means, as to the entity in question, any person or entity that directly or indirectly controls, is controlled by or is under common control with the entity in question; provided that "Affiliate" shall not include any person or entity that directly or indirectly owns equity securities of RegionalCare Hospital Partners Holdings, Inc. nor any Affiliate or portfolio company of such person or entity that would otherwise be an Affiliate of the entity in question.

"**Agents**" has the meaning set forth in Section 13.17.

"**Agreed Accounting Principles**" means GAAP consistently applied; provided that, with respect to any matter as to which there is more than one generally accepted accounting principle, Agreed Accounting Principles means the generally accepted accounting principles applied in the preparation of the Sellers' most recent audited financial statements.

"**Agreement**" has the meaning set forth in the Preamble.

"**AHLA**" has the meaning set forth in Section 13.14(b).

"**ALTA**" means the American Land Title Association.

"**Application**" has the meaning set forth in Section 4.7.

"**Assets**" has the meaning set forth in Section 2.1.

"**Assignment and Assumption Agreements**" has the meaning set forth in Section 3.2(c).

"**Assumed Contracts**" has the meaning set forth in Section 2.1(j).

"**Assumed Liabilities**" has the meaning set forth in Section 2.3.

"**Attorney General**" has the meaning set forth in Section 11.4.

"**Audit Firm**" has the meaning set forth in Section 2.6(c).

"**Balance Sheet Date**" has the meaning set forth in Section 4.4(c).

"**Benefit Plans**" has the meaning set forth in Section 4.13(a).

"**Bills of Sale**" has the meaning set forth in Section 3.2(b).

"**Business**" has the meaning set forth in Section 2.1(a).

"**Buyer**" has the meaning set forth in the Preamble.

"**Buyer Fundamental Representations**" has the meaning set forth in Section 12.4(c).

"**Buyer Indemnified Parties**" has the meaning set forth in Section 12.2(a).

"**Certificate of Need**" means a written statement issued by OCHA or other agency having jurisdiction thereof evidencing community need for a new, converted, expanded or otherwise significantly modified health care facility, health service or hospice.

"**Change**" has the meaning set forth in Section 12.4(e).

"**Closing**" has the meaning set forth in Section 3.1.

"**Closing Date**" has the meaning set forth in Section 3.1.

"**Closing Net Working Capital**" has the meaning set forth in Section 2.5.

"**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

"**Commitments**" has the meaning set forth in Section 6.11.

"**Compliance Program**" has the meaning set forth in Section 4.25.

"**Confidential Information**" has the meaning set forth in Section 13.17.

"**Connecticut Facility**" has the meaning set forth in Section 11.8(a).

"**Consent Satisfaction**" has the meaning set forth in Section 2.7.

"**Control**" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

"**Corrected Schedules**" has the meaning set forth in Section 13.1.

"**CT DEEP**" has the meaning set forth in Section 11.8.

"**Damages**" means any and all actual losses, liabilities, damages, claims, costs (including, without limitation, court costs and costs for appeal) and expenses (including, without limitation, reasonable attorneys' fees and fees of expert consultants and witnesses) but not including consequential damages, special damages, indirect damages, punitive damages and/or damages based on a purchase price multiple, except to the extent such damages are payable to a third-party in connection with an indemnifiable claim.

"**DEA Power of Attorney**" has the meaning set forth in Section 3.2(m).

"**Disputed Items**" has the meaning set forth in Section 2.6(c).

"**DSS**" means the Connecticut Department of Social Services.

"**EEOC**" means the Equal Employment Opportunity Commission.

"**Effective Time**" has the meaning set forth in Section 13.25.

"**Environmental Claim**" means any claim, action, cause of action, investigation or notice (in each case in writing or, if not in writing, to the knowledge of the Sellers) by any person alleging potential liability (including potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, or penalties) arising out of, based on or resulting from: (i) the presence, or release or threat of release into the environment, of any Materials of Environmental Concern at any location, whether or not owned or operated by a Seller Party; or (ii) circumstances forming the basis of any violation or alleged violation of any Environmental Law.

"**Environmental Laws**" means, as they exist on the date hereof and as of the Closing Date, all applicable United States federal, state, local and non-U.S. laws, regulations, codes, and ordinances and common law relating to pollution or protection of human health (as relating to the environment or the workplace) and the environment (including ambient air, surface water, ground water, land surface or sub-surface strata), including laws, and regulations relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern, or otherwise relating to the use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern, including, but not limited to Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq*., Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq*., Occupational Safety and Health Act, 29 U.S.C. Section 651 *et seq*., the Clean Air Act, 42 U.S.C. Section 7401 *et seq*., the Clean Water Act, 33 U.S.C. Section 1251 *et seq*., each as may have been amended or supplemented, and any applicable environmental transfer statutes or laws.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, and the rules and regulations promulgated thereunder.

"**ERISA Affiliate**" means each Seller, each entity which is treated as a single employer with RCHP for purposes of Section 414 of the IRC, each entity that has adopted or has ever participated in any Benefit Plan, and any predecessor or successor company or trade or business of the Sellers.

"Erroneous Applicability Determination" has the meaning set forth in Section 12.2(a).

"**Escrow Agent**" has the meaning set forth in Section 2.5.

"**Escrow Agreement**" has the meaning set forth in Section 2.5.

"**Escrow Amount**" has the meaning set forth in Section 2.5.

"**Excluded Assets**" has the meaning set forth in Section 2.2.

"**Excluded Liabilities**" has the meaning set forth in Section 2.4.

"**Executive Order 13224**" means Executive Order 13224 on Terrorism Financing, effective September 24, 2001.

"**Executives**" has the meaning set forth in Section 10.1.

"**Exemption Certificate**" means a written statement from OCHA or other agency having jurisdiction thereof stating that a health care project or expenditure is not subject to the Certificate of Need requirements under applicable state law.

"**Existing TI Obligations**" means tenant improvement expenses (including all hard and soft construction costs, whether payable to the contractor or tenant) and tenant allowances which are the obligation of the landlord under any Tenant Lease.

"**Facilities**" has the meaning set forth in the Recitals.

"**Facility Benefit Plans**" has the meaning set forth in Section 4.13(a).

"**Financial Statements**" has the meaning set forth in Section 4.4.

"**GAAP**" means U.S. generally accepted accounting principles, consistently applied by the Seller, in effect at the date of the financial statement to which it refers.

"**Health Quest**" has the meaning set forth in the Recitals.

"**Healthcare Providers**" has the meaning set forth in Section 4.9.

"**HHS**" means the U.S. Department of Health and Human Services.

"**HIPAA**" means collectively the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, as amended and supplemented by the Health Information Technology for Clinical Health Act of the American Recovery and Reinvestment Act of 2009, Pub. Law No. 111-5 and its implementing regulations, when each is effective and as each is amended from time to time.

"**Hired Employees**" has the meaning set forth in Section 10.1(a).

"**Hospital**" has the meaning as set forth in the Recitals.

"**Immaterial Contracts**" means any contract or agreement of the Sellers that is not a Material Contract.

"**Indemnification Deductible**" has the meaning set forth in Section 12.4(a).

"**Indemnified Party**" has the meaning set forth in Section 12.5.

"**Indemnifying Party**" has the meaning set forth in Section 12.5.

"**Information Privacy and Security Laws**" has the meaning set forth in Section 4.9.

"**Interim Statements**" has the meaning set forth in Section 6.6.

"**IRC**" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"**Joint Commission**" has the meaning set forth in Section 4.8.

"**Knowledge of the Sellers**" has the meaning set forth in Section 4.29.

"**Landlord Estoppel**" has the meaning set forth in Section 6.10.

"**Leased Real Property**" has the meaning set forth in Section 2.1(b).

"**Legal Dispute**" has the meaning set forth in Section 13.14(b).

"**Licensed Environmental Professional**" has the meaning set forth in Section 11.8(a).

"**Management Agreement**" has the meaning set forth in the recitals.

"**Material Adverse Effect**" means (a) the Hospital's exclusion from participation in the Medicare, Medicaid or CHAMPUS/TRICARE programs or the loss of the Hospital's active provider numbers with the Medicare and Medicaid programs; (b) the destruction of or material damage to the Hospital or a majority of the Assets to an extent that would permit Buyer to terminate this Agreement pursuant to Section 13.31; or (c) an event, occurrence, condition, change or circumstance or a series of events, occurrences, conditions, changes or circumstances that, individually or in the aggregate, would prevent, or would reasonably be expected to prevent, Buyer from operating the Hospital in a manner generally consistent with its historic operations. For the avoidance of doubt, none of the following occurring after the date hereof shall constitute a Material Adverse Effect or be taken into account in determining whether a Material Adverse Effect has occurred: (i) changes in the economy of the United States; (ii) changes generally affecting the industry in which the Sellers operate, including changes in any government or private payor programs generally applicable to operators of hospital and health care facilities in the United States; (iii) changes in GAAP or any interpretation thereof; (iv) acts of God, calamities or national political or social conditions (including the engagement by any country in hostilities); (v) changes as a result of the announcement of this transaction; or (vi) changes in the financial condition, prospects or results of operations of the Sellers, the Facilities or the Assets, except to the extent resulting in an event, occurrence, condition, change or circumstance described in (a), (b) or (c), above.

"**Material Contract**" has the meaning set forth in Section 4.18.

"**Materials of Environmental Concern**" means chemicals, pollutants, contaminants, hazardous materials, hazardous substances and hazardous wastes, Medical Waste, toxic substances, petroleum and petroleum products and by-products, asbestos-containing materials, PCBs, toxic mold, and any other chemicals, pollutants, substances or wastes, in each case so defined, identified, or regulated under any Environmental Law.

"**Medical Waste**" includes, but is not limited to, (a) pathological waste, (b) blood, (c) sharps, (d) wastes from surgery or autopsy, (e) dialysis waste, including contaminated disposable equipment and supplies, (f) cultures and stocks of infectious agents and associated biological agents, (g) contaminated animals, (h) isolation wastes, (i) contaminated equipment, (j) laboratory waste and (k) various other biological waste and discarded materials contaminated with or exposed to blood, excretion, or secretions from human beings or animals. "Medical Waste" also includes any substance, pollutant, material or contaminant listed or regulated as "Medical Waste," "Infectious Waste," or other similar terms by federal, state, regional, county, municipal or other local laws, regulations and ordinances insofar as they purport to regulate Medical Waste or impose requirements relating to Medical Waste and includes "Regulated Waste" governed by the Occupational Safety and Health Act, 29 U.S.C. Section 651 *et seq*.

"**Net Working Capital**" means an amount equal to the value of the Sellers' inventories, supplies, and Prepaids, to the extent that each of these assets is an Asset, less the value of the Sellers' accounts payable, construction payable, accrued payroll, accrued vacation, holiday/paid time off, recorded sick time, up to the maximum amount of paid time off that can be accrued under Buyer's paid time off program, and the liability reflected on Schedule 2.3(c) relating to Sellers' assumed unrecorded extended illness benefits, and other current liabilities consistent with the Sellers' historical practices, to the extent that each of these liabilities is a current liability and is an Assumed Liability.

"**Net Working Capital Estimate**" has the meaning set forth in Section 2.6(a).

"**NSPS**" means the National Society of Professional Surveyors.

"**Objection**" has the meaning set forth in Section 2.6(c).

"**OFAC**" means the Office of Foreign Asset Contract.

"**OHCA**" has the meaning set forth in Section 4.7.

"**OIG**" means the Office of Inspector General.

"**Owned Intellectual Property**" has the meaning set forth in Section 2.1(j).

"**Owned Real Property**" has the meaning set forth in Section 2.1(a).

"**Party**" and "**Parties**" has the meaning set forth in the Preamble.

"**PCBs**" means polychlorinated biphenyls.

"**Personal Property**" has the meaning set forth in Section 2.1(c).

"**Permitted Encumbrances**" has the meaning set forth in Section 4.11.

"**Physician Agreement**" means any agreement, whether in writing or oral, between a Seller and either a physician or a legal entity in which a physician has an ownership interest.

"**Prepaids**" means all deposits, prepaid expenses, advances, escrows, prepaid Taxes and claims for refunds in connection with the Facilities or the Assets (including, without limitation, rebates from vendors received subsequent to the Closing).

"**Prohibited Transaction**" has the meaning set forth in Section 6.7.

"**Property Transfer Law**" means Section 22a-134 through 22a-134e of the Connecticut General Statutes, as amended by Public Acts 09-235 and 09-3 and all associated regulations, guidance documents and policies.

"**Providing Party**" has the meaning set forth in Section 13.17.

"**Purchase Price**" has the meaning set forth in Section 2.5.

"**Purchase Price Discount**" has the meaning set forth in Section 2.7.

"**RAC**" means Recovery Audit Contractors.

"**RCHP**" has the meaning set forth in the Preamble.

"**Real Property**" has the meaning set forth in Section 2.1(b).

"**Receiving Party**" has the meaning set forth in Section 13.17.

"**Records**" has the meaning set forth in Section 13.5.

"**RSRs**" has the meaning set forth in Section 11.8.

"**Seller Cost Reports**" has the meaning set forth in Section 2.2(b).

"**Seller Fundamental Representations**" has the meaning set forth in Section 12.4(c).

"**Seller Indemnified Parties**" has the meaning set forth in Section 12.1(a).

"**Seller Leases**" has the meaning set forth in Section 2.1(j).

"**Seller Review Period**" has the meaning set forth in Section 13.2.

"**Sellers**" has the meaning set forth in the Preamble.

"**Sharon**" has the meaning set forth in the Preamble.

"**SNDA**" has the meaning set forth in Section 6.12.

"**Straddle Period**" has the meaning set forth in Section 13.9.

"**Survey Costs**" has the meaning set forth in Section 6.11.

"**Surveys**" has the meaning set forth in Section 6.11.

"**Tax Allocation**" has the meaning set forth in Section 13.2.

"**Tax Return**" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes required or permitted to be filed with a Taxing Authority, including any schedule or attachment thereto, and including any amendment thereof.

"**Taxes**" means any and all federal, state, local, foreign and other net income, tax on unrelated business taxable income, gross income, gross receipts, sales, use, ad valorem, unclaimed property, payments in lieu of taxes, transfer, franchise, profits, license, lease, rent, service, service use, withholding, payroll, employment, excise, severance, privilege, stamp, occupation, premium, property, windfall profits, alternative minimum, estimated, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts with respect thereto.

"**Taxing Authority**" means any United States, federal, state, local or any foreign or governmental entity, political subdivision, or agency responsible for the imposition, enforcement, assessment or collection of any Tax

"**Tenant Estoppel**" has the meaning set forth in Section 6.9.

"**Tenant Leases**" has the meaning set forth in Section 2.1(j).

"**Title Company**" has the meaning set forth in Section 6.11.

"**Title Policy Costs**" has the meaning set forth in Section 6.11.

"**Trade Name Cancellation**" has the meaning set forth in Section 11.3.

"**Transition Patients**" has the meaning set forth in Section 2.9.

"**Transition Services**" has the meaning set forth in Section 2.9.

"**Transition Services Agreement**" has the meaning set forth in Section 3.2(h).

"**Updated Schedules**" has the meaning set forth in Section 13.1.

"**USA Patriot Act**" means the United and Strengthening America by Providing Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 3162, Public Law 107-56.

"**WARN Act**" means the Worker Adjustment and Retraining Notification Act.

ARTICLE II

PURCHASE OF ASSETS

2.1 Sale of Assets. Subject to the terms and conditions of this Agreement, on the Closing Date, the Sellers shall sell, assign, convey, transfer and deliver to Buyer, and Buyer shall purchase, the assets that are owned by the Sellers or otherwise used exclusively in connection with the operation of the Facilities, other than the Excluded Assets (hereinafter defined) (the "**Assets**"), including, without limitation, the following:

(a) all real property owned by any of the Sellers and used in connection with the operation of any of the Facilities (collectively, the "**Business**"), as more specifically described in Schedule 2.1(a), together with all buildings, improvements and fixtures located thereupon, all easements, rights of way, and other appurtenances thereto (including appurtenant rights in and to public streets), all architectural plans or design specifications relating to the development thereof and all construction in progress (collectively, the "**Owned Real Property**"), such Schedule 2.1(a) to include a legal description for each such parcel of Owned Real Property consistent with the vesting deed for such Owned Real Property into the applicable Seller;

(b) all real property subject to a leasehold, sub-leasehold, license, concession or other non-owned real estate in favor of any of the Sellers, as tenant, subtenant, licensee, concessionaire or otherwise, and held or used in or ancillary to the operation of the Business, all such leased premises as more specifically described on Schedule 2.1(b) (collectively, the "**Leased Real Property**"; the Owned Real Property and the Leased Real Property being sometimes referred to herein collectively as the "**Real Property**");

(c) all tangible personal property, including, without limitation, all major, minor or other equipment, vehicles, furniture, fixtures, machinery, office furnishings and instruments, the list of which, as of May 31, 2016, is set forth on Schedule 2.1(c) hereto (collectively, the "**Personal Property**");

(d) all supplies, drugs, inventory and other disposables and consumables existing on the Closing Date and located at any of the Facilities or owned by any of the Sellers in connection with the Business;

(e) all Prepaids that exist as of the Closing Date, excluding the settlement amounts described in Section 2.2(b);

(f) all claims, causes of action and judgments in favor of the Sellers relating to the physical condition or repair of the Assets, all insurance proceeds due to Buyer under Section 13.31, and, to the extent assignable, all warranties (express or implied) and rights and claims assertable by (but not against) the Sellers related to the Assets;

(g) to the extent legally assignable or transferable, all financial, patient, medical staff, personnel and other records relating to the Business or the Assets, including, without limitation, all accounts receivable records, equipment records, medical and administrative libraries, medical records, patient billing records, documents, construction plans

and specifications, catalogs, books, records, files, operating manuals and current personnel records; provided, however that Sellers shall be entitled to retain copies of any such Records to which Seller reasonably determines it may need access to following the Closing Date in order to collect any amounts owed to Sellers, to defend Sellers in any action, or to comply with any legal obligation of Sellers.

(h) all rights and interests in, to and under those lease, sublease, license or other agreements pursuant to which any of the Sellers, as landlord, sublandlord, licensor or otherwise, has leased, subleased, licensed or otherwise granted use and occupancy to a third party, as tenant, subtenant, licensee or otherwise, all or some portion of the Owned Real Property or the Leased Real Property, all such agreements being set forth on Schedule 2.1(h) together with all amendments and modifications thereto, collectively, the "**Tenant Leases**");

(i) all rights and interests in, to and under those lease, sublease, license or other agreements pursuant to which any of the Sellers, as tenant, subtenant, licensee or otherwise, is leasing, subleasing, licensing or otherwise using and occupying all or some portion of the Leased Real Property, all such agreements being set forth on Schedule 2.1(i) (together with all amendments and modifications thereto, collectively, the "**Seller Leases**");

(j) other than Excluded Contracts listed on Schedule 2.2(e), all rights and interests in, to and under (i) the Material Contracts listed on Schedule 4.18 and (ii) all Immaterial Contracts (collectively, the contracts in (i) and (ii) are "**Assumed Contracts**");

(k) to the extent assignable or transferable, all licenses, Certificates of Need, Exemption Certificates, provider agreements, provider numbers, franchises, accreditations, registrations, other licenses and permits relating to the ownership, development, and operation of the Facilities (including, without limitation, any pending approvals set forth on Schedule 2.1(k));

(l) all of Sellers' rights and interest in the name "Sharon Hospital" and all patents, trade names, domain names, copyrights, software, computer programs, trade secrets, trademarks, service marks and other intellectual property rights associated with the Business or any of the Assets, all goodwill associated therewith, and all applications and registrations associated therewith (the "**Owned Intellectual Property**");

(m) all goodwill associated with the operation of the Business and the Assets;

(n) all other assets, other than the Excluded Assets, of every kind, character or description used or held for use primarily in the Business or related to the Assets, whether or not reflected on the Financial Statements, wherever located and whether or not similar to the items specifically set forth above, and all other businesses and ventures owned by the Sellers in connection with the Business or the Assets; and

(o) all property of the foregoing types arising or acquired by the Sellers between the date hereof and the Closing Date.

The Sellers shall transfer good and marketable title to the Assets to Buyer, free and clear of all claims, assessments, security interests, liens, restrictions and encumbrances, except for (i) the

Assumed Liabilities, (ii) liens and encumbrances related to the Assumed Liabilities, (iii) liens for Taxes not yet due and payable, and (iv) the Permitted Encumbrances.

2.2 Excluded Assets. Those assets of the Sellers described below, together with any assets described on Schedule 2.2 hereto, shall be retained by the Sellers (collectively, the "**Excluded Assets**"), and shall not be conveyed to Buyer:

(a) cash, short-term investments and cash equivalents;

(b) all amounts payable to any of the Sellers in respect of third party payors pursuant to retrospective settlements (including, without limitation, pursuant to Medicare, Medicaid and CHAMPUS/TRICARE cost reports) filed or to be filed by any of the Sellers for periods ending on or prior to the Closing Date ("**Seller Cost Reports**") and all appeals and appeal rights relating to such settlements, including recapture of depreciation and other cost report settlements, for periods ending on or prior to the Closing Date;

(c) all records relating to the Excluded Assets and Excluded Liabilities as well as all records which by law the Sellers are required to maintain in their possession;

(d) the corporate record books, minute books and Tax records of the Sellers;

(e) any Material Contract listed on Schedule 2.2(e) and any other contract listed on Schedule 2.2(e) that Buyer determines in its reasonable discretion is not in compliance with applicable law (the "**Excluded Contracts**");

(f) any reserves or prepaid expenses made in connection with the Excluded Assets and Excluded Liabilities (including, without limitation, prepaid legal expenses or insurance premiums);

(g) all rights to Tax refunds or claims under or proceeds of insurance policies related to the Business or the Assets resulting from the periods ending on or prior to the Closing Date;

(h) except as otherwise provided in Section 13.31, all insurance proceeds (other than payments of patient receivables) arising in connection with the Business or the Assets for periods ending on or prior to the Closing Date and all insurance proceeds relating exclusively to the Excluded Assets and Excluded Liabilities;

(i) the amounts due to any of the Sellers from Affiliates of the Sellers disclosed on Schedule 2.2(i);

(j) prepaid pension costs and other assets associated with the Sellers' qualified employee benefits plans;

(k) all notes receivable, accounts receivable and other rights to receive payment for goods and services provided by the Sellers in connection with the Business, billed and unbilled, recorded or unrecorded, including amounts charged off as bad debt and/or

submitted to collection agencies or otherwise, accrued and existing in respect of services rendered through the Closing Date;

(l) all notes receivable from patients;

(m) all rights of the Sellers under this Agreement;

(n) all claims, causes of action and judgments in favor of the Sellers associated with or arising out of any of the Excluded Assets and/or the Excluded Liabilities;

(o) all self-insured retention trusts related to professional and general liability claims and causes of action;

(p) for the avoidance of doubt, all multi-facility contracts, agreements and arrangements of RCHP and its Affiliates, including information technology contracts and computer software, scheduling systems, business and policy manuals, other media, documentation and manuals and any other proprietary information of RCHP, or an affiliate thereof, licensed or used by Sellers or the Facilities; provided, however, that this provision shall not exclude any contract, agreement, or arrangement where Sellers are the only RCHP Affiliate parties;

(q) any other current and long term assets not related to Sharon's current operating activity except as otherwise expressly included as an Asset under Section 2.1.

2.3 Assumed Liabilities. In connection with the conveyance of the Assets to Buyer, Buyer agrees to assume, as of the Effective Time, the payment and performance of the following liabilities of the Sellers (the "**Assumed Liabilities**"):

(a) all obligations accruing, arising or to be performed after the Closing with respect to the Assumed Contracts, the Tenant Leases and the Seller Leases;

(b) the accounts payable, construction payable, and other current liabilities consistent with historical practices of the Sellers, but only to the extent such liabilities are current liabilities that are recorded on the Net Working Capital Estimate and are included within the calculation of Net Working Capital; and

(c) to the extent recorded on the Financial Statements or disclosed on Schedule 2.3(c), obligations and liabilities as of the Closing Date in respect of accrued vacation, sick time and paid time off benefits, and the amount of unrecorded extended illness benefits set forth on Schedule 2.3(c) of the employees at the Facilities who commence employment with Buyer as of the Effective Time, and related Taxes not yet due and payable.

Notwithstanding anything herein to the contrary, Buyer acknowledges and agrees that Seller shall have no liability for the operation of the Facilities, the Business or the Assets after the Effective Time.

2.4 Excluded Liabilities. Except for the Assumed Liabilities, Buyer shall not assume and under no circumstances shall Buyer be obligated to pay, discharge or assume, and

none of the assets of Buyer shall be or become liable for or subject to, any liability, indebtedness, commitment or obligation of any of the Sellers, whether known or unknown, fixed or contingent, recorded or unrecorded, currently existing or hereafter arising or otherwise (collectively, the "**Excluded Liabilities**"), including, without limitation, the following:

(a) any debt, obligation, expense or liability that is not an Assumed Liability;

(b) any liability arising out of or in connection with the ownership or operation of the Facilities, the Business or the Assets prior to the Effective Time, including, without limitation, claims or potential claims for medical malpractice or general liability relating to events asserted to have occurred on or prior to the Closing;

(c) those claims and obligations (if any) specified in Schedule 2.4(c) hereto;

(d) any liabilities or obligations associated with or arising out of any of the Excluded Assets;

(e) liabilities and obligations in respect of periods ending on or prior to the Closing Date arising under the terms of the Medicare, Medicaid, CHAMPUS/TRICARE, Blue Cross or other third party payor programs, including, without limitation, in respect of any Seller Cost Report, any or audit under Medicare's RAC Program or any noncompliance with applicable law or contractual obligations relating to the billing and collection for services;

(f) Tax liabilities or obligations in respect of periods ending on or prior to the Closing Date, or any period that begins before but does not end on the Closing Date to the extent allocable under Section 13.2 to the portion of such period ending on the Closing Date, including, without limitation, any income tax, franchise tax, real or personal property tax, tax recapture, sales and/or use tax and any state and local recording fees and taxes, excluding any Taxes payable with respect to any employee benefits constituting Assumed Liabilities under Section 2.3(c) hereof;

(g) liability for any and all claims by or on behalf of current or former employees arising out of or related to acts, omissions, events or occurrences on or prior to the Closing Date, including, without limitation, liability for any EEOC claim, ADA claim, Family and Medical Leave Act claim, wage and hour claim, unemployment compensation claim, or workers' compensation claim, and any liabilities or obligations under COBRA, the Public Health Service Act or similar state laws for qualifying events occurring on or prior to the Closing Date (provided, however, that this clause (g) shall not apply to those benefits constituting Assumed Liabilities and identified in Section 2.3 hereof);

(h) any obligation or liability accruing, arising out of or relating to any federal, state or local investigations of, or claims or actions against, any of the Sellers, or any of their respective directors, officers, employees, medical staff, agents, vendors or representatives, with respect to acts or omissions on or prior to the Closing Date, including, but not limited to, any post-Closing defense of any such obligation or liability;

(i) any civil or criminal obligation or liability accruing, arising out of, or relating to any acts or omissions of any of the Sellers or their respective directors, officers,

employees, medical staff, agents, vendors or representatives claimed to violate any constitutional provision, statute, ordinance or other law, rule, regulation, interpretation or order of any governmental entity;

(j) liabilities or obligations arising out of any breach by any of the Sellers prior to the Closing of any Assumed Contract, Tenant Lease or Seller Lease;

(k) any obligations or liabilities with respect to any Benefit Plans; any post-retiree medical benefits or benefits described in Section 4.13; any other obligations or liabilities of the Sellers or any ERISA Affiliate arising under or in connection with ERISA or the IRC; and any incurred but not paid (regardless of whether reported) medical and dental claims made pursuant to any Benefit Plan;

(l) all deferred compensation liabilities related to periods ending on or prior to the Closing;

(m) any account payable of a Seller to any other Seller or Affiliate thereof;

(n) liabilities or obligations whenever arising relating to any Excluded Contract;

(o) except as otherwise expressly assumed by Buyer under this Agreement, any existing indebtedness of Sellers, including, without limitation, any liability under any capital leases;

(p) any and all liabilities or obligations owed by Sellers to the Hospital's medical staff, except as otherwise expressly assumed by Buyer under this Agreement;

(q) any liability or obligation owed by Sellers to the Medical Foundation for Community Health, Inc., or any affiliate thereof, unless otherwise expressly assumed by Buyer under this Agreement;

(r) any obligation or liability arising from or under any Environmental Law related to acts or omissions of the Sellers or which occurred on or prior to the Closing Date; and

(s) any liability arising from or related to compliance with the Property Transfer Law in connection with the transaction covered by this Agreement.

2.5 Consideration. Subject to the terms and conditions hereof and in reliance upon the representations and warranties of the Sellers set forth herein, as consideration for the conveyance and transfer of the Assets, Buyer shall: (i) pay to the Sellers Five Million Dollars ($5,000,000) less any applicable Purchase Price Discount, which amount shall be increased or decreased by the amount of the Sellers' Net Working Capital as of the Closing Date (the "**Closing Net Working Capital**"), (as so adjusted, the "**Purchase Price**"); and (ii) assume as of the Effective Time the Assumed Liabilities. At the Closing, Buyer shall deposit Five Hundred Thousand Dollars ($500,000) of the Purchase Price (the "**Escrow Amount**") with the escrow agent (the "**Escrow Agent**") identified in that certain Escrow Agreement substantially in the

form of Exhibit B hereto (the "**Escrow Agreement**"), which amount shall be held and disbursed by the Escrow Agent in accordance with the terms of the Escrow Agreement.

2.6 Determination of Purchase Price; Net Working Capital Adjustment.

(a) For purposes of determining the amount of cash or otherwise immediately available funds to be delivered by Buyer at the Closing in accordance with Section 2.5, not later than two (2) business days prior to the Closing Date, the Sellers shall deliver to Buyer their good faith estimate of the amount of the Closing Net Working Capital, together with supporting documentation of reasonable specificity, which shall be subject to review and approval by Buyer (such estimate being the "**Net Working Capital Estimate**"). At the Closing, Buyer shall pay to the Sellers by wire transfer of immediately available funds to an account or accounts of the Sellers' designation Five Million Dollars ($5,000,000), plus or minus the Net Working Capital Estimate, minus the Escrow Amount.

(b) Within one hundred and fifty (150) days after the Closing Date, Buyer shall prepare, or cause to be prepared, and deliver to the Sellers a statement (the "**Actual Closing Net Working Capital Statement**") setting forth an itemized calculation of the Closing Net Working Capital and all supporting schedules for such calculations. The Actual Closing Net Working Capital Statement shall be prepared in accordance with Agreed Accounting Principles.

(c) The Sellers and their accountants shall have forty-five (45) days to review the Actual Closing Net Working Capital Statement after their receipt thereof, and Buyer shall provide Sellers access to all relevant books and records and any work papers of Buyer and its accountants used in preparing the Actual Closing Net Working Capital Statement. If the Sellers dispute the accuracy of the Actual Closing Net Working Capital Statement, the Sellers shall inform Buyer in writing (an "**Objection**") setting forth a specific description of the basis of the Objection, which Objection must be delivered to Buyer on or before the last day of such forty-five (45)-day period. Buyer and the Sellers shall then have thirty (30) additional days to attempt in good faith to reach an agreement with respect to any disputed matters in respect of the Closing Net Working Capital. In reviewing any Objection, Buyer and its accountants shall have reasonable access to the work papers of the Sellers and their accountants. If Buyer and the Sellers are unable to resolve all of their disagreements with respect to the determination of the foregoing items within said thirty (30)-day period, they shall submit the remaining items subject to dispute (the "**Disputed Items**") to KPMG LLP (the "**Audit Firm**"). The Audit Firm shall determine in accordance with this Agreement and Agreed Accounting Principles, and only with respect to the Disputed Items, whether and to what extent, if any, the Actual Closing Net Working Capital Statement requires adjustment. The Parties shall direct the Audit Firm to use all reasonable efforts to render its determination within thirty (30) days after such submission. The Audit Firm's determination of the Closing Net Working Capital shall be conclusive and binding upon the Parties. The fees and disbursements of the Audit Firm in rendering its determination shall be paid fifty percent (50%) by the Sellers and fifty percent (50%) by Buyer. Buyer and the Sellers shall make readily available to the Audit Firm all relevant books and records and any work papers (including those of the Parties' respective accountants) relating to the Actual Closing Net Working Capital Statement and all other items reasonably requested by the Audit Firm. The Closing Net Working Capital shall be deemed to be (i) the amount of Net Working Capital as stated in the Actual Closing Net Working Capital Statement if no Objection is

delivered by the Sellers during the thirty (30)-day period specified above, or (ii) if an Objection is so delivered by the Sellers, the amount of the Closing Net Working Capital as determined by either (A) the agreement of the Parties or (B) the Audit Firm.

(d) If the Closing Net Working Capital is less than the Net Working Capital Estimate, then within thirty (30) days after the final determination of the Closing Net Working Capital, the amount of the difference between the Net Working Capital Estimate and the Closing Net Working Capital shall be paid by the Sellers to Buyer via wire transfer of immediately available funds as an adjustment to the Purchase Price. If the Net Working Capital Estimate is less than the Closing Net Working Capital, then within thirty (30) days after the final determination of the Closing Net Working Capital, the amount of the difference between the Closing Net Working Capital and the Net Working Capital Estimate shall be paid by Buyer to the Sellers via wire transfer of immediately available funds as an adjustment to the Purchase Price

2.7 Purchase Price Discount. If, as of the Closing Date, (i) consents have been obtained to assign to Buyer commercial payor contracts or (ii) evidence reasonably satisfactory to Buyer that successor or comparable contractual arrangements or non-contracted commercial payor arrangements will continue after the Closing (together, "**Consent Satisfaction**"), that in the aggregate, together with government payment programs, self-pay and non-contracted commercial payment programs constitute at least 90% of the Hospital's revenue for 2015, but less than 95% of the Hospital's revenue for 2015, then the Purchase Price shall be discounted as follows: for each 0.1% below 95% of the Hospital's revenue for 2015 the Purchase Price shall be discounted by $10,000 up to a maximum of $500,000 (the "**Purchase Price Discount**"). For example, if on the Closing Date Consent Satisfaction representing 92.5% percent of the Hospital's revenue for 2015 has been obtained, the Purchase Price will be reduced by $250,000

2.8 Prorations and Utilities. To the extent not otherwise prorated pursuant to this Agreement, Buyer and the Sellers shall prorate as of the Closing Date, charges against the Real Property and the Personal Property, power and utility charges and all other income and expenses that are normally prorated upon the sale of a going concern. As to charges against the Real Property and the Personal Property, all prorations shall be based upon the most recent tax bill(s) received by the Sellers. As to power and utility charges, such amounts shall be prorated as of the Closing Date among the parties on the basis of an estimate of the amounts in accordance with GAAP and mutually agreed upon by Buyer and the Sellers.

2.9 Transition Patients. To compensate Sellers for services rendered and medicine, drugs and supplies provided on or before the Closing Date (the "**Transition Services**") with respect to patients admitted to the Facilities on or before the Closing Date (or who were in the Facilities' emergency department or in observation beds on the Closing Date and immediately thereafter admitted to the Facilities) but who are not discharged until after the Closing Date (such patients being referred to herein as the "**Transition Patients**"), the parties shall take the following actions:

(a) Medicare, Medicaid, TRICARE and Other Seller DRG Transition Patients. As soon as practicable after the Closing Date, Buyer shall deliver to Sellers a schedule identifying the charges, on an itemized basis, for the Transition Services provided by Sellers on

or through the Closing Date to Transition Patients whose care is reimbursed by the Medicare, Medicaid, TRICARE or other third party payor programs on a diagnostic related group ("**DRG**") basis, case rate, or similar basis (each patient a "**Seller DRG Transition Patient**"), as well as a schedule of any DRG and outlier payments, the case rate payments, or other similar payments received by Sellers and any deposits or co-payments made by such Seller DRG Transition Patient to Sellers. Buyer shall include in the amount of Assets in the calculation of Net Working Capital an amount equal to: (x) the DRG and outlier payments, the case rate payments or other similar payments received by Buyer on behalf of each Seller DRG Transition Patient, plus any deposits or co-payments made by such Seller DRG Transition Patient to Buyer multiplied by a fraction, the numerator of which shall be the total charges for Transition Services provided to such Seller DRG Transition Patient by Sellers prior to the Closing Date, and the denominator of which shall be the sum of total charges for all services provided to such Seller DRG Transition Patient both before and after the Closing Date; minus (y) the DRG and outlier payments, the case rate payments or other similar payments received by Sellers, if any, on behalf of each Seller DRG Transition Patient, plus any deposits or co-payments made by such Seller DRG Transition Patient to Sellers multiplied by a fraction, the numerator of which shall be the total charges for Transition Services provided to such Seller DRG Transition Patient by Buyer after the Closing Date, and the denominator of which shall be the sum of total charges of all services provided to such Seller DRG Transition Patient both before and after the Closing Date.

(b) For all Transition Patients not covered by Section 2.9(a), Buyer shall include in the amount of Assets in the calculation of Net Working Capital the amount equal to the amount received by Buyer related to the services provided by Sellers prior to Closing, if separately identifiable on the claim (for example, when services are compensated based on the number of days). If not identifiable on the claim, then the Buyer and Sellers shall follow the process identified in Section 2.9(a) in order to allocate the total payment between the Buyer and Sellers based on total charges, unless the payor requires a separate "cut-off" bill from Sellers, in which case all amounts collected in respect of such cut-off billings shall be included in the amount of Assets in the calculation of Net Working Capital.

ARTICLE III

CLOSING

3.1 Closing. Subject to the satisfaction or waiver by the appropriate Party of all of the conditions specified in ARTICLES VIII and IX hereof, the consummation of the transactions contemplated by and described in this Agreement (the "**Closing**") shall take place on a date mutually agreed to in writing by the Parties that is as soon as practicable after all required regulatory and other approvals for the transaction have been obtained and after all conditions precedent have been satisfied, except those that are to be satisfied on the Closing Date, but in no event later than July 31, 2017 or the first anniversary of the date hereof, whichever is later, or on such later date or at such other location as the Parties may mutually designate in writing (the date of consummation is referred to herein as the "**Closing Date**").

3.2 Actions of the Sellers at the Closing. At the Closing and unless otherwise waived in writing by Buyer, the Sellers shall deliver to Buyer the following:

(a) one or more special warranty deeds in recordable form executed by a duly authorized officer of the appropriate Seller(s), conveying to Buyer good and marketable fee title to the Owned Real Property, subject only to the Permitted Encumbrances affecting such parcels;

(b) one or more General Assignments, Conveyances and Bills of Sale in the form attached as Exhibit C (the "**Bills of Sale**"), fully executed by a duly authorized officer of the appropriate Seller(s), conveying to Buyer good and marketable title to the Assets, free and clear of all claims, assessments, liens, security interests, restrictions and encumbrances other than the Permitted Encumbrances, liens for Taxes not yet due and payable and the Assumed Liabilities;

(c) one or more Assignment and Assumption Agreements in the form attached as Exhibit D (the "**Assignment and Assumption Agreements**"), fully executed by a duly authorized officer of the appropriate Seller(s), conveying to Buyer or an Affiliate designated by Buyer all of Sellers' right, title and interest in, to and under the Assumed Contracts, the Tenant Leases and Seller Leases;

(d) a copy of resolutions duly adopted by the governing body of each of the Sellers authorizing and approving such Seller's performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents described herein, certified as true and of full force as of the Closing Date by an appropriate officer of such Seller;

(e) a certificate of the President, a Vice President or other appropriate officer of each Seller, certifying the fulfillment of the conditions set forth in ARTICLE VIII;

(f) a certificate of incumbency for the respective officers of each Seller executing this Agreement or the agreements herein contemplated or making certifications for the Closing, dated as of the Closing Date;

(g) evidence from the Sellers or their financing sources (or representatives thereof) in respect of the indebtedness described on Exhibit E that any liens such parties may have on the Assets or the Real Property in respect of such indebtedness shall be released at or prior to the Closing Date;

(h) a Transition Services Agreement, executed by a duly authorized officer of each Seller for such services and in a form agreed by the parties (the "**Transition Services Agreement**");

(i) such documents as may be required by the Title Company to release the Assets from any and all mortgages and security interests created at any time on or prior to the Closing Date, except the Permitted Encumbrances and the Assumed Liabilities, and to insure Buyer's fee ownership interest in the Owned Real Property and Buyer's leasehold interest in the Leased Real Property;

(j) copies of certificates of insurance evidencing the insurance described in Section 6.8;

(k) all certificates of title and other documents evidencing an ownership interest conveyed as part of the Assets;

(l) an affidavit executed by each Seller certifying that it is not a "blocked person" under Executive Order 13224, which form shall be acceptable to Buyer;

(m) a DEA limited power of attorney fully executed by a duly authorized officer of Sharon (the "**DEA Power of Attorney**"), substantially in the form attached hereto as Exhibit F;

(n) the Management Agreement in the form attached as Exhibit G executed by Sharon;

(o) a certificate of non-foreign status, dated as of the Closing Date, executed by a duly authorized officer of each Seller, in form and substance required under the Treasury Regulations pursuant to Section 1445 of the IRC;

(p) to the extent applicable to the transaction covered by this Agreement, the appropriate Form under the Property Transfer Law, on which Sharon shall sign as transferor and Newco shall sign as transferee, together with an Environmental Condition Assessment Form prepared by a Licensed Environmental Professional and a bank check or money order in the amount of the initial filing fee required by the Property Transfer Law and all other forms and documentation necessary to comply with the Property Transfer Law, provided, however, that if a Form III or Form IV is required under the Property Transfer Law, Sharon shall also sign as the Certifying Party (capitalized terms as defined under the Property Transfer Law); and

(q) such other instruments and documents as Buyer reasonably deems necessary to effectuate the transactions contemplated hereby.

3.3 Actions of Buyer at the Closing. At the Closing and unless otherwise waived in writing by the Sellers, Buyer shall deliver to the Sellers the following:

(a) the amount of the Purchase Price set forth in Section 2.6(a), which shall be transferred to the Sellers by wire transfer of immediately available funds to an account or accounts of Sellers' designation;

(b) the Assignment and Assumption Agreements, fully executed by a duly authorized officer of the appropriate Buyer or Affiliate designated by Buyer, pursuant to which each such Buyer shall assume the future performance of the Assumed Contracts, the Tenant Leases and the Seller Leases as contemplated herein;

(c) the Transition Services Agreement, executed by a duly authorized officer of Buyer;

(d) a copy of resolutions duly adopted by the governing body of each Buyer, authorizing and approving such Buyer's performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents described herein, certified as true and in full force as of the Closing Date by an appropriate officer of such Buyer;

(e) a certificate of the President, a Vice President or other appropriate officer of each Buyer, certifying the fulfillment of the conditions set forth in ARTICLE IX;

(f) a certificate of incumbency for the officers of each Buyer executing this Agreement or the agreements herein contemplated or making certifications for the Closing, dated as of the Closing Date;

(g) a certificate of existence and good standing of Newco from the Secretary of State of the State of Connecticut and a certificate of existence and good standing of Health Quest from the Secretary of State of the State of New York, each dated the most recent practical date prior to the Closing Date;

(h) the Management Agreement executed by Newco or its affiliate, as Manager; and

(i) such other instruments and documents as the Sellers reasonably deem necessary to effectuate the transactions contemplated hereby.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE SELLERS

The Sellers, jointly and severally, represent and warrant to Buyer the following, as of the date hereof and as of the Closing Date:

4.1 Existence and Capacity.

(a) Each of RCHP and SHHC is a Delaware corporation, validly existing and in good standing under the laws of the State of Delaware.

(b) Each of TSWS and RHA is a Connecticut limited liability company, validly existing and in good standing under the laws of the State of Connecticut.

(c) Sharon is a Connecticut corporation, validly existing and in good standing under the laws of the State of Connecticut, whose sole shareholder is SHHC, an indirect wholly-owned subsidiary of RCHP. No other party owns, directly or indirectly, beneficially or equitably, any capital stock or other equity interest in Sharon, nor are there any outstanding subscriptions, options, warrants, puts, calls, agreements, understandings, rights of first refusal, or other commitments of any type relating to the issuance, sale, transfer or voting of any securities of Sharon.

(d) None of the Sellers own, directly or indirectly, beneficially or equitably, any capital stock or other equity interest in any corporation, partnership, limited partnership, limited liability company or other entity or association, nor does any Seller own or hold any right of first refusal, purchase option or other rights with respect thereto.

(e) Exhibit A sets forth each of the Facilities owned, leased or operated by the Sellers. Except as set forth on Exhibit A, none of the Sellers own, lease or operate any healthcare facility.

(f) Each of the Sellers has the requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to conduct its business as now being conducted.

4.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc. The execution, delivery, and performance of this Agreement by the Sellers and all other agreements referenced herein, or ancillary hereto, to which any of the Sellers is a party, and the consummation of the transactions contemplated herein by the Sellers:

(a) are within each Seller's organizational powers, are not in contravention of law or of the terms of such Seller's organizational documents and have been duly authorized by all appropriate action;

(b) except as set forth on Schedule 4.2(b), do not require any approval or consent of, or filing with, any governmental agency or authority bearing on the validity of this Agreement which is required by law or the regulations of any such agency or authority;

(c) except as set forth on Schedule 4.19(d), will not conflict with, require consent under or result in any breach or contravention of, or the creation of any lien, charge, or encumbrance, under any Assumed Contract, Tenant Lease or Seller Lease;

(d) will not violate any statute, law, ordinance, rule or regulation of any governmental authority to which any Seller or the Assets may be subject; and

(e) will not violate any judgment, decree, order, writ or injunction of any court or governmental authority to which any Seller or the Assets may be subject.

4.3 Binding Agreement. This Agreement and all agreements to which any of the Sellers will become a party pursuant hereto are and will constitute the valid, legal and binding obligations of such Seller, and are and will be enforceable against such Seller in accordance with the respective terms hereof or thereof.

4.4 Financial Statements. Each of the Sellers has made available to Buyer copies of the following financial statements of or pertaining to the Business and the Assets (the "**Financial Statements**"), which Financial Statements are maintained on an accrual basis, and copies of which are attached hereto as Schedule 4.4(a):

(a) unaudited Balance Sheet dated as of May 31, 2016;

(b) unaudited Income Statement for the four month period ended on May 31, 2016; and

(c) audited Balance Sheets, Income Statements, and Statements of Cash Flows for the fiscal years ended September 30, 2013, September 30, 2014 and for the fiscal year ended September 30, 2015 (the "**Balance Sheet Date**").

Such Financial Statements are true, complete and accurate in all material respects, and conform to GAAP consistently applied, except as set forth in Schedule 4.4(a). The audited Financial Statements have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods indicated. Such Balance Sheets present fairly in all material respects the financial condition of the Business as of the dates indicated thereon, and such Income Statements present fairly in all material respects the results of operations of the Business for the periods indicated thereon.

4.5 Certain Post-Balance Sheet Results. Except as set forth on Schedule 4.5, since the Balance Sheet Date, there has not been any:

(a) material damage, destruction or loss (whether or not covered by insurance) affecting the Business or the Assets;

(b) threatened employee strike, work stoppage or labor dispute pertaining to the Facilities;

(c) sale, assignment, transfer or disposition of any item of property, plant or equipment included in the Assets having a value in excess of Twenty Five Thousand Dollars ($25,000), except in the ordinary course of business with comparable replacement thereof;

(d) other than in the ordinary course of business and consistent with prior practice or as required by applicable law, increase in the compensation payable by any of the Sellers to any of such entity's employees or independent contractors, or any increase in, or establishment or amendment of, any bonus, insurance, pension, profit-sharing or other employee benefit plan, remuneration or arrangements made to, for or with such employees;

(e) changes in the composition of the medical staff of the Hospital, other than normal turnover occurring in the ordinary course of business;

(f) changes in the rates charged by the Facilities for their services, other than those made in the ordinary course of business;

(g) adjustments or write-offs in accounts receivable or reductions in reserves for accounts receivable outside the ordinary course of business of the Facilities; or

(h) change in accounting policies or procedures of the Sellers.

4.6 Licenses. The Hospital is duly licensed as a general acute care hospital pursuant to the applicable laws of the State of Connecticut. The Hospital (including, without limitation, all ancillary departments located at the Hospital or operated for the benefit of the Hospital that are required to be specially licensed) holds all licenses material to the operation of the Business as presently operated. Each of the other Facilities has all other licenses, registrations, permits and approvals that are needed or required by law to operate the businesses related to or affecting the

Facilities, the Assets or any ancillary services related thereto. Schedule 4.6 sets forth an accurate list of all such licenses, registrations, permits and approvals, identifying specifically each Seller Party and Facility related thereto, all of which if held by a Seller or the Sellers, are now, and as of the Closing Date shall be, in good standing and, to the knowledge of the Sellers, are not subject to meritorious challenge, and except as set forth on Schedule 4.6, no such licenses are subject to renewal within less than one (1) year of the date of this Agreement.

4.7 Certificates of Need. Except as set forth on Schedule 4.7 hereto, no application for any Certificate of Need, Exemption Certificate or declaratory ruling (an "**Application**") has been made by any of the Sellers with the Connecticut Department of Public Health Office of Health Care Access ("**OCHA**") or other agency having jurisdiction thereof that is currently pending or open before such agency. No Seller has prepared, filed, supported or presented opposition to any Application filed by another hospital or other entity within the past three (3) years. Except as set forth on Schedule 4.7 hereto, no Seller has any Application pending nor any approved Application which relates to a project not yet completed. Each Seller a has properly filed all required Applications with respect to any and all improvements, projects, changes in services, zoning requirements, construction and equipment purchases, and other changes for which approval is required under any applicable federal or state law, rule or regulation, and all such Applications are complete and correct in all material respects.

4.8 Medicare Participation; Accreditation. Each of the Facilities are qualified for participation in the Medicare, Medicaid and CHAMPUS/TRICARE programs; have current and valid provider contracts with such programs; are in material compliance with the conditions of participation and, where applicable, conditions of coverage for such programs; have received all approvals or qualifications necessary for reimbursement; and are accredited by the Joint Commission (the "**Joint Commission**"). A copy of the most recent letter from the Joint Commission pertaining to each of the Facilities' accreditation has been made available to Buyer. All billing practices of each of the Sellers, with respect to all third party payors, including the Medicare, Medicaid and CHAMPUS/TRICARE programs (including the Medicare conditions of participation) and private insurance companies, are in material compliance with all applicable laws and regulations and participating provider agreements of such third party payors and the Medicare, Medicaid and CHAMPUS/TRICARE programs, and none of the Sellers or the Facilities has retained any payment or reimbursement in excess of amounts allowed by law. None of the Facilities has been excluded from participation in the Medicare, Medicaid or CHAMPUS/TRICARE programs, nor, to the knowledge of the Sellers, is any such exclusion threatened. Attached as Schedule 4.8 is a listing of each of the Facilities' active provider numbers with the Medicare and Medicaid programs. To the knowledge of the Sellers, each provider agreement to which a Seller is a party is in full force and effect and no events or facts exist that would cause any such provider agreement not to remain in force or effect after the Closing. None of the officers, directors, employees, physicians or independent contractors of any of the Sellers has been excluded from participating in any federal health care program during the past four years, nor, to the knowledge of the Sellers, is any exclusion threatened or pending. Except as set forth on Schedule 4.8, none of the Sellers are aware of or have received any notice from any of the Medicare, Medicaid or CHAMPUS/TRICARE programs, or any other third party payor program, of any pending or threatened investigations.

4.9 Regulatory Compliance. Except as set forth on Schedule 4.9, each of the Facilities, the Business and the Assets has been and presently is in material compliance with all applicable statutes, rules and regulations of any federal, state and local commissions, boards, bureaus, and agencies having jurisdiction over the Facilities and the Assets, including, but not limited to the false claims, false representations, anti-kickback and all other provisions of the Medicare/Medicaid fraud and abuse laws (42 U.S.C. Section 1320a-7 *et seq.*) and the physician self-referral provisions of the Stark Law (42 U.S.C. Section 1395nn). Each of the Sellers has timely filed all material reports, data, and other information required to be filed with such commissions, boards, bureaus, and agencies regarding the Business and the Assets. All of the Sellers' contracts with physicians or other healthcare providers or entities in which physicians or other healthcare providers are equity owners (collectively, "**Healthcare Providers**") involving services, supplies, payments or any other type of remuneration, whether such services or supplies are provided by a Healthcare Provider to a Seller or by a Seller to a Healthcare Provider, and all of Sellers' leases of personal or real property with Healthcare Providers, whether such personal or real property is provided by a Healthcare Provider to a Seller or by a Seller to a Healthcare Provider, are, to the extent required by law, in writing, are signed, set forth the services to be provided, and provide for a fair market value compensation in exchange for such services, space or goods. None of the Sellers, the Facilities or any of their respective officers, directors, or managing employees have engaged in any activities that are prohibited under 42 U.S.C. Section 1320a-7 *et seq.*, or the regulations promulgated thereunder, or under any other federal or state statutes or regulations, including but not limited to the following:

(a) knowingly and willfully making or causing to be made a false statement or representation of a material fact in any application for any benefit or payment;

(b) knowingly and willfully making or causing to be made a false statement or representation of a material fact for use in determining rights to any benefit or payment;

(c) presenting or causing to be presented a claim for reimbursement for services under Medicare, Medicaid or other state or federal healthcare program that is for an item or service that is known, or should be known, to be (i) not provided as claimed or (ii) false or fraudulent;

(d) failing to disclose knowledge by a claimant of the occurrence of any event affecting the initial or continued right to any benefit or payment on its own behalf or on behalf of another, with intent to fraudulently secure such benefit or payment;

(e) knowingly and willfully offering, paying, soliciting or receiving any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind, (i) in return for referring an individual to a person for the furnishing, or arranging for the furnishing, of any item or service for which payment may be made in whole or in part by Medicare, Medicaid, or a state healthcare program or (ii) in return for purchasing, leasing, ordering or arranging for or recommending purchasing, leasing or ordering any good, facility, service or item for which payment may be made in whole or in part by Medicare, Medicaid or a state healthcare program;

(f) knowingly making a payment, directly or indirectly, to a physician as an inducement to reduce or limit necessary services to individuals who are under the direct care of the physician and who are entitled to benefits under Medicare, Medicaid or a state healthcare program;

(g) providing to any person information that is known or should be known to be false or misleading that could reasonably be expected to influence the decision when to discharge a patient from any Facility;

(h) knowingly or willfully making or causing to be made or inducing or seeking to induce the making of any false statement or representation (or omitting to state a material fact) required to be stated therein (or necessary to make the statement contained therein not misleading) of a material fact with respect to (i) the conditions or operations of a Facility in order that such Facility may qualify for Medicare, Medicaid, or a state healthcare program certification or (ii) information required to be provided under Section 1124A of the Social Security Act (42 U.S.C. Section 1320a-3a); or

(i) knowingly and willfully (i) charging for any Medicaid service money or other consideration at a rate in excess of the rates established by the state or (ii) charging, soliciting, accepting or receiving, in addition to amounts paid by Medicaid, any gift money, donation or other consideration (other than a charitable, religious, or other philanthropic contribution from an organization or from a person unrelated to the patient) (A) as a precondition of admitting the patient or (B) as a requirement for the patient's continued stay in a Facility.

Each of the Sellers and the Facilities: (i) is in material compliance with HIPAA and any applicable state and federal laws and regulations concerning the privacy and/or security of data (collectively, "**Information Privacy and Security Laws**"); (ii) is not under investigation by any governmental authority for a violation of any Information Privacy and Security Laws; (iii) has not received any written notices or audit requests from any governmental authority, including the United States Department of Health and Human Services Office for Civil Rights, Department of Justice, Federal Trade Commission, or the Attorney General of the United States or any governmental authority of any state relating to any such violations, and (iv) to the knowledge of the Sellers, no such investigation or violation has been threatened by a governmental authority.

4.10 Equipment. Set forth on Schedule 4.10 is a depreciation schedule that lists all Assets having a positive book value as of May 31, 2016. All of the Assets consisting of equipment, whether reflected in the Financial Statements or otherwise, are in good operating condition and repair, reasonable wear and tear excepted and except for items that have been written down in the Financial Statements to a realizable market value. Except as disclosed on Schedule 4.10, the only transactions related thereto since May 31, 2016 have been additions thereto and dispositions thereof in the ordinary course of business.

4.11 Real Property. The Sellers own good, insurable and marketable fee title to the Owned Real Property, together with all appurtenances and rights thereto, and good and insurable leasehold title to the Leased Real Property, which ownership interests, as of the Closing Date, will be free and clear of any and all mortgages, deeds of trust, security interests, mechanics or other liens or encumbrances, covenants, conditions, restrictions, reservations, easements or other

matters of record materially adversely affecting the Real Properties, subject only to those matters more particularly described on Schedule 4.11 (the "**Permitted Encumbrances**"). Except as set forth on Schedule 4.11 or otherwise disclosed to Buyer in a writing referencing this Section 4.11 on the date hereof, all improvements, including all utilities which are a part of the Real Property, have been substantially completed and installed in accordance with the plans and specifications approved by the governmental entities having jurisdiction thereover to the extent required by law and to the extent applicable and are transferable to Buyer. Permanent certificates of occupancy, all licenses, permits, Certificates of Need (if applicable), authorizations and approvals required by all governmental entities having jurisdiction thereover, and the requisite certificates of the local board of fire underwriters (or other body exercising similar functions), have been issued for the Real Property, and, as of the Closing, all of the same will be in full force and effect. Subject to Section 4.12, to the knowledge of the Sellers, the improvements which are a part of the Owned Real Property, as designed and constructed, comply with all statutes, restrictions, regulations and ordinances applicable thereto, including but not limited to the ADA and Section 504 of the Rehabilitation Act of 1973. Subject to Section 4.12, the existing water, sewer, gas and electricity lines, storm sewer and other utility systems on or serving the Real Property are, to the knowledge of the Sellers, adequate to serve the utility needs of the Real Property. All approvals, licenses and permits required for said utilities have been obtained and are, and will be as of the Closing, in full force and effect. All of said utilities are installed and operating, and all installation and connection charges have been paid in full. Subject to Section 4.12, the location, construction, occupancy, operation and use of the Real Property (including the improvements which are a part of the Real Property) do not violate any applicable law, statute, ordinance, rule, regulation, order or determination of any governmental authority or any board of fire underwriters (or other body exercising similar functions), judicial precedent or any restrictive covenant or deed restriction (recorded or otherwise) affecting the Real Property or the location, construction, occupancy, operation or use thereof, including, without limitation, all applicable laws. The Real Property comprises all of the real property currently used in connection with the Business or the Assets. Subject to Section 4.12, with respect to the Real Property:

(a) except as described on Schedule 4.11(a), no Seller has received during the past three (3) years notice of a violation of any applicable ordinance or other law, order, regulation, or requirement or notice of condemnation, lien, assessment, or the like relating to any part of the Owned Real Property or Leased Real Property or the operation thereof, and has no knowledge of any such violation, proceeding, lien or assessment;

(b) except as described on Schedule 4.11(b), such properties and their operation are in compliance with all applicable zoning ordinances, and the consummation of the transactions contemplated herein will not result in a violation of any applicable zoning ordinance or the termination of any applicable zoning variance now existing, and no Seller has received a written notice that the buildings and improvements constituting a portion of such properties do not comply with all building codes;

(c) except for the Permitted Encumbrances, such properties, are subject to no easements, covenants, conditions, restrictions, reservations encumbrances, or such other limitations or matters of record so as to make any such property unusable for its current use or the title thereof uninsurable or unmarketable or which restrict or impair its use, marketability, value or insurability;

(d) except as described on Schedule 4.11(d), there is no pending, or to the knowledge of the Sellers, threatened litigation, administrative action or complaint (whether from a state, federal or local government or from any other person, group or entity) relating to the Real Property, including compliance of any of such properties with the Rehabilitation Act of 1973, Title III of the ADA or any comparable state statute related to accessibility;

(e) with respect to the Owned Real Property and the Leased Real Property, there are no tenants or other persons or entities occupying any space in such properties other than pursuant to the Tenant Leases described in Schedule 2.1(h);

(f) except as described on Schedule 12.1(i), no Seller is a party to any Seller Lease;

(g) attached as Schedule 4.11(g) is a "rent roll" for all Tenant Leases that sets forth (i) the premises covered; (ii) the date of the Tenant Lease and all amendments and modifications thereto; (iii) the name of the tenant, subtenant, licensee or occupant; (iv) the term; (v) the rents and other charges payable thereunder; (vi) the rents or other charges in arrears or prepaid thereunder, if any, and the period for which any such rents and other charges are in arrears or have been prepaid; (vii) the nature and amount of the security deposits thereunder, if any; and (viii) options to renew or extend the term contained in the Tenant Lease;

(h) except as described on Schedule 4.11(h), no Seller has received any written notice, and has no knowledge, of any existing, proposed or contemplated plans to modify or realign any street or highway or any existing, proposed or contemplated eminent domain proceeding that would result in the taking of all or any part of such properties or that would adversely affect the current use of any part thereof;

(i) except as described on Schedule 4.11(i), the existing improvements located upon such properties do not, with respect to the Facilities, encroach upon adjacent premises or upon existing utility company easements, and existing restrictions are not violated by the improvements located on such properties;

(j) except as described on Schedule 4.11(j), no party owns or holds any right of first refusal to purchase or lease or an option to purchase or lease all or any portion of the Real Property;

(k) except as set forth in Schedule 4.11(k), there will be no incomplete construction projects affecting the Real Property as of the Closing Date. Schedule 4.11(k) identifies all design service contracts, engineering services contracts, construction contracts and construction management contracts relating to those construction projects that will be incomplete as of the Closing Date;

(l) except as set forth in Schedule 4.11(l), all Existing TI Obligations will have been fully performed and funded by each of the Sellers on or before the Closing Date;

(m) no Seller is a person or entity with whom U.S. persons are restricted from doing business with under regulations of the OFAC of the Department of Treasury (including those named on the OFAC's Specially Designated and Blocked Persons list) or under any statute,

executive order (including Executive Order 13224), or the USA Patriot Act, or any other governmental action;

(n) no subdivision shall be required for the lawful conveyance of the Owned Real Property to Buyer; and

(o) no brokerage or leasing commissions or other compensation will be due or payable as of Closing to any person, firm, corporation or other entity with respect to, or on account of, any Tenant Lease, any Seller Lease or any extensions or renewals thereof.

With respect to each Seller Lease, (i) Sellers are not in default beyond any applicable cure or grace period in any respect under any of such Seller Leases, and, to Sellers' knowledge, no other party to any such Seller Lease is in default thereunder, and to Sellers' knowledge, no conditions or events exist which, with the giving of notice or passage of time, or both, would constitute a default under any such Seller Lease, (ii) Sellers' possession and quiet enjoyment of the Leased Real Property under any such Seller Lease is not being disturbed as of the date of this Agreement, and there are no current material disputes with respect to any such Seller Lease that has not been disclosed to Buyer, (iii) no security deposit or portion thereof deposited with respect to such Seller Lease has been applied in respect of a breach or default under such Seller Lease which has not been redeposited in full, (iv) Sellers do not owe, nor will owe in the future, any brokerage commissions or finder's fees with respect to such Seller Lease, and (v) Sellers have not collaterally assigned or granted any security interest in such Seller Lease or any interest therein.

4.12 Title, Condition, and Sufficiency of the Assets.

(a) As of the Closing Date, the Sellers shall own and hold good and valid title to all of the Assets, subject only to the Permitted Encumbrances and Assumed Liabilities. Sellers are the sole and exclusive owners of the Assets.

(b) Except as otherwise set forth on Schedule 4.12, in respect of their physical condition and defects, the Real Property and all machinery and equipment used in the operation of the Business are in good operating condition and repair, reasonable wear and tear excepted, and suitable for the purpose for which they are intended. Except as set forth on Schedule 4.12, there are no material defects, structural or other, in any of the Assets, including, without limitation, the Real Property and the implements, machinery and equipment used in the Business. All of the Personal Property is located at one of the Facilities unless noted on Schedule 2.1(c). Except for the Excluded Assets and services provided under the Transition Services Agreement, the Assets comprise substantially all of the assets and properties currently used in connection with the operation of the Business.

4.13 Employee Benefit Plans.

(a) Schedule 4.13(a) includes a true, complete and correct list of all "employee benefit plans," as defined in ERISA, all specified fringe benefit plans as defined in Section 6039D of the IRC, and all other pension, profit-sharing, stock bonus, stock option, deferred compensation, or other retirement plans; welfare benefit plans; executive compensation, bonus, or incentive plans; severance plans; salary continuation plans, programs, or arrangements;

vacation, holiday, sick-leave, paid-time-off, or other employee compensation, bonus, or incentive plans, procedures, programs, payroll practices, policies, agreements, commitments, contracts, or understandings; or any annuity contracts, custodial agreements, trusts or other agreements related to any of the foregoing (collectively, the "**Benefit Plans**"), whether qualified or nonqualified, funded or unfunded, (i) that are currently, or have been within the past six (6) years, sponsored, maintained or contributed to by any of the Sellers or any ERISA Affiliate; (ii) with respect to which any of the Sellers or any ERISA Affiliate has any liability or obligation to any current or former officer, employee or service provider, or the dependents of any thereof; or (iii) which could result in the imposition of liability or any obligation of any kind or nature, whether accrued, absolute, contingent, direct, indirect, perfected or inchoate or otherwise, and whether or not now due or to become due to any of the Sellers or any ERISA Affiliate. Schedule 4.13(a) shall further identify which of the Benefit Plans listed on the Schedule have any individuals providing services at the Facilities participating in such Benefit Plan (the "**Facility Benefit Plans**")

(b) With respect to the Facility Benefit Plans, Sellers have made available to Buyer accurate and complete copies of the Facility Benefit Plans; the Facilities Benefit Plan's insurance contracts or any other funding instruments; governmental rulings or other correspondence pertaining to the Facility Benefit Plans; determination, advisory, notification, or opinion letters with respect to the Facility Benefit Plans; summary plan descriptions, modifications, memoranda, employee handbooks, and other material written communications regarding the Facility Benefit Plans; and such other documents, records, or other materials related thereto reasonably requested by Buyer. All returns, reports, disclosure statements, and premium payments with respect to any Facilities Benefit Plan have been or will be timely filed, delivered, or paid, as applicable and as required by applicable law.

(c) Except as set forth on Schedule 4.13(c), none of the Sellers or any ERISA Affiliate has ever participated in or sponsored, contributed to, or had an obligation to contribute to a plan subject to Section 412 of the IRC, Section 302 of ERISA and/or Title IV of ERISA, which is a multiemployer plan, which is a multiple employer plan or single employer plan to which at least two or more of the contributing sponsors are not part of the same controlled group; participated in any benefit plan that is a multiple employer welfare arrangement.

(d) Each Benefit Plan that is a pension or other retirement plan and each related trust agreement, annuity contract, or other funding instrument is and has been since its inception qualified and tax-exempt under the provisions of Sections 401(a) and 501(a) of the IRC, respectively; each Benefit Plan that is a nonqualified deferred compensation plan and each related trust agreement, insurance contract, or other funding instrument is in compliance with the requirements of Section 409A of the IRC; and no governmental entity has instituted or threatened a proceeding to terminate any Benefit Plan or to appoint a new trustee for such Benefit Plan. All Benefit Plans have been operated and administered in accordance with their terms and all applicable laws, including ERISA and the IRC.

(e) No Benefit Plan is currently or has been within the last six (6) years under audit, inquiry, or investigation by any governmental entity, and there are no outstanding issues with reference to the Benefit Plans pending before any governmental agency. Other than routine claims for benefits, there are no actions, mediations, audits, arbitrations, suits, claims, or

investigations pending or, to the knowledge of the Sellers, threatened against or with respect to any of the Benefit Plans or their assets.

(f) Each of the Sellers and each of the ERISA Affiliates is in material compliance with the continuation coverage provisions of COBRA with respect to all current and former employees and their beneficiaries who provide services at the Facilities. No Facility Benefit Plans provide for the continuation of, medical, dental, vision, life or disability insurance coverage for any current or former employees performing services at the Seller Facility, or their spouses, their dependents or beneficiaries, for any period of time beyond termination of employment (except to the extent of coverage required under COBRA).

(g) The consummation of the transactions contemplated by this Agreement will not accelerate the time of vesting or payment, or increase the amount of any compensation payable to any current or former employee of Seller.

4.14 Litigation or Proceedings. Except as set forth on Schedule 4.14, there are no claims, actions, suits, proceedings, investigations, judgments, decrees, orders, writs or injunctions pending or, to the knowledge of the Sellers, threatened against or related to any of the Sellers, the Business or the Assets, at law or in equity, or before or by any governmental entity. None of the Sellers are in default under any judgment, decree, order, writ or injunction of any court or governmental entity.

4.15 Hill-Burton and Other Liens. None of the Sellers nor any of their predecessors have received any loans, grants or loan guarantees pursuant to the Hill-Burton Act program, the Health Professions Educational Assistance Act, the Nurse Training Act, the National Health Planning and Resources Development Act or the Community Mental Health Centers Act, as amended, or similar laws or acts relating to healthcare facilities that remain unpaid or which impose restrictions on the operation of the Facilities or the Assets.

4.16 Taxes. Each of SHHC and Sharon have, and except as set forth on Schedule 4.16, to Seller's knowledge RHA and TSWS have, filed all Tax Returns required to be filed by them (all of which are true and correct in all material respects). All Taxes due and owing by each of SHHC and Sharon and, to Sellers' knowledge, RHA and TSWS, (whether or not shown on any Tax Return) have been paid. Neither SHHC nor Sharon and to Seller's knowledge, neither RHA nor TSWS, has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency. Except as set forth on Schedule 4.16(a), neither SHHC nor Sharon is currently the beneficiary of any outstanding extension of time within which to file any Tax Return. Each of SHHC and Sharon has withheld and paid and to SHHC's knowledge, RHA and TSWS 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 dispute or claim concerning any Tax liability of either SHHC or Sharon or to Sellers' knowledge, of RHA or TSWS, either (i) claimed or raised in writing by any governmental authority or (ii) as to which the Sellers have knowledge. Except as set forth on Schedule 4.16(b), no Tax Returns of SHHC, or Sharon or to Sellers' knowledge RHA or TSWS, have been audited during the last five (5) years or are currently under audit by any governmental authority. Within

the preceding five (5) years, neither SHHC nor Sharon, and to Sellers' knowledge, neither RHA nor TSWS have received a written claim by a governmental authority in a jurisdiction where any Seller does not file Tax Returns that it is or may be subject to taxation by that jurisdiction due to the operation of the Business or the location of the Assets. Neither Sharon nor SHHC have taken, and to SHHC's knowledge, neither RHA nor TSWS have taken, and will not take any action in respect of any Taxes (including, without limitation, any withholdings required to be made in respect of employees) that may have a material adverse Tax impact upon the Facilities or the Assets as of or subsequent to the Closing Date. Neither SHHC nor Sharon, and to Sellers' knowledge, neither RHA nor TSWS is a party to any Tax allocation or sharing agreement or to any "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of state, local or non-U.S. tax law), other than (i) any agreement that will terminate as of the Closing Date or (ii) contained in a lease or other contract whose primary purpose is not Tax. There are no Tax liens on any of the Assets or Facilities other than statutory liens for Taxes not yet overdue and, to the knowledge of the Sellers, no basis exists for the imposition of any such liens. Except as provided on Schedule 4.16(c), none of the Assets constitutes an ownership interest in a joint venture, partnership or other arrangement or contract that, to the knowledge of the Sellers, could be treated as a partnership for federal income tax purposes.

4.17 Employee Relations.

(a) Except as set forth on Schedule 4.17(a), all employees who provide services at any of the Facilities are employees of the Sellers. The Sellers are not a party to or bound by any collective bargaining agreement, project labor agreement, memorandum of understanding, letter agreement, side agreement, contract or any other agreement or understanding with a labor union or labor organization. There has not been within the last three (3) years, there is not presently pending or, to the knowledge of the Sellers, threatened, any strike, slowdown, picketing, work stoppage, or employee grievance process, or any proceeding against or affecting any of the Sellers relating to an alleged violation of any legal requirements pertaining to labor relations, including any charge, complaint or unfair labor practices claim filed by an employee, union, or other person with the National Labor Relations Board or any governmental entity, organizational activity, or other labor dispute against or affecting any of the Sellers or their operations or assets.

(b) Each of the Sellers has materially complied with all legal requirements relating to employment; employment practices; terms and conditions of employment; equal employment opportunity; nondiscrimination; immigration; wages; hours; benefits; payment of employment, social security, and similar taxes; occupational safety and health; and plant closing. Except as set forth on Schedule 4.17(b), there are no pending or, to the knowledge of the Sellers, threatened claims for failure to comply with any of the foregoing legal requirements. The Sellers will give all notices and make all filings required to comply with the provision of the Worker Adjustment and Retraining Notification Act or any similar state law (collectively referred to as the "**WARN Act**").

(c) The Sellers have made available to Buyer, to the extent requested by Buyer, the personnel records for all employees of the Sellers potentially affected by the transactions contemplated by this Agreement, including records reflecting salary or wages, and sick (or extended illness), paid-time-off, and vacation leave that is accrued or credited but unused

or unpaid. Schedule 4.17(c)(i) lists each employment, consulting, independent contractor, bonus or severance agreement to which any of the Sellers is a party. Each of the Benefit Plans, Sellers and all ERISA Affiliates has properly classified individuals providing services to any of the Sellers as independent contractors or employees, as the case may be. As of the Closing Date, Schedule 4.17(c)(ii) shall set forth the employees who had an "employment loss," as such term is defined in the WARN Act or any similar state or local legal requirements, within the ninety (90) days preceding the Closing Date; in relation to the foregoing, the Sellers have not violated the WARN Act or any similar state or local legal requirements.

4.18 Agreements and Commitments. Schedule 4.18 sets forth an accurate list of all commitments, contracts, leases, and agreements, written or oral, relating to the Business or the Assets to which any Seller is a party or by which any of the Sellers or the Assets or any portion thereof is bound that are: (a) Physician Agreements, (b) those that by their terms do not expire or are not terminable prior to the first anniversary of the date hereof, (c) the Hospital's top eight contracts, which together with the government payment programs, self-pay and other non-contracted payers, including out-of-state Blue Cross plans other than the Empire and Anthem contracts provided, represent not less than 95% of the Hospital's revenue for 2015, or (d) any other contracts or commitments not identified in (a)-(c) above, except for managed care contracts and contracts that involve the provision of items or services to more than one hospital owned directly or indirectly by RCHP, whether in the ordinary course of business or not, which involve future payments, performance of services or delivery of goods or materials, to or by any of the Sellers in an amount exceeding $25,000 on an annual basis (collectively "**Material Contracts**").

4.19 The Material Contracts, Tenant Leases and Seller Leases. Schedule 2.1(h) sets forth an accurate list of the Tenant Leases. Schedule 2.1(i) sets forth an accurate list of the Seller Leases. The Sellers have made available to Buyer accurate copies of the Material Contracts, the Tenant Leases and the Seller Leases. The Sellers represent and warrant with respect to the Material Contracts, the Tenant Leases and the Seller Leases that:

(a) the Material Contracts, the Tenant Leases and the Seller Leases constitute valid and legally binding obligations of one or more of the Sellers and are enforceable against such Sellers in accordance with their respective terms, and, to the knowledge of the Sellers, the Material Contracts, the Tenant Leases and the Seller Leases constitute valid and legally binding obligations of the other party or parties to the Material Contracts, the Tenant Leases and the Seller Leases and are enforceable against such parties in accordance with their terms;

(b) each Material Contract, Tenant Lease or Seller Lease constitutes the entire agreement by and between the respective parties thereto with respect to the subject matter thereof;

(c) all obligations required to be performed by one or more of the Sellers under the terms of the Material Contracts, the Tenant Leases and the Seller Leases have been performed in all material respects, and no Seller has received notice that any act or omission by any such Seller has occurred or failed to occur which, with the giving of notice, the lapse of time or both, would constitute a default under any such Material Contract, Tenant Lease or Seller Lease, and each of such Material Contracts, Tenant Leases and Seller Leases is now and at the Closing Date will be in full force and effect without default on the part of any of the Sellers;

(d) except as expressly set forth on Schedule 4.19(d), none of Material Contracts, the Tenant Leases or the Seller Leases requires consent to its assignment to and assumption by Buyer; and

(e) except as expressly set forth on Schedule 4.19(e), the assignment of the Material Contracts, the Tenant Leases and the Seller Leases to and the assumption of such Material Contracts, Tenant Leases and Seller Leases by Buyer will not result in any penalty or premium, or variation of the rights, remedies, benefits or obligations of any party thereunder.

4.20 Supplies. All the inventory and supplies constituting any part of the Assets are of a quality and quantity usable and saleable in the ordinary course of business of the Business.

4.21 Insurance. Schedule 4.21 sets forth an accurate schedule disclosing the Sellers' insurance policies covering the Business and the Assets, which Schedule reflects the policies' numbers, identity of insurers, amounts, coverage, and, with respect to professional liability coverage, identifies whether such coverage is on an occurrence basis or on a claims made basis. All of such insurance policies are in full force and effect with no premium arrearage. Each of the Sellers has given in a timely manner to its respective insurers all notices required to be given under such insurance policies with respect to all of the claims and actions covered by insurance, and no insurer has denied coverage of any such claims or actions. Except as set forth on Schedule 4.21, none of the Sellers has (a) received any written notice or other communication from any such insurance company canceling or materially amending any of such insurance policies and, to the knowledge of the Sellers, no such cancellation or amendment is threatened or (b) failed to give any required notice or to present any claim which is still outstanding under any of such policies with respect to the Business or any of the Assets.

4.22 Third Party Payor Cost Reports. Each of the Sellers has duly filed all required Seller Cost Reports for all fiscal years through and including the fiscal year ended September 30, 2015. All of such Seller Cost Reports accurately reflect the information required to be included thereon and such cost reports do not claim, and none of the Facilities nor any of the Sellers have retained, reimbursement in any amount in excess of the amounts provided by law or any applicable agreement. Schedule 4.22 indicates which of such Seller Cost Reports have not been audited and finally settled and a brief description of any and all notices of program reimbursement, proposed or pending audit adjustments, disallowances, appeals of disallowances and any and all other unresolved claims or disputes in respect of such cost reports. Each of the Sellers has established adequate reserves to cover any potential reimbursement obligations that such Seller may have in respect of any such Seller Cost Reports, and such reserves are accurately set forth in the Financial Statements.

4.23 Medical Staff Matters. The Sellers have made available to Buyer true, correct and complete copies of the bylaws and rules and regulations of the medical staff of the Hospital, as well as a list of all current members of the medical staff. Except as set forth on Schedule 4.23, there are no adverse actions with respect to any medical staff member of the Hospital or any applicant thereto for which a medical staff member or applicant has requested a judicial review hearing that has not been scheduled or has been scheduled but has not been completed, and there are no pending or, to the knowledge of the Sellers, threatened disputes with applicants, staff members or health professional affiliates, and all appeal periods in respect of any adverse actions

against any medical staff member or applicant have expired. Schedule 4.23 sets forth a brief description of all adverse actions taken against medical staff members or applicants during the past three (3) years that could result in claims or actions against any of the Sellers and which are not disclosed in the minutes of the meetings of the Medical Executive Committee of the Medical Staff of the Hospital, which minutes have been made available to Buyer.

4.24 Experimental Procedures. During the past five (5) years, the Facilities have not performed or permitted the performance of any experimental or research procedure or study involving patients in the Facilities not authorized and conducted in accordance with applicable law and the procedures of the Facilities.

4.25 Compliance Program. The Sellers have made available to Buyer a copy of the Facilities' current compliance program materials, including, without limitation, all program descriptions, compliance officer and committee descriptions, ethics and risk area policy materials, training and education materials, auditing and monitoring protocols, reporting mechanisms, and disciplinary policies. Except as set forth on Schedule 4.25, none of the Sellers (a) are a party to an outstanding Corporate Integrity Agreement with the OIG of HHS, (b) have reporting obligations pursuant to any settlement agreement entered into with any governmental entity, (c) to the knowledge of the Sellers, have been the subject of any government payor program investigation conducted by any federal or state enforcement agency, or (d) to the knowledge of the Sellers, have been a defendant in any *qui tam*/False Claims Act litigation and, to the knowledge of the Sellers, no such litigation is threatened. For purposes of this Agreement, the term "**compliance program**" refers to provider programs of the type described in the compliance guidance published by the OIG of HHS.

4.26 Environmental Matters. Except as set forth on Schedule 4.26:

(a) The operations and properties of each of the Sellers are and at all times have been in compliance with the Environmental Laws, which compliance includes but is not limited to the possession by the appropriate Seller of all permits and governmental authorizations required under applicable Environmental Laws, and compliance with the terms and conditions thereof, all such permits and governmental authorizations are valid and in good standing and there is no action pending or threatened to revoke, cancel, terminate, modify or otherwise limit any such permit or governmental authorization.

(b) None of the Sellers has (nor, to the knowledge of the Sellers, has any third party) treated, stored, managed, disposed of, transported, handled, released or used any Material of Environmental Concern, except in the ordinary course of its business and in compliance with all Environmental Laws.

(c) There are no Environmental Claims pending or, to the knowledge of the Sellers, threatened against any of the Sellers, and, to the knowledge of the Sellers, no circumstances exist that could reasonably be expected to lead to the assertion of an Environmental Claim against any Seller Party.

(d) To the knowledge of the Sellers, there are no off-site locations where any of the Sellers have stored, disposed or arranged for the disposal of Materials of Environmental

Concern in violation of any Environmental Laws or that are listed on the Comprehensive Environmental Response, Compensation and Liability Act National Priority List or any state equivalent, and none of the Sellers has been notified in writing that it or any such entity is a potentially responsible party at any such location under any Environmental Laws.

(e) None of the Sellers has assumed or undertaken or otherwise become subject to any liability or corrective, investigatory or remedial obligation of any other person relating to any Environmental Law.

(f) (i) except as set forth on Schedule 4.26(f)(i), there are no underground storage tanks located on property owned, leased or operated by any of the Sellers; (ii) there is no asbestos-containing material (as defined under Environmental Laws) contained in or forming part of any building, building component, structure or office space owned, leased or operated by any of the Sellers; and (iii) there are no PCBs or PCB-containing items contained in or forming part of any building, building component, structure or office space owned, leased or operated by any of the Sellers.

(g) No property used in the Sellers' operation is subject to an encumbrance imposed by or arising under any Environmental Law, and except as disclosed on Schedule 4.26(g), there is no proceeding pending or, to the knowledge of the Sellers, threatened for the imposition of such encumbrance, nor to the knowledge of the Sellers, is there any basis for any such encumbrance or proceeding.

(h) The operations of each of the Sellers are and have been for the past four (4) years in material compliance with laws concerning Medical Waste.

(i) The Sellers have provided to Buyer all material reports, assessments, audits, citations, notices, surveys, studies and investigations in the possession, custody or control of the Sellers concerning compliance with or liability or obligation under Environmental Law, including without limitation those concerning the environmental condition of the properties owned, leased or operated by the Sellers.

(j) Except as set forth on Schedule 4.26(j), neither this Agreement nor the consummation of the transaction that is the subject of this Agreement will result in any obligations for site investigation or cleanup, or notification to or consent of government agencies or third parties, pursuant to any of the so-called "transaction-triggered" or "responsible property transfer" Environmental Law, including the Connecticut Transfer Act, Sections 11a-134 through 22a-134e of the Connecticut General Statutes, and any associated regulations and guidance.

4.27 Intellectual Property Rights.

(a) Schedule 4.27(a) contains a true, complete and correct list of all intellectual property that is owned by the Sellers. Except as set forth in Schedule 4.27(a), all Owned Intellectual Property is owned by the Sellers free and clear of all liens, claims and encumbrances. At the Closing, the Sellers will transfer to Buyer good and valid title to the Owned Intellectual Property, free and clear of all liens, claims and encumbrances. Except as described in Schedule 4.27(a), no Seller has granted any license to any person or entity relating to any of the Owned Intellectual Property.

(b) Schedule 4.27(b) contains a true, complete and correct list of all intellectual property (other than software available on reasonable terms on a commercial off the shelf basis from third party vendors) that is used by the Sellers and constitutes all intellectual property (other than the Owned Intellectual Property) used in connection with the operation of the Business.

(c) No Seller has received notice of any unresolved claim asserting a conflict with the rights of another person or entity in connection with the use by it of any of the intellectual property listed in Schedule 4.27(a) or 4.27(b).

(d) Except as set forth on Schedule 4.27(d), all patents, registered copyrights and registered trademarks that are a portion of the intellectual property of the Sellers and applications with respect thereto, (i) have been duly maintained including without limitation the proper, sufficient and timely submission of all necessary filings and fees, (ii) have not lapsed, expired or been abandoned, and (iii) are not the subject of any opposition, interference, cancellation, or other proceeding before any governmental registration or other authority in any jurisdiction.

(e) None of the Sellers has received any notice that infringement exists by it on the intellectual property rights of any other person or entity that results in any way from the Business or the Assets.

4.28 Absence of Undisclosed Liabilities. Except (i) as and to the extent reflected or reserved against in the Financial Statements (which reserves are believed adequate in amount as of the date of such Financial Statements), and (ii) liabilities incurred in the ordinary course of business since May 31, 2016, none of the Sellers has, and is not subject to, any liability or obligation of any nature that is of a type required to be disclosed or reflected in the Financial Statements in accordance with GAAP, whether accrued, absolute, contingent or otherwise, asserted or unasserted, known or unknown.

4.29 Brokers. Except as set forth on Schedule 4.29, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Sellers.

4.30 The Sellers' Knowledge. When used herein, the phrases "**to the knowledge of the Sellers**," "**known**" and similar references to the knowledge of the Sellers shall mean and refer to all matters with respect to which (a) any Seller has received a written notice or (b) the actual knowledge of the representatives of the Sellers set forth on Schedule 4.30 after due inquiry of officers and department heads as to the matter in question.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to the Sellers the following:

5.1 Existence and Capacity. Newco is a nonstock corporation, duly organized and validly existing in good standing under the laws of the State of Connecticut. Health Quest is a New York not-for-profit corporation, duly organized and validly existing in good standing under the laws of the State of New York. Each Buyer has the requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to conduct its business as now being conducted.

5.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc. The execution, delivery, and performance of this Agreement by the Buyer and all other agreements referenced herein, or ancillary hereto, to which the Buyer is a party and the consummation of the transactions contemplated herein by the Buyer:

(a) are within each Buyer's organizational powers, are not in contravention of law or of the terms of such Buyer's organizational documents and have been duly authorized by all appropriate action;

(b) except as set forth on Schedule 5.2(b), do not require any approval or consent of, or filing with, any governmental agency or authority bearing on the validity of this Agreement which is required by law or the regulations of any such agency or authority;

(c) will neither conflict with, nor result in any breach or contravention of, or the creation of any lien, charge or encumbrance under, any indenture, agreement, lease, instrument or understanding to which each Buyer is a party or by which it is bound;

(d) will not violate any statute, law, rule or regulation of any governmental authority to which each Buyer may be subject; and

(e) will not violate any judgment, decree, writ, or injunction of any court or governmental authority to which each Buyer may be subject.

5.3 Binding Agreement. This Agreement and all agreements to which Buyer will become a party pursuant hereto are and will constitute the valid, legal and binding obligations of Buyer and are and will be enforceable against Buyer in accordance with their respective terms.

5.4 Legal Proceedings. There are no claims, proceedings or investigations pending or, to the knowledge of Buyer, threatened against Buyer before any court or governmental body (whether judicial, executive or administrative) in which an adverse determination would have a Material Adverse Effect on the consummation of the transactions contemplated herein. Buyer is not subject to any judgment, order, decree or other governmental restriction specifically (as distinct from generally) applicable to Buyer that would have a Material Adverse Effect on the consummation of the transactions contemplated herein.

5.5 Brokers. Except as set forth on Schedule 5.5, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated herein based upon arrangements made by or on behalf of Buyer.

ARTICLE VI

COVENANTS OF THE SELLERS PRIOR TO THE CLOSING

Between the date of this Agreement and the Closing Date:

6.1 Information. To the extent Buyer does not already have access pursuant to the Management Agreement and subject to applicable law and attorney-client privilege or other applicable privileges, each of the Sellers shall afford to the officers and authorized representatives and agents (which shall include accountants, attorneys, bankers, and other consultants) of Buyer reasonable access to, and the right to inspect the plants, properties, books, and records of, the Facilities and Assets at such times and in such manner as Buyer may from time to time reasonably request of the Sellers. In addition, subject to applicable law and attorney-client privilege or other applicable privileges, each of the Sellers shall furnish Buyer with such additional financial and operating data and other information in respect of the Business and the Assets as Buyer may from time to time reasonably request to the extent Buyer does not have access to such information pursuant to the Management Agreement.

6.2 Operations. Each of the Sellers, to the extent they have retained control of related aspects of the Business pursuant to the Management Agreement, will:

(a) carry on the Business in substantially the same manner as presently conducted and not make any material change in personnel, general and fiscal policies, charity care policies, accounting policies or real or personal property affecting the Business or the Assets;

(b) maintain the Facilities and the Assets and all parts thereof in their current operating condition, ordinary wear and tear excepted;

(c) keep in full force and effect present insurance policies or other comparable insurance pertaining to the Business or the Assets; and

(d) use its reasonable best efforts to maintain and preserve its business organizations intact, retain its present employees and maintain its relationships with physicians, suppliers, customers, and others having business relations with any of the Sellers.

6.3 Positive Covenants. As, and to the extent, permitted by applicable law, and subject to the terms and conditions of a Collaboration Agreement between the parties, Sellers will collaborate with Buyer on clinical and other initiatives to facilitate the transition of the Facilities into the Health Quest system.

6.4 Negative Covenants. None of the Sellers will, without the prior written consent of Buyer, which shall not be unreasonably withheld, conditioned or delayed:

(a) amend, renew or terminate any of the Assumed Contracts, the Tenant Leases or the Seller Leases or enter into any new Tenant Leases or Seller Leases, except in the ordinary course of business and consistent with prior practice;

(b) enter into any contract or commitment obligating any Seller or Facility to (i) purchase any supplies, assets or services in excess of $25,000, (ii) enter into any contract or arrangement with a term of greater than one year or (iii) enter into any contract or arrangement with a referral source regardless of the amount of consideration under such contract or arrangement, except in the ordinary course of business and consistent with prior practice;

(c) increase compensation payable or to become payable or make or increase any bonus payment to or otherwise enter into one or more bonus agreements with any employee of any of the Sellers, except in the ordinary course of business in accordance with existing personnel policies and consistent with prior practice;

(d) institute, amend or increase the benefits, rights or obligations under any Benefit Plan, policy or arrangement other than as required by applicable law;

(e) create, assume or permit to exist any new debt, lease, mortgage, pledge or other lien or encumbrance upon any of the Assets, whether now owned or hereafter acquired, except in the ordinary course of business and consistent with prior practice;

(f) acquire (whether by purchase or lease) or sell, assign, lease or otherwise transfer or dispose of any personal property, plant, equipment or Real Property, except for dispositions or retirement of equipment in the normal course of business with comparable replacement thereof;

(g) enter into a collective bargaining agreement;

(h) enter into negotiations with or recognize voluntarily a bargaining representative;

(i) take any action outside the ordinary course of business (apart from those actions contemplated by this Agreement), including but not limited to the disposition of any Assets; and

(j) change the titles of, or outside the ordinary course of business change the assignment of, the senior executives of Sellers set forth on Schedule 6.4(j).

6.5 Governmental Approvals; Third Party Consents. Each of the Sellers shall (i) use commercially reasonable efforts to obtain all governmental approvals (or exemptions therefrom) necessary or required to allow it to perform its obligations under this Agreement; and (ii) reasonably assist and cooperate with Buyer and its representatives and counsel in obtaining all governmental consents, approvals and licenses that Buyer deems necessary or appropriate and in the preparation of any document or other material which may be required by any governmental agency as a predicate to or as a result of the transactions contemplated herein. The Sellers shall use commercially reasonable efforts to obtain the consent of each other party to the assignment of the Material Contracts to the extent required by such agreements.

6.6 Additional Financial Information. No later than twenty (20) calendar days after Manager has complied with its reporting obligations in the Management Agreement, the Sellers shall deliver to Buyer true and complete copies of the unaudited balance sheets and the related

unaudited statements of income (collectively, the "**Interim Statements**") of, or relating to, the Facilities for each month then-ended, together with a year to date compilation and the notes, if any, related thereto, which presentation shall be true, correct and complete in all material respects, shall have been prepared from and in accordance with the books and records of the Sellers and shall fairly present the financial position and results of operations of the Facilities as of the date and for the period indicated, all in accordance with GAAP consistently applied, except that such Interim Statements need not include required footnote disclosures.

6.7 No-Shop Clause. Each of the Sellers agrees that it shall not, and shall direct and cause its officers, directors, employees, agents and representatives (including any investment banker, broker, attorney or accountant retained by it) not to directly or indirectly: (i) offer for sale or lease all or any portion of the Assets or any ownership interest in any entity owning any of the Assets or otherwise solicit, initiate, participate in negotiations with any third party contemplating a transaction involving all or any portion of the Asset, directly or indirectly, whether by sale, merger, consolidation, sale of assets, lease affiliation joint venture or other form of transaction (collectively, a "**Prohibited Transaction**"), (ii) solicit offers to purchase all or any portion of the Assets or any ownership interest in any entity owning any of the Assets, (iii) initiate, encourage or provide any documents or information to any third party in connection with, or discuss or negotiate with any person regarding any inquires, proposals or offers relating to, any disposition of all or any portion of the Assets or a merger or consolidation of any entity owning any of the Assets or (iv) enter into any agreement or discussions with any party (other than Buyer) with respect to the sale, assignment or other disposition of all or any portion of the Assets or any ownership interest in any entity owning any of the Assets or with respect to a merger or consolidation of any entity owning any of the Assets; provided, however, that the Parties agree that this Section shall not apply to the use or consumption of Sellers' supplies, drugs, inventory and other disposables and consumables in the ordinary course of business prior to the Closing. Each Seller will promptly communicate to Buyer the substance of any inquiry or proposal concerning any such transaction, and will notify the third party of the existence of this covenant. Without limiting the foregoing, it is understood that any violation of the restrictions set forth in this Section 6.8 shall be deemed a material breach of this Agreement by the Sellers.

6.8 Tail Insurance. For each general or professional liability insurance policy that is underwritten on a claims-made basis, the Sellers, at their sole cost and expense, shall either self-insure or obtain "tail" insurance to insure against professional and general liabilities of the Sellers, the Facilities and/or the Assets relating to all periods from the date of Sellers' acquisition of the Facilities or the Assets and ending on or prior to the Closing Date. Such tail insurance or self-insurance shall have coverage levels equal to those in place as of the date hereof.

6.9 Tenant Estoppels. The Sellers will use commercially reasonable efforts to deliver to Buyer at least ten (10) business days prior to the Closing Date, either in the form attached hereto as Exhibit H (the "**Tenant Estoppel**") or in such other form as may be prescribed in any relevant Tenant Lease, estoppel certificates for all Tenant Leases, pursuant to which each such tenant shall certify as of a date within thirty (30) days of the Closing Date all of the matters set forth on the Tenant Estoppel or on the form prescribed in the relevant Tenant Lease, as the case may be, including, but not limited to, confirming no defaults exist under such Tenant Lease.

6.10 Landlord Estoppels. The Sellers will use commercially reasonable efforts to deliver to Buyer at least ten (10) business days prior to the Closing Date, either in the form attached hereto as Exhibit I (the "**Landlord Estoppel**") or in such other form as may be prescribed in any relevant Seller Lease, landlord estoppel certificates for all Seller Leases, pursuant to which each such landlord shall certify as of a date within thirty (30) days of the Closing Date all of the matters set forth on the Landlord Estoppel or on the form prescribed in the relevant Seller Lease, as the case may be, including, but not limited to, confirming no defaults exist under such Tenant Lease.

6.11 Title Insurance and Survey.

(a) Buyer has heretofore received commitments (the "**Commitments**") from Chicago Title Insurance Company (the "**Title Company**") to issue as of the Closing Date an ALTA owner's policy of title insurance (Form 2006), which policy shall be issued with endorsements for extended coverage, zoning (ALTA 3.1 plus parking and loading docks), owner's comprehensive (ALTA 9.2), access, tax parcel, same as survey, subdivision, location, utility facility, environmental lien, waiver of arbitration, non-imputation and contiguity, for the Owned Real Property, together with improvements, buildings and fixtures thereon, in amounts equal to the reasonable value assigned to such Owned Real Property by Buyer and in the customary form prescribed for use in the State of Connecticut, but with any mandatory arbitration provision deleted therefrom. Buyer ordered the Commitments through the Title Company's National Commercial Services office located at 10 South LaSalle Street, Suite 3100, Chicago, Illinois 60603, and such National Commercial Services office shall be responsible for all underwriting decisions with respect to the policy or policies issued pursuant to the Commitments. The Commitments provide for the issuance of such policy (or policies) to Buyer as of the Closing and insure fee simple title to the Owned Real Property subject only to the Permitted Encumbrances. Buyer has heretofore received as-built surveys of the land and improvements comprising the Owned Real Property (collectively, the "**Surveys**") from a registered Connecticut surveyor, which Surveys were prepared in accordance with the "Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys" jointly established and adopted by ALTA and NSPS in 2016, and shall include Items 1, 2, 3, 4, 6(a), 6(b), 7(a), 7(b)(1), 7(c), 8, 9, 10, 11, 13, 14, 16, 17, 18, 19 and 20 of Table A thereof. The Surveys have been issued certified to Buyer, the Sellers, and the Title Company and include a surveyor's certification reasonably acceptable to Buyer and the Title Company. The legal description of the Owned Real Property described in the Commitments and the Surveys shall be used to convey title to Buyer per the special warranty deed or deeds described in Section 3.2(a).

(b) The Sellers agree to deliver any information or documentation as may be reasonably required by the Title Company under the Commitments or otherwise in connection with the issuance of Buyer's title insurance policies. The Sellers also agree to provide an affidavit of title consistent with a special warranty deed with respect to the Owned Real Property and/or such other information as the Title Company may reasonably require in order for the Title Company to insure over the "gap" (i.e., the period of time between the effective date of the Title Company's last checkdown of title to such Owned Real Property and the Closing Date) and to cause the Title Company to delete all standard exceptions (including any exception for mechanics liens related to the Owned Real Property) from the final title insurance policies. The costs of such title policy or policies (including the endorsements to such policy or policies, but

after taking into account all credits available, including any reissue credits) (the "**Title Policy Costs**") and the costs of such surveys (the "**Survey Costs**") shall be shared equally by Buyer and the Sellers in accordance with the provisions of Section 13.16 herein.

6.12 Subordination and Non-disturbance Agreements. The Sellers will use commercially reasonable efforts to deliver to Buyer at least ten (10) business days prior to the Closing Date, in a form reasonably acceptable to Buyer or such other form as may be prescribed in any Seller Lease, a commercially reasonable subordination and non-disturbance agreement (the "**SNDA**") executed by any lender with a mortgage or deed of trust on the land and improvements relating to any Leased Real Property for all Sellers.

6.13 Discharge of Indebtedness. At or before the Closing, the Sellers shall discharge all of their indebtedness, their capital lease obligations, their unfunded pension liabilities and any other indebtedness secured by any of the Assets or to which any of the Assets may be subject, including intercompany obligations.

6.14 Insurance Rating. Each of the Sellers shall take all action reasonably requested by Buyer to enable Buyer to succeed to its Workmen's Compensation and Unemployment Insurance ratings, property, automobile or any other insurance policies, deposits and other interests with respect to the operation of the Business and other ratings for insurance or other purposes established by such Seller. Buyer shall not be obligated to succeed to any such rating, insurance policy, deposit or other interest, except as it may elect to do so.

6.15 Best Efforts to Close. Each Seller shall use its reasonable best efforts to proceed toward the Closing and to cause Buyer's conditions to the Closing to be met as soon as practicable and consistent with the other terms contained herein. Each Seller shall notify Buyer as soon as practicable of any event or matter that comes to such Seller's attention that may reasonably be expected to prevent the conditions of such Seller's obligations being met.

6.16 Notice; Efforts to Remedy. Each Seller shall promptly give notice to Buyer upon becoming aware of the impending occurrence of any event that would cause or constitute a breach of any of the representations, warranties or covenants contained or referred to in this Agreement or cause, or be likely to cause, a Material Adverse Effect and shall use its commercially reasonable efforts to prevent or promptly remedy the same.

6.17 Management Agreement. The Sellers and Manager shall have entered the Management Agreement, pursuant to which Manager shall provide services to Sellers to operate the Facilities. Sellers' obligations to provide information to Buyer relating to the operation of the Facilities from the date hereof until the Effective Date, including updating and correcting schedules pursuant to Section 13.1, shall be subject to Manager's performance of its obligations in the Management Agreement.

ARTICLE VII

COVENANTS OF BUYER PRIOR TO THE CLOSING

7.1 Governmental Approvals; Third Party Consents. Between the date of this Agreement and the Closing Date, Buyer shall (i) use commercially reasonable efforts to obtain

all governmental approvals (or exemptions therefrom) necessary or required to allow Buyer to perform its obligations under this Agreement; and (ii) assist and cooperate with the Sellers and their representatives and counsel in obtaining all governmental consents, approvals and licenses that the Sellers deem necessary or appropriate and in the preparation of any document or other material that may be required by any governmental agency as a predicate to or as a result of the transactions contemplated herein. Buyer will use commercially reasonable efforts to obtain all consents of all third parties necessary or desirable for the purpose of (i) consummating the transactions contemplated herein or (ii) enabling Buyer to operate the Facilities and the Assets in the ordinary course after the Closing.

7.2 Best Efforts to Close. Buyer shall use its reasonable best efforts to proceed toward the Closing and to cause each Seller's conditions to the Closing to be met as soon as practicable and consistent with the other terms contained herein. Buyer shall notify the Sellers as soon as practicable of any event or matter that comes to Buyer's attention that may reasonably be expected to prevent the conditions of Buyer's obligations being met.

7.3 Cooperation with Sellers to Provide Information. Buyer shall cause Manager to comply with its obligations in the Management Agreement, to the extent applicable, with respect to providing Sellers with material reports, data and other information necessary for Sellers to comply with their obligations in ARTICLE VI, Section 8.8 and Section 13.1 hereof.

ARTICLE VIII

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

Notwithstanding anything herein to the contrary, the obligations of Buyer to consummate the transactions described herein are subject to the fulfillment, on or prior to the Closing Date, of the following conditions precedent unless (but only to the extent) waived in writing by Buyer at the Closing:

8.1 Governmental Approvals.

(a) All material consents, authorizations, orders and approvals of (or filings or registrations with) any government entity required in connection with the execution, delivery and performance of this Agreement, as set forth on Schedule 8.1(a), shall have been obtained, except for any documents required to be filed, or consents, authorizations, orders or approvals required to be issued, after the Closing Date.

(b) The Parties shall have received confirmation from all applicable licensure agencies, as set forth on Schedule 8.1(b), that upon the Closing all licenses required by law to operate each of the Facilities and the Assets as currently operated will be transferred to, or issued or reissued in the name of, Buyer.

8.2 Adverse Change. Since the date hereof, there shall not have occurred any event, change or occurrence that has or would reasonably be expected to have a Material Adverse Effect.

8.3 Injunctions. No injunction shall have been issued and no action or other proceeding before a court or any other governmental agency or body shall have been instituted or threatened that may reasonably be expected to prohibit the sale of the Assets or seeks damages in a material amount by reason of the consummation of the transactions herein contemplated.

8.4 Bankruptcy. None of the Sellers shall (i) be in receivership or dissolution, (ii) have made any assignment for the benefit of creditors, (iii) have been adjudicated bankrupt or (iv) 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 any of the Sellers.

8.5 Closing Deliveries. The Sellers shall have made the deliveries required to be made by it under Section 3.2 hereof, other than any deliveries pursuant to Section 3.2(q).

8.6 Consents. All consents and estoppels to those certain Material Contracts set forth on Schedule 8.6 shall have been obtained.

8.7 Employee Benefit Plans and Employees. Sellers shall have (i) terminated the employment of all employees of the Facilities, effective as of the close of business on the Closing Date, and (ii) promptly paid all wages, salaries and other sums due such employees, including without limitation, severance pay and accrued leave benefits (in excess of any accrued paid time off that is included within the calculation of Sellers' Closing Net Working Capital or the maximum amount of paid time off that can be accrued under Buyer's paid time off program), through the close of business on the Closing Date.

8.8 Schedules. Subject to Section 7.3, Buyer shall have been furnished with the Schedules required to be revised pursuant to Section 13.1 that shall be updated (but not corrected) as of the Closing Date to the extent of any changes therein.

8.9 Managed Care Plans. Consent Satisfaction, that in the aggregate, together with government payment programs, self-pay and non-contracted commercial payment programs constitute no less than 90% of the Hospital's revenue for 2015, shall have been obtained.

ARTICLE IX

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLERS

Notwithstanding anything herein to the contrary, the obligations of the Sellers to consummate the transactions described herein are subject to the fulfillment, on or prior to the Closing Date, of the following conditions precedent unless (but only to the extent) waived in writing by the Sellers at the Closing:

9.1 Governmental Approvals. All material consents, authorizations, orders and approvals of (or filings or registrations with) any government entity required in connection with the execution, delivery and performance of this Agreement, as set forth on Schedule 8.1, shall have been obtained, except for any documents required to be filed, or consents, authorizations, orders or approvals required to be issued, after the Closing Date.

9.2 Actions/Proceedings. No injunction shall have been issued and no action or other proceeding before a court or any other governmental agency or body shall have been instituted or threatened that may reasonably be expected to prohibit the sale of the Assets or seeks damages in a material amount by reason of the consummation of the transactions herein contemplated.

9.3 Insolvency. Buyer shall not (i) be in receivership or dissolution, (ii) have made any assignment for the benefit of creditors, (iii) have admitted in writing its inability to pay its debts as they mature, (iv) have been adjudicated 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 Buyer.

9.4 Closing Deliveries. Buyer shall have made the deliveries required to be made by it under Section 3.3 hereof, other than any deliveries pursuant to Section 3.3(i).

ARTICLE X

PARTICULAR COVENANTS OF BUYER

10.1 Employee Matters.

(a) As of the effective date of the Management Agreement, Buyer shall offer employment to the Chief Executive Officer, Chief Financial Officer and the Chief Nursing Officer of the Hospital (the "**Executives**"), provided such individuals satisfy Buyer's screening requirements (including but not limited to background checks and drug screenings), such employment effective at 12:01 a.m. on the first day following the effective date of the Management Agreement. As of the Effective Time, Buyer shall offer employment to all active employees who satisfy Buyer's screening requirements (including but not limited to background checks and drug screenings), commencing as of the Closing Date (collectively with the Executives, the "**Hired Employees**"). Buyer shall not be obligated to continue any employment relationship with any employee for any specific period of time, and the foregoing shall not affect the status of the Hired Employees as employees "at will." Nothing herein shall be deemed to affect or limit in any way normal management prerogatives of Buyer with respect to employees or to create or grant to any such employees third party beneficiary rights or claims of any kind or nature. Within the ninety (90) days following the Effective Time, Buyer shall not take any action that would result in WARN Act liability with respect to the Hired Employees. Buyer shall recognize the existing seniority and service credit with the Sellers of all Hired Employees for purposes of determining accrued paid time off under Buyer's paid time off program.

(b) Consistent with Section 2.3(c), Buyer shall give credit to all Hired Employees for their accrued but unused paid time off, up to the maximum amount of paid time off that can be accrued under Buyer's paid time off program, and shall credit each Hired Employee with the unused extended illness benefits hours each such Hired Employee accrued while employed by the Sellers, but only to the extent disclosed on Schedules 2.3(c).

10.2 Cost Reports. Buyer shall forward to the Sellers any and all correspondence relating to the Seller Cost Reports within five (5) business days after receipt by Buyer. Buyer shall remit any receipts of funds relating to the Seller Cost Reports (without any offset or setoff of the same for any claim for indemnification under ARTICLE XII hereof) within five (5) business days after receipt by Buyer and shall forward to the Sellers any demand for payments within five (5) business days after receipt by Buyer.

ARTICLE XI

ADDITIONAL COVENANTS

11.1 Employee Matters.

(a) As of the effective date of the Management Agreement, Sellers shall terminate the Executives. As of the Closing Date, the Sellers shall terminate all of their employees providing services at the Facilities. Within the period of ninety (90) days before the Closing Date, the Sellers shall not take any action that would result in WARN Act liability.

(b) Effective as of the Closing Date, the Sellers shall (i) make or cause to be made all contributions due for all periods prior to the Closing Date, including a prorated contribution for the 2016 plan year, on behalf of all employees who are participants in the Sellers' tax-qualified retirement Benefit Plan; (ii) fully vest all accounts of employees who are participants in tax-qualified retirement Benefit Plan; and (iii) take all necessary actions to terminate the tax-qualified retirement Benefit Plan as of the Closing Date. With respect to the foregoing and for all other purposes, the Sellers shall amend the Benefit Plans and take any other necessary action to comply fully with the requirements under ERISA and the IRC related to Benefit Plans and other applicable law at all times.

(c) Notwithstanding anything herein to the contrary, the Sellers acknowledge and agree that Buyer does not assume or agree to discharge any liability of the Sellers for any benefits under COBRA, the Public Health Service Act or otherwise for individuals incurring a qualifying event prior to the Closing, and any such liabilities shall remain solely the responsibility of the Sellers, including any liability with respect to any M&A Qualified Beneficiaries.

(d) Effective as of the Closing Date, the Sellers shall pay out any unused paid time off that is in excess of any accrued paid time off that is included within the calculation of Sellers' Closing Net Working Capital and the limits for paid time off under Buyer's paid time off program.

11.2 Terminating Cost Reports. The Sellers, at their expense, shall prepare and file within sixty (60) days of the Closing all terminating and other cost reports required or permitted by law to be filed under Medicare, Medicaid and other third party payor programs or with DSS for periods ending on or prior to the Closing Date, or as a result of the consummation of the transactions described herein. The Sellers shall retain all rights and obligations under the Seller Cost Reports including without limitation any amounts receivable or payable or recaptured, in respect of such Seller Cost Reports or reserves relating to such Seller Cost Reports. Such rights

shall include the right to appeal any Medicare or Medicaid determinations relating to the Seller Cost Reports. Notwithstanding the foregoing, the Sellers shall not open, refile or amend any Seller Cost Report without the prior written consent of Buyer, which consent shall not be withheld unreasonably. The Sellers shall retain the originals of the Seller Cost Reports, correspondence, work papers and other documents relating to the Seller Cost Reports. The Sellers agree to furnish copies of the Seller Cost Reports, correspondence, work papers and other documents to Buyer upon request.

11.3 Trade Name Cancellation. The Sellers acknowledge and agree that Buyer will acquire as part of the Assets the exclusive right to use the name "Sharon Hospital", and any variation thereof and the goodwill associated therewith, and that none of the Sellers will use such name(s) or any derivative thereof subsequent to the Closing. Sharon further covenants and agrees to file, immediately after Closing, a Certificate of Cancellation or equivalent filing to terminate its trade name certification for "Sharon Hospital" and any similar certifications held by any Affiliates (the "**Trade Name Cancellation**").

11.4 Advisory Board of Trustees. Unless otherwise approved by the Attorney General of the State of Connecticut (the "**Attorney General**"), Newco will continue to recognize the Advisory Board of Trustees ("**Advisory Board**") currently at the Hospital. The Advisory Board is comprised of community representatives and physicians on the medical staff of the Hospital. The Advisory Board shall consist of no fewer than nine (9) members and shall be so constituted that:

(a) at least three (3) members of the Advisory Board shall be elected public officials currently holding office in the Hospital's primary service area, or their designees;

(b) at least three (3) members of the Advisory Board shall be members of the medical staff of the Hospital;

(c) at least three (3) members of the Advisory Board shall be nominated and selected by the elected public officials or their designees serving on the Advisory Board; and

(d) Newco may select two (2) additional members of the Advisory Board beyond the nine (9) set forth above.

Newco shall meet with the Advisory Board at least quarterly and will seek input of the Advisory Board with respect to various decisions affecting the Hospital, including, but not limited to, management evaluations, monitoring of clinical quality at the Hospital and the overall strategic direction of the Hospital. The Advisory Board shall establish procedures to assume maximum feasible participation in the operation, scope of services and overall strategic direction of the Hospital.

Newco agrees to consult with the Advisory Board prior to implementing material changes in the operation and management of the Hospital. Newco further agrees to consider and implement, as warranted, considerations by the Advisory Board. All recommendations to Newco by the Advisory Board shall be in writing and shall be retained by Newco for inspection by members of the public upon written notice to Newco.

11.5 Indigent and Charity Care. Unless the Attorney General provides otherwise, Newco will continue the Hospital's existing practice as of the date hereof with respect to the provision of indigent and charity care. In addition, Newco will include this covenant in any subsequent sale of the Hospital after the Closing Date.

11.6 2001 Order. Buyer agrees to comply with the obligations and requirements of Sharon that are established by that certain Final Decision, Docket No. 01-486-01, by the State of Connecticut Office of the Attorney General, dated November 26, 2001 to the extent that such obligations and requirements are required to be assigned to future owners of the Hospital by such Final Decision.

11.7 Attorney General Discussions. Sellers and Buyer acknowledge that Buyer may seek discussions with the Attorney General regarding modifying or eliminating the covenants set forth in Sections 11.4, 11.5 and 11.6. Newco shall comply with such provisions unless modified by the Attorney General in writing.

11.8 Property Transfer Law Matters.

(a) Within thirty (30) days of the date hereof, Sellers shall engage at their sole cost and expense an environmental professional licensed pursuant to Connecticut General Statutes § 22a-133v ("**Licensed Environmental Professional**") who shall render an opinion as to whether the property and Facility located at 50 Hospital Hill Road, Sharon, Connecticut (the "**Connecticut Facility**") is an "establishment" under the Property Transfer Law. If the Connecticut Facility is an "establishment" under the Property Transfer Law, then Sellers shall as promptly as reasonably practical comply with the Property Transfer Law through final LEP Verification (as defined by the Property Transfer Law) or a no further action letter from the Connecticut Department of Energy & Environmental Protection ("**CT DEEP**"), as applicable, under the Property Transfer Law. Sellers shall also cooperate with and provide CT DEEP any and all information and data requested by CT DEEP in connection with any audit undertaken by CT DEEP and take all other actions as may be properly requested by CT DEEP as follow-up to any CT DEEP audit. Sellers shall provide Buyer as soon as reasonably practicable (but in any event at least five (5) days prior to delivery), with advance copies of all documents or correspondence to be filed with CT DEEP or prepared under the Property Transfer Law and shall incorporate any reasonable substantive comments provided by Buyer into such filings. Sellers shall promptly provide to Buyer copies of correspondence and documents received from or submitted to CT DEEP. Without limiting the generality of the foregoing, with respect to the Connecticut Facility, the Sellers, at their own cost and expense, shall, as appropriate and necessary, conduct all investigation, sampling, monitoring, remediation, cleanup, removal and other corrective action or closure work necessary to comply with the Property Transfer Law and prepare and submit all documents and reports and pay all fees, costs and expenses necessary to comply with the Property Transfer Law.

(b) Subject to the terms of this Agreement, Sellers shall retain control of the actions necessary and appropriate to comply with the Property Transfer Law. Sellers expressly reserve the right to design and implement any remedial actions pursuant to which Sellers obligations under the Property Transfer Law can be satisfied in accordance with the Connecticut Remediation Standard Regulations, R.C.S.A. 22a-133k-1 through 22a-133k-3 ("**RSRs**"),

including, but not limited to, the development of alternative criteria for soil, sediment, surface water or groundwater at the Connecticut Facility, and the placement of one or more Environmental Land Use Restrictions (as defined and set forth under the RSRs) on the Connecticut Facility; provided that no such remedial action may materially interfere with Buyer's use and operation of the Connecticut Facility.

(c) Buyer shall use commercially reasonable efforts to cooperate with the Sellers in connection with their actions with respect to compliance with the Property Transfer Law, including providing access to the Connecticut Facility after the Closing Date and executing any forms necessary to allow the parties hereto to timely consummate the transactions contemplated by this Agreement in accordance with the Property Transfer Law requirements; provided, that if any obligation or liability is imposed pursuant to such forms such obligation or liability shall constitute an Excluded Liability and shall be subject to the terms and conditions of Article 12 hereof.

ARTICLE XII

INDEMNIFICATION

12.1 Indemnification by Buyer.

(a) Buyer shall indemnify and hold harmless the Sellers, and their respective officers, directors, employees and Affiliates (collectively, the "**Seller Indemnified Parties**"), from and against Damages that any Seller Indemnified Party incurs as a result of, or with respect to, (i) any misrepresentation or breach of warranty by Buyer under this Agreement or the other agreements and documents executed and delivered by Buyer pursuant to this Agreement, (ii) any breach by Buyer of any covenant or agreement of Buyer under this Agreement or the other agreements contemplated hereby or (iii) any of the Assumed Liabilities.

(b) For purposes of calculating the amount of any Damages incurred, arising out of or relating to a breach or inaccuracy for purposes of Section 12.1, no effect shall be given to any materiality or Material Adverse Effect qualification of any representation, warranty, covenant or agreement of Buyer.

12.2 Indemnification by the Sellers.

(a) Each of the Sellers, jointly and severally, shall indemnify and hold harmless Buyer, and its officers, directors, employees, stockholders, members and Affiliates (collectively, the "**Buyer Indemnified Parties**"), from and against any and all Damages that any such Buyer Indemnified Party incurs as a result of, or with respect to, (i) any misrepresentation or breach of warranty by any of the Sellers under this Agreement or the other agreements and documents executed and delivered by any or all of the Sellers pursuant to this Agreement, (ii) any breach by any of the Sellers of any covenant or agreement of any of the Sellers under this Agreement or the other agreements contemplated hereby, (iii) an erroneous interpretation or determination by Sellers or a Licensed Environmental Professional retained by Sellers that the Connecticut Facility is not an "establishment" for purposes of the Property Transfer Law or that the Property Transfer Law does not apply to the transaction covered by this Agreement for some

other or alternative reason ("**Erroneous Applicability Determination**"), or (iv) any of the Excluded Liabilities.

(b) For purposes of calculating the amount of any Damages incurred, arising out of or relating to a breach or inaccuracy for purposes of Section 12.2, no effect shall be given to (i) any materiality or Material Adverse Effect qualification of any representation, warranty, covenant or agreement of any of the Sellers or (ii) any Corrected Schedule.

12.3 Survival. Except as otherwise expressly provided in this Agreement, all representations and warranties contained in this Agreement or in any document delivered at the Closing pursuant hereto shall (i) be deemed to be material and to have been relied upon by the Parties, notwithstanding any investigation heretofore or hereafter made by any of them or on behalf of any of them, (ii) not be deemed merged into any instruments or agreements delivered at the Closing or thereafter and (iii) survive the Closing and shall be fully effective and enforceable for a period of two (2) years following the Closing Date, except for the representations and warranties set forth in (a) Sections 4.1 (Existence and Capacity), 4.2 (Powers; Consents; Absence of Conflicts With Other Agreements, Etc.) (other than 4.2(c)), and 4.3 (Binding Agreement) which shall survive the Closing indefinitely, (b) Sections 4.8 (Medicare Participation; Accreditation) and 4.9 (Regulatory Compliance) which shall survive until the fifth anniversary of the Closing Date, and (c) Section 4.12(a) (Title, Condition, and Sufficiency of the Assets) and Section 4.16 (Taxes) which shall survive until the expiration of the applicable statute of limitations taking into account all valid extensions.

12.4 Limitations.

(a) The Sellers shall be liable under Section 12.2(a)(i) only when total indemnification claims made under Section 12.2(a)(i) exceed One Hundred Thousand Dollars ($100,000) (the "**Indemnification Deductible**"), after which the Sellers shall be liable for the amount of Damages in excess of the Indemnification Deductible.

(b) Buyer shall be liable under Section 12.1(a)(i) only when total indemnification claims made under Section 12.1(a)(i) exceed the Indemnification Deductible, after which Buyer shall be liable for only for the amount of Damages in excess of the Indemnification Deductible.

(c) Notwithstanding the foregoing in (a) and (b), any Damages incurred by (i) a Buyer Indemnified Party as a result of an Erroneous Applicability Determination or as a result of a breach or inaccuracy of any representation or warranty made by any of the Sellers in Sections 4.1 (Existence and Capacity), 4.2 (Powers; Consents; Absence of Conflicts With Other Agreements, Etc.), 4.3 (Binding Agreement), 4.11 (Real Property), 4.12(a) (Title, Condition, and Sufficiency of the Assets), or 4.16 (Taxes) (collectively, the "**Seller Fundamental Representations**"), Section 4.9 (Regulatory Compliance), information disclosed on any Corrected Schedule, or information that should have been disclosed on an Updated Schedule or Corrected Schedule but was fraudulently withheld; (ii) a Seller Indemnified Party as a result of a breach or inaccuracy of any representation or warranty made by Buyer in Sections 5.1 (Existence and Capacity), 5.2 (Powers; Consents; Absence of Conflicts With Other Agreements, Etc.) or 5.3

(Binding Agreement) (collectively, the "**Buyer Fundamental Representations**"); or (iii) in the case of fraud, shall not count towards, nor be subject to, the Indemnification Deductible.

(d) The maximum aggregate liability of Sellers for indemnification under Section 12.2(a)(i) (other than with respect to breaches of the Seller Fundamental Representations, breaches of Section 4.9 (Regulatory Compliance), breaches with respect to information set forth on any Corrected Schedule, breaches with respect to information that should have been disclosed on an Updated Schedule or Corrected Schedule but was fraudulently withheld, and claims of fraud) and Buyer for indemnification under Section 12.1(a)(i), respectively (other than with respect to breaches of the Buyer Fundamental Representations and claims of fraud) shall be limited to an amount equal to Two Million Five Hundred Thousand Dollars ($2,500,000). The maximum aggregate liability of: (i) Sellers for indemnification under Section 12.2(a)(ii), for breaches of the Seller Fundamental Representations; and (ii) Buyer for indemnification under Section 12.1(a)(ii), for breaches of the Buyer Fundamental Representations, and breaches with respect to information set forth on any Corrected Schedule that causes Damages, respectively, shall be limited to an amount equal to the Purchase Price. For the avoidance of doubt, Sellers' liability for an Erroneous Applicability Determination, for breaches of Section 4.9 (Regulatory Compliance), for breaches set forth on any Corrected Schedule, and/or for breaches with respect to information that should have been disclosed on an Updated Schedule or Correct Schedule but was fraudulently withheld, that cause Damages shall not be subject to any limitation on indemnification under this Agreement.

(e) Notwithstanding anything else to the contrary in this Agreement, Sellers shall have no obligation to indemnify Buyer for any Damages relating to any events, circumstances, conditions, occurrences or changes in the Assets or Business during the term of the Management Agreement ("Change") if Buyer had knowledge of such Change in its capacity as Manager under the Management Agreement, failed to provide Sellers notice of such Change prior to Closing, and none of the individuals listed on Schedule 4.30 (other than the Executives) otherwise had knowledge of such Change

12.5 Notice and Control of Litigation. If any claim or liability is asserted in writing by a third party against a Party entitled to indemnification under this ARTICLE XII (the "**Indemnified Party**") which would give rise to a claim under this ARTICLE XII, the Indemnified Party shall notify the person giving the indemnity (the "**Indemnifying Party**") in writing of the same within ten (10) days of receipt of such written assertion of a claim or liability. The Indemnifying Party shall have the right to defend a claim and control the defense, settlement and prosecution of any litigation. If the Indemnifying Party, within ten (10) days after notice of such claim, fails to defend such claim, the Indemnified Party shall (upon further notice to the Indemnifying Party) have the right to undertake the defense, compromise or settlement of such claim on behalf of and for the account and at the risk of the Indemnifying Party, subject to the right of the Indemnifying Party to assume the defense of such claim at any time prior to settlement, compromise or final determination thereof. Anything in this Section 12.5 notwithstanding, (i) if there is a reasonable probability that a claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments, the Indemnified Party shall have the right, at its own cost and expense and subject to the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed), to defend, compromise and settle such claim, and (ii) the Indemnifying

Party shall not, without the written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed), settle or compromise any claim or consent to the entry of any judgment that does not include a term thereof the giving by the claimant to the Indemnified Party of an unconditional release from all liability in respect of such claim. All Parties agree to cooperate fully as necessary in the defense of such matters. Should the Indemnified Party fail to notify the Indemnifying Party in the time required above, the indemnity with respect to the subject matter of the required notice shall be limited to the damages that would have resulted had the Indemnified Party notified the Indemnifying Party in the time required above after taking into account such actions as could have been taken by the Indemnifying Party had it received timely notice from the Indemnified Party.

12.6 Notice of Claim. If an Indemnified Party becomes aware of any basis for a claim for indemnification under this ARTICLE XII (except as otherwise provided for under Section 12.5), the Indemnified Party shall notify the Indemnifying Party in writing of the same within thirty (30) days after becoming aware of such claim, specifying in detail the circumstances and facts which give rise to a claim under this ARTICLE XII. Should the Indemnified Party fail to notify the Indemnifying Party within the time frame required above, the indemnity with respect to the subject matter of the required notice shall be limited to the damages that would have nonetheless resulted had the Indemnified Party notified the Indemnifying Party in the time required above after taking into account such actions as could have been taken by the Indemnifying Party had it received timely notice from the Indemnified Party.

12.7 Exclusive Remedy. Except (i) in cases of fraud or (ii) as set forth in Section 13.17 and Section 13.28, the sole and exclusive remedy for any breach or inaccuracy of any representation, warranty or covenant contained herein shall be the remedies provided for in this ARTICLE XII.

ARTICLE XIII

MISCELLANEOUS

13.1 Schedules and Other Instruments. Each Schedule and Exhibit to this Agreement shall be considered a part hereof as if set forth herein in full. From the date hereof until the Closing Date, the Sellers or Buyer shall update their Schedules, either as a result of (i) matters hereafter arising which, if existing or occurring at the date of this Agreement, would have been required to be set forth or described in such Schedules or that are necessary to correct any information in such Schedules which has been rendered materially inaccurate thereby (the "**Updated Schedules**") or (ii) matters that existed or occurred at or before the date of this Agreement and should have been set forth or described in such Schedules, but were not (the "**Corrected Schedules**"). The Schedules shall be modified and superseded as contemplated by such Updated or Corrected Schedule for all purposes hereunder. Any other provision herein to the contrary notwithstanding, each party shall deliver all Updated Schedules and Corrected Schedules, if any, shall be delivered to the other party hereto: (a) with respect to Schedules 4.8, 4.9, 4.14, and 4.25, within five (5) business days of any material changes thereto, provided that Manager has complied with Section 7.3; and (b) with respect to all other Schedules every ninety (90) days from the date hereof, to the extent preparing Party has discovered an inaccuracy of a Schedule. Notwithstanding the foregoing, in the event the information to be disclosed on an

Updated or Corrected Schedule would reasonably be considered material to the operations of the Facilities, the disclosing party must disclose within ten (10) days of discovery. If any matter described in an Updated Schedule results in any Damage to the non-disclosing Party for which such Party is entitled to indemnification pursuant to ARTICLE XII (*e.g.* such Updated Schedule would render a representation and warranty made as of the date hereof inaccurate or constitute a breach of a covenant made as of the date hereof), then the Indemnified Party shall be entitled to pursue all remedies pursuant to ARTICLE XII; provided, however, that if Buyer's Damages (x) are a result of Buyer's (or its Affiliate's) breach of the Management Agreement, (y) are a result of actions taken by or caused by the Buyer or its Affiliates or (z) are based on an inaccuracy attributable to information possessed by the Buyer and not delivered to Sellers as required by Section 7.3, Buyer shall not be entitled to pursue remedies pursuant to ARTICLE XII.

13.2 Allocation. The Parties agree that Buyer shall prepare a preliminary allocation (the "**Tax Allocation**") of the Purchase Price (and all other capitalizable costs incurred in connection with the transactions hereunder) among the Assets in accordance with Section 1060 of the IRC and the Treasury Regulations thereunder (and any similar provisions of state, local or foreign law, as appropriate). Buyer shall deliver its preliminary Tax Allocation to the Sellers within forty-five (45) days after the Purchase Price has been agreed upon or otherwise determined pursuant to Section 2.6, and the Sellers shall have forty-five (45) days after receiving the preliminary Tax Allocation (the "**Seller Review Period**") to object to the preliminary Tax Allocation. If the Sellers timely raise any such objections, Buyer and the Sellers will attempt to resolve such objections in good faith; provided, however, that if Buyer and the Sellers are unable to resolve such issues within thirty (30) days after the end of the Seller Review Period, then either Buyer and the Sellers may elect, by written notice to the other, to have the objections resolved by the Audit Firm, whose decision shall be binding on the Parties in the absence of manifest error and whose fees and expenses shall be paid fifty percent (50%) by Buyer and fifty percent (50%) by the Sellers. If the Sellers fail to object to the preliminary Tax Allocation within the Seller Review Period, then such preliminary Tax Allocation shall be deemed acceptable to the Sellers and such preliminary Tax Allocation shall be binding upon the Parties. Thereafter, Buyer, the Sellers and their respective Affiliates shall report, act and file all Tax Returns (as defined below) (including, but not limited to, Internal Revenue Service Form 8594) in all respects and for all purposes consistent with such finally determined Tax Allocation. Neither Buyer, the Sellers nor any of their respective Affiliates shall take any position (whether in audits, Tax Returns or otherwise) that is inconsistent with such Tax Allocation, unless required to do so by applicable law.

13.3 Termination Prior to Closing. Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time: (i) on or prior to the Closing, by mutual consent of the Sellers and Buyer; (ii) by Buyer or the Sellers, if the Closing shall not have taken place on or before July 31, 2017 or the first anniversary of the date hereof, whichever is later, which date may be extended by mutual agreement of Buyer and the Sellers; provided, however, that no termination may be made under this Section 13.3; (ii) by a Party if the failure to close on or prior to such date shall be caused by the failure of such Party to fully comply with its obligations under this Agreement; (iii) in the event the Sellers, on one hand, or Buyer, on the other hand, commit a material breach of any of the terms hereof and such breach would prevent a condition to Closing from being satisfied, by the non-breaching Party, provided however, if such breach is

capable of cure, then the breaching party shall have thirty (30) days to effect such cure prior to termination;(iv) by Buyer in accordance with the provisions of Section 13.31.

13.4 Post-Closing Access to Information. The Sellers and Buyer acknowledge that subsequent to the Closing each Party may need access to information or documents in the control or possession of the other Party for the purposes of concluding the transactions herein contemplated, audits, compliance with governmental requirements and regulations and the prosecution or defense of third party claims. Accordingly, subject to applicable law and attorney-client privilege or other applicable privileges, the Sellers and Buyer agree that for a period of six (6) years after the Closing Date each will make reasonably available to the other's agents, independent auditors, counsel and/or governmental agencies upon written request and at the expense of the requesting Party such documents and information as may be available relating to the Business or the Assets for periods ending on or prior to the Closing Date to the extent necessary to facilitate concluding the transactions herein contemplated, audits, compliance with governmental requirements and regulations and the prosecution or defense of claims.

13.5 Preservation and Access to Records After the Closing. Buyer agrees to maintain all patient, medical and other records of the Facilities delivered to Buyer at the Closing in accordance with applicable law (including, if applicable, Section 1861(v)(i)(I) of the Social Security Act (42 U.S.C. Section 1395(v)(l)(i)), HIPAA and applicable state requirements with respect to medical privacy and requirements of relevant insurance carriers, all in a manner consistent with the maintenance of patient records generated at the Facilities after the Closing. For purposes of this Agreement, the term "**records**" includes all documents, electronic data and other compilations of information in any form. Buyer acknowledges that as a result of entering into this Agreement and operating the Facilities it will gain access to patient and other information that is subject to rules and regulations regarding confidentiality, and agrees to abide by any such rules and regulations relating to the confidential information it acquires. Upon reasonable notice, during normal business hours, at the sole cost and expense of the Sellers and upon Buyer's receipt of appropriate consents and authorizations, Buyer will afford to the representatives of the Sellers, including their counsel and accountants, full and complete access to, and copies of, the records transferred to Buyer at the Closing (including, without limitation, access to patient records in respect of patients treated by the Sellers at the Facilities). Upon reasonable notice, during normal business hours and at the sole cost and expense of the Sellers, Buyer shall also make its officers and employees available to the Sellers at reasonable times and places after the Closing. In addition, the Sellers shall be entitled, at the Sellers' sole risk, to remove from the Facilities copies of any such patient records, but only for purposes of pending litigation involving a patient to whom such records refer, as certified in writing prior to removal by counsel retained by the Sellers in connection with such litigation and only upon Buyer's receipt of appropriate consents and authorizations. Any patient record so removed from the Facilities shall be promptly returned to Buyer following its use by the Sellers. Any access to the Facilities, their records or Buyer's personnel granted to the Sellers in this Agreement shall be upon the condition that any such access not unreasonably interfere with the business operations of Buyer.

13.6 CON Disclaimer. This Agreement shall not be deemed to be an acquisition or obligation of a capital expenditure or of funds within the meaning of the Certificate of Need statute of any state, until the appropriate governmental agencies shall have granted a Certificate

of Need or the appropriate approval or ruled that no Certificate of Need or other approval is required.

13.7 Cooperation on Tax Matters. Following the Closing, the Parties shall cooperate fully with each other and shall make available to the other, as reasonably requested and at the expense of the requesting Party, and to any Taxing Authority, all information, records or documents relating to Tax liabilities or potential Tax liabilities of the Sellers or the Buyer and any information that may be relevant to determining the amount payable under this Agreement, and shall preserve all such information, records and documents at least until the expiration of any applicable statute of limitations or extensions thereof. Upon request of Buyer, the Sellers shall use their commercially reasonable efforts to obtain any certificate or other document from any governmental authority or any other person as may be necessary to mitigate, reduce or eliminate any Taxes that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

13.8 Misdirected Payments, Etc. Each of the Sellers and Buyer covenant and agree to remit, with reasonable promptness, to the other Party any payments received, which payments are on or in respect of accounts or notes receivable owned by (or are otherwise payable to) the other Party. In addition, in the event of a determination by any governmental or third party payor that payments to the Sellers or the Facilities resulted in an overpayment or other determination that funds previously paid by any program or plan to the Sellers or the Facilities must be repaid, including, without limitation, pursuant to a RAC audit, the Sellers shall be responsible for repayment of said monies (or defense of such actions) if such overpayment or other repayment determination was for services rendered on or prior to the Closing Date, and Buyer shall be responsible for repayment of said monies (or defense of such actions) if such overpayment or other repayment determination was for services rendered after the Closing Date and not arising out of the actions or policies of the Sellers. In the event that, following the Closing, Buyer suffers any offsets against reimbursement under any third party payor or reimbursement programs due to Buyer, relating to amounts owing under any such programs by the Sellers, the Sellers shall promptly upon demand from Buyer pay to Buyer the amounts so offset. Notwithstanding the foregoing, any obligation of Sellers to make any payment to the Buyer hereunder is, where the Buyer is the recipient of the notice of the audit and/or underpayment, conditioned upon the Buyer's delivery of written notice of the audit and/or underpayment to the Sellers within ten (10) business days of Buyer's receipt of the same in order that Sellers may contest the assessment should they so desire; provided, however, that should the Buyer fail to notify the Seller in the time required above, the payment with respect to the subject matter of the required notice shall be limited to the payment that would have resulted had the Buyer notified the Seller in the time requirement above after taking into account such actions the Seller could have taken had it received timely notice from the Buyer.

13.9 Tax Returns. Each of the Sellers will timely file all Tax Returns, accurately report all income and loss, and pay all Taxes due for tax years or periods ending on or before the Closing Date and shall provide a copy of each such return to Buyer upon filing. Buyer shall make any books and records necessary or helpful to the preparation of such returns available to the Sellers during normal business hours. In addition to any other indemnification obligations hereunder, each Seller shall indemnify Buyer for (A) any liability for unpaid Taxes of each Seller; and (B) any Taxes levied with respect to the Assets or Business for (i) any Tax year

ending on or before the Closing Date; and (ii) in the case of any period that begins before but does not end on the Closing Date (a "**Straddle Period**"), to the extent allocable to the portion of the Straddle Period ending on the Closing Date. The amount of any Taxes based on or measured by income, receipts or expenses for the portion of the Straddle Period ending on the Closing Date shall be determined based on an interim closing of the books as of the Closing Date, and the amount of other Taxes for a Straddle Period which relate to the portion of the period ending on the Closing date shall be deemed to be the amount of such Tax for the entire period, multiplied by a fraction, the numerator of which is the number of days in the taxable period ending on the Closing Date, and the denominator of which is the number of days in in such Straddle Period.

13.10 Additional Assurances. The provisions of this Agreement shall be self-operative and shall not require further agreement by the Parties except as may be herein specifically provided to the contrary; provided, however, at the request of a Party, the other Parties shall execute such additional instruments and take such additional actions as the requesting Party may reasonably deem necessary to effectuate this Agreement. In addition and from time to time after the Closing, the Sellers shall execute and deliver such other instruments of conveyance and transfer, and take such other actions as Buyer reasonably may request, more effectively to convey and transfer full right, title, and interest to, vest in, and place Buyer in legal and actual possession of, any and all of the Assets. The Sellers shall also furnish Buyer with such information and documents in their possession or under their control, or which the Sellers can execute or cause to be executed, as will enable Buyer to prosecute any and all petitions, applications, claims and demands relating to or constituting a part of the Facilities or the Assets. Additionally, the Sellers shall cooperate and use their best efforts to have their present directors, officers and employees cooperate with Buyer on and after the Closing in furnishing information, evidence, testimony and other assistance in connection with any action, proceeding, arrangement or dispute of any nature with respect to matters pertaining to all periods ending on or prior to the Closing Date in respect of the items subject to this Agreement.

13.11 Consented Assignment. Anything contained herein to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any claim, right, contract, license, lease, commitment, sales order or purchase order if an attempted assignment thereof without the consent of the other party thereto would constitute a breach thereof or in any material way affect the rights of the Sellers thereunder, unless such consent is obtained. Each of the Sellers shall use commercially reasonable efforts to obtain any third party consents to the transactions contemplated by this Agreement. If such consent is not obtained, or if an attempted assignment would be ineffective or would materially affect the rights thereunder of the Sellers so that Buyer would not in fact receive all such rights, the Sellers and Buyer shall cooperate in good faith in any reasonable arrangement designed to provide for Buyer the benefits under any such claim, right, contract, license, lease, commitment, sales order or purchase order, including, without limitation, enforcement of any and all rights of the Sellers against the other party or parties thereto arising out of the breach or cancellation by such other party or otherwise.

13.12 Consents, Approvals and Discretion. Except as herein expressly provided to the contrary, whenever this Agreement requires any consent or approval to be given by a Party, or whenever a Party must or may exercise discretion, the Parties agree that such consent or approval shall not be unreasonably withheld or delayed and such discretion shall be reasonably exercised.

13.13 Legal Fees and Costs. In the event there is a dispute between the Parties and a Party elects to incur legal expenses to enforce or interpret any provision of this Agreement by judicial proceedings, the prevailing Party will be entitled to recover such legal expenses, including, without limitation, reasonable attorneys' fees, costs and necessary disbursements at all court levels, in addition to any other relief to which such Party shall be entitled.

13.14 Choice of Law; Mediation.

(a) The Parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of laws principles.

(b) In the event that any disagreement, dispute, controversy or claim arising out of or relating solely to this Agreement (a "**Legal Dispute**") arises between the Parties arising out of or relating to this Agreement, the matter shall first be submitted to non-binding mediation. The mediation process shall be initiated by either Party giving written notice to the other party of its desire to mediate. Within thirty (30) days of such written notice, the Parties shall agree on a mediator, or, if the Parties are unable to agree, the mediator shall be selected by the American Health Lawyers Association (the "**AHLA**"), and in that event, the mediation shall be administered by the AHLA under its Rules of Procedure for Arbitration and Mediation. The mediator shall be a practicing attorney who has experience with mediating controversies involving complex commercial transactions or the subject matter of the particular dispute involved. The mediation shall be held at a neutral site mutually agreed upon by the Parties, provided, however, that if the Parties cannot agree on such site within fifteen (15) days after written notice of mediation, then the site shall be the location selected by the mediator.

Each Party shall bear its own costs and expenses and an equal share of the mediator's fees and administrative fees of mediation, if any. If at any time more than five (5) hours into the mediation conference the mediator determines that the controversy cannot be settled in mediation, the mediator may declare an impasse and the mediation process shall end at that point. The mediation shall be held within thirty (30) days after selection or appointment of the mediator.

(c) In the event that a Legal Dispute arises between the Parties arising out of or relating to this Agreement, and following declaration of an impasse by the mediator pursuant to Section 13.14(b), either Party may pursue whatever legal or equitable remedies as are available.

(d) Nothing in this Section 13.14 shall preclude either Party from seeking interim or provisional relief, including a temporary restraining order, preliminary injunction or other interim equitable relief concerning a Legal Dispute, either prior to or during any mediation hereunder, if necessary to protect the interests of such Party. This Section 13.14(d) shall be specifically enforceable.

13.15 Benefit/Assignment. Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective legal representatives, successors and permitted assigns. Neither the Sellers, on one hand, nor Buyer, on

the other hand, may assign this Agreement without the prior written consent of the other Party. Notwithstanding the foregoing, either Party may collaterally assign and grant a security interest in, all of its rights hereunder in favor of one or more lenders in connection with any credit facility, whether now existing or hereafter entered into, to which such Party or any Affiliate is or becomes a party.

13.16 Cost of Transaction. Whether or not the transactions contemplated hereby shall be consummated, the Parties agree as follows: (i) the Sellers shall pay the fees, expenses and disbursements of the Sellers and their agents, representatives, accountants and legal counsel incurred in connection with the subject matter hereof and any amendments hereto; (ii) Buyer shall pay the fees, expenses and disbursements of Buyer and its agents, representatives, accountants and legal counsel incurred in connection with the subject matter hereof and any amendments hereto; and (iii) the Sellers shall pay one-half and Buyer shall pay one-half of all costs of any title search, title commitment, title policy, surveys and endorsements to title policies, as well as all transfer and recording taxes and fees, relating to the Owned Real Property and incurred in connection with the transactions contemplated by this Agreement, provided that Buyer shall pay for any zoning reports and all fees and expenses related thereto.

13.17 Confidentiality. It is understood by the Parties that any information provided by another Party (the "**Providing Party**") concerning such Providing Party obtained, directly or indirectly, from the Providing Party in connection with the transactions contemplated by this Agreement ("**Confidential Information**"), and the documents and other written information delivered to a receiving Party (the "**Receiving Party**"), or its stockholders, members, Affiliates, officers, employees or agents (collectively, "**Agents**"), are of a confidential and proprietary nature. To the extent permitted by law, the Receiving Party agrees that it will, and will use its reasonable best efforts to cause the Agents to, maintain the confidentiality of all such Confidential Information, and will only disclose such Confidential Information to Agents as necessary to effect the transactions contemplated hereby. Notwithstanding the foregoing, the Sellers may provide the Confidential Information to their or their Affiliates' debt or equity financing sources and investors who sign a customary confidentiality agreement. The parties further agree that if the transactions contemplated hereby are not consummated, the Receiving Party will return, and will use its reasonable best efforts to cause its Agents to return, all documents and other written information acquired from the Providing Party or its Affiliates and all copies thereof in their possession to the Providing Party. Each of the Parties hereto recognizes that any breach of this Section 13.17 would result in irreparable harm to the other Parties to this Agreement and their Affiliates and that therefore either the Sellers or Buyer shall be entitled to an injunction to prohibit any such breach or anticipated breach, without the necessity of posting a bond, cash, or otherwise, in addition to all of its other legal and equitable remedies. Nothing in this Section 13.17, however, shall prohibit the use of such Confidential Information, documents or information for such governmental filings as in the opinion of the Sellers' counsel or Buyer's counsel are required by law or governmental regulations or are otherwise required to be disclosed pursuant to applicable law. The foregoing restrictions in this Section 13.17 shall not apply to any information that (i) is on the date hereof or hereafter becomes generally available to the public other than as a result of a disclosure, directly or indirectly, by the Receiving Party or its Agents, (ii) was in the possession of the Receiving Party on a non-confidential basis prior to its disclosure or (iii) becomes available to the Receiving

Party on a non-confidential basis from a source other than the Providing Party or its representatives, which source was not itself bound by a confidentiality agreement.

13.18 Public Announcements. No Party hereto shall release, publish or otherwise make available to the public in any manner whatsoever any information or announcement regarding the transactions herein contemplated without the prior written consent of the other Parties, except for information and filings reasonably necessary to be directed to governmental agencies to fully and lawfully effect the transactions herein contemplated or as required by law. Notwithstanding the foregoing, the Sellers, in consultation with Buyer, may make periodic announcements to their employees regarding the transactions contemplated by this Agreement. Notwithstanding the foregoing, in the event a Party hereto determines that the terms hereof will be the subject of discovery in any litigation involving such Party, such Party shall promptly notify the other Parties hereto of such determination and if Sellers, on one hand, and Buyer, on the other hand, conclude that such disclosure through discovery is inevitable, then (i) the Parties shall make a public announcement of the terms hereof prior to such discovery taking place, (ii) such public announcement shall be made in a manner and at a time mutually agreed by the Parties and (iii) the Parties shall be represented at, and permitted to participate in, such announcement.

13.19 Waiver of Breach. The waiver by any Party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or any other provision hereof.

13.20 Notice. Any notice, demand, or communication required, permitted or desired to be given hereunder shall be deemed effectively given when personally delivered, when received by overnight delivery or five (5) days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed as follows:

The Sellers:

Essent Healthcare of Connecticut, Inc.
d/b/a Sharon Hospital
c/o RegionalCare Hospital Partners, Inc.
103 Continental Place, Suite 410
Brentwood, TN 37027
Attention: General Counsel

Email: howard.wall@regionalcare.net

With simultaneous copies to:

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, Tennessee 37219
Attention: George W. Bishop III, Esq.

Email: george.bishop@wallerlaw.com

Buyer:	Health Quest Systems, Inc. 1351 Route 55, Suite 200 Lagrangeville, NY 12540 Attention: Michael Holzhueter, Senior Vice President and General Counsel Email: mholzhue@health-quest.org
With a simultaneous copy to:	McDermott, Will & Emery LLP 227 West Monroe Street, Suite 4700 Chicago, Illinois 60606-5096 Attention: John M. Callahan, Esq. Email: jcallahan@mwe.com

or to such other address, and to the attention of such other person or officer as any Party may designate, with copies thereof to the respective counsel thereof as notified by such Party.

13.21 Severability. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason or in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice or disturb the validity of the remainder of this Agreement, which shall be and remain in full force and effect, enforceable in accordance with its terms.

13.22 Gender and Number. Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine and neuter, and the number of all words herein shall include the singular and plural.

13.23 Divisions and Headings. The divisions of this Agreement into sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

13.24 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE INCLUDING, BUT NOT LIMITED TO, THE CONSTITUTION OF THE UNITED STATES OR ANY STATE THEREIN, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATIONS. EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHT TO DEMAND TRIAL BY JURY.

13.25 Accounting Date. The transactions contemplated hereby shall be effective for accounting purposes as of 12:01 a.m. on the day following the Closing Date (the "**Effective Time**"), unless otherwise agreed in writing by the Sellers and Buyer.

13.26 No Inferences. Inasmuch as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, no inference in favor of,

or against, either Party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such Party.

13.27 No Third Party Beneficiaries. The terms and provisions of this Agreement are intended solely for the benefit of Buyer and the Sellers and their respective successors and permitted assigns, and it is not the intention of the Parties to confer, and this Agreement shall not confer, third party beneficiary rights upon any other person or entity.

13.28 Enforcement of Agreement. The Parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions (without the need to post bond or other security) to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

13.29 Entire Agreement/Amendment. This Agreement, together with its Schedules, Exhibits and documents delivered at the Closing, supersedes all previous contracts or understandings, including any offers, letters of intent, proposals or letters of understanding, and constitutes the entire agreement of whatsoever kind or nature existing between or among the Parties with respect to the subject matter hereof. As between or among the Parties, no oral statements or prior written material not specifically incorporated herein shall be of any force and effect. The Parties specifically acknowledge that in entering into and executing this Agreement, the Parties are relying solely upon the representations and agreements contained in this Agreement and its Schedules and Exhibits, and no others. No changes in, or additions to, this Agreement shall be recognized unless and until made in writing and signed by all Parties hereto.

13.30 Counterparts. This Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Facsimile signatures on this Agreement and signatures sent by PDF shall be deemed to be original signatures for all purposes.

13.31 Risk of Loss. The risk of loss in respect to casualty to the Assets shall be borne by the Sellers until the Closing, and by Buyer on and after the Closing. Notwithstanding the foregoing, if any material part of the Hospital is damaged so as to be rendered unusable or destroyed prior to the Closing, Buyer may elect to terminate this Agreement for a period of thirty (30) days after the expiration of the cure period set forth below and all obligations of the parties hereunder; provided that such damage, destruction or loss is not cured by the Sellers to Buyer's reasonable satisfaction within forty-five (45) days following such event. In the event the Assets are destroyed or damaged, but such destruction or damage does not entitle Buyer or Buyer does not elect to terminate this Agreement, and provided that such damage, destruction or loss is not cured by the Sellers to Buyer's reasonable satisfaction, then Buyer shall be entitled to all insurance proceeds paid prior to the Closing in respect of such damage or destruction prior to the Closing. Following the Closing, in the event insurance proceeds are not paid prior to the Closing and provided that such damage, destruction or loss is not cured by the Sellers to Buyer's reasonable satisfaction, Buyer shall be entitled to receive all proceeds payable in respect of such damage or destruction and the Sellers shall use their commercially reasonable efforts to obtain all

such proceeds that may be payable pursuant to their insurance policies with respect to such matters. This Section 13.31 shall survive the Closing.

13.32 RCHP Guarantee. RCHP hereby unconditionally and irrevocably guarantees, as a primary obligor and not only a surety (the "**RCHP Guarantee**"), the prompt and complete payment and performance (not just collection) of any and all of the Sellers' obligations to the Buyer Indemnified Parties under this Agreement, the Escrow Agreement or any Collaboration Agreement executed and delivered by any or all of the Sellers pursuant to this Agreement (the "**Obligations**"), if, as, when and to the extent that such Obligations are required to be performed pursuant to such agreements. If a Seller does not perform an Obligation, RCHP shall promptly perform the Obligation. The obligations of RCHP under the RCHP Guarantee are independent of the obligations of the Sellers under the Agreement and a separate action or actions may be brought against RCHP, whether action is brought against the Sellers or whether the Sellers are joined in any such action or actions; provided, however, as a condition precedent to the commencement of any action against RCHP, (i) Sellers shall have first failed to satisfy an Obligation in the time specified in the Agreement, taking into account any notice and cure periods, and (ii) Buyer (and its Affiliates) shall have an ongoing duty to provide to Sellers any notices required under this Agreement. Except as set forth in this Section 13.32, RCHP hereby waives all rights and defenses of a surety under applicable law. Notwithstanding the foregoing, RCHP shall be entitled to assert as a defense to any claim under this Section 13.32, (i) that the Obligations in respect of which a demand has been made are not yet due under the terms of this Agreement, (ii) that such Obligations have been previously performed in full, and (iii) any claims, defenses, counter claims, setoffs or circumstances excusing payment or performance which the Sellers would be entitled to assert under this Agreement. Except as specifically set forth in this Section 13.32, the RCHP Guarantee is an absolute, irrevocable, primary, continuing, unconditional, and unlimited guaranty of performance and payment subject to and within the limitations of this Agreement. The RCHP Guarantee shall remain in full force and effect (and shall remain in effect notwithstanding any amendment to this Agreement) for RCHP until all of the obligations of the Sellers have been paid, observed, performed, or discharged in full.

13.33 Limited Recourse. Notwithstanding anything in this Agreement to the contrary except for Section 13.32 which shall remain fully binding on RCHP, all Damages arising out of this Agreement and the transactions contemplated hereby will be limited to the Parties to this Agreement and the Management Agreement, no Non-Recourse Party will have any liability hereunder or with respect to the transactions contemplated hereby. For the purpose of this Section 13.33, "Non-Recourse Party" means, with respect to a Party to this Agreement, any of such Party's former, current and future equity holders, controlling Persons, directors, officers, employees, agents, representatives, Affiliates, members, managers, general or limited partners (or any former, current or future equity holder, controlling Person, director, officer, employee, agent, representative, Affiliate, member, manager, general or limited partner, or assignee of any of the foregoing), other than the Manager; provided, that, for the avoidance of doubt, neither RCHP nor any Party to this Agreement will be considered a Non-Recourse Party.

[SIGNATURE PAGE FOLLOWS]

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

ESSENT HEALTHCARE OF CONNECTICUT, INC.

By:_____
Name: Michael W. Browder
Title: Executive Vice President and Chief Financial Officer

REGIONAL HEALTHCARE ASSOCIATES, LLC,

By:_____
Name: Michael W. Browder
Title: Executive Vice President and Chief Financial Officer

HEALTH QUEST SYSTEMS, INC.

By:_____

Name:_____

Title:_____

SHARON HOSPITAL HOLDING COMPANY

By:_____
Name: Michael W. Browder
Title: Executive Vice President and Chief Financial Officer

TRI STATE WOMEN'S SERVICES, LLC

By:_____
Name: Michael W. Browder
Title: Executive Vice President and Chief Financial Officer

VASSAR HEALTH CONNECTICUT, INC.

By:_____

Name:_____

Title:_____

EXECUTED AND DELIVERED SOLELY FOR PURPOSES OF SECTIONS 13.32 and 13.33 OF THIS AGREEMENT:

REGIONALCARE HOSPITAL PARTNERS, INC.

By:_____
Name: Michael W. Browder
Title: Executive Vice President and Chief Financial Officer

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

ESSENT HEALTHCARE OF CONNECTICUT, INC.

By:_____

Name:_____

Title:_____

REGIONAL HEALTHCARE ASSOCIATES, LLC,

By:_____

Name:_____

Title:_____

HEALTH QUEST SYSTEMS, INC.

By:_____

Name: Robert Friedberg

Title: President

EXECUTED AND DELIVERED SOLELY FOR PURPOSES OF SECTIONS 13.32 and 13.33 OF THIS AGREEMENT:

REGIONALCARE HOSPITAL PARTNERS, INC.

By:_____

Name:_____

Title:_____

SHARON HOSPITAL HOLDING COMPANY

By:_____

Name:_____

Title:_____

TRI STATE WOMEN'S SERVICES, LLC

By:_____

Name:_____

Title:_____

VASSAR HEALTH CONNECTICUT, INC.

By:_____

Name: Robert Friedberg Jr.

Title: President

Exhibit A

Facility List

Owned Property

1. Medical Arts Center located at 29 Hospital Hill Rd, Sharon, Connecticut 06069.

2. Community Health Building located at 1 Low Rd (with accompanying Thrift Shop at 3 Low Rd), Sharon, Connecticut 06069, used for community outreach.

3. Building used for Hospital storage located at 33 Hospital Hill Rd, Sharon, Connecticut.

Leased Property

1. Kent Primary Care located at 64 Maple Street, Kent, Connecticut 06757.

2. Time share office space at 75 Church Street, Canaan, Connecticut.

3. Time share office space at 9 Aspetuck Avenue, New Milford, Connecticut.

4. New Milford OB/GYN located at 2 Old Park Lane, New Milford, Connecticut 06776.

5. Associated Northwest Urology and apartment for on-call staff located at 17 Hospital Hill Road, Sharon Connecticut.

6. Winstead Health Center located at 115 Spencer Street, Winsted, Connecticut.

7. Tri State Women's Services located at 50 Amenia Road, Sharon, Connecticut.

8. Associated Northwest Urology located at 120 Park Lane Road, New Milford, Connecticut

EXHIBIT B

ESCROW AGREEMENT

This Escrow Agreement (this "**Agreement**"), dated as of _____, 2017 (the "**Effective Date**"), is made and entered into by and among **Health Quest Systems, Inc.**, a New York non-profit corporation, not individually but solely in its capacity as representative of the Buyer (as defined below) (the "**Buyer Representative**"), RegionalCare Hospital Partners, Inc., a Delaware corporation, not individually but solely in its capacity as representative of the Sellers (as defined below) (the "**Seller Representative**"), and **Wells Fargo Bank, National Association**, a national banking association, as escrow agent (the "**Escrow Agent**"). The Buyer Representative and the Seller Representative are referred to collectively herein as the "**Parties**" and each individually as a "**Party**."

WITNESSETH:

WHEREAS, Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, a Connecticut corporation ("**Sharon**"), Sharon Hospital Holding Company, a Delaware corporation ("**SHHC**"), Regional Healthcare Associates, LLC, a Connecticut limited liability company ("**RHA**"), and Tri State Women's Services, LLC, a Connecticut limited liability company ("**TSWS**" and together with Sharon, SHHC, and RHA, the "**Sellers**"), the Buyer Representative, Vassar Health Connecticut, Inc., a Connecticut non-profit corporation ("**VHC**" and together with the Buyer Representative, the "**Buyer**"), and the Seller Representative, solely for the purposes of Sections 13.32 and 13.33 of the Purchase Agreement, entered into that certain Asset Purchase Agreement dated as of September __, 2016 (the "**Purchase Agreement**"), pursuant to which Buyer agreed to purchase from the Sellers substantially all of the assets, real and personal, tangible and intangible, constituting the Facilities (as defined in the Purchase Agreement) and assume the Assumed Liabilities (as defined in the Purchase Agreement), subject to the terms and conditions set forth in the Purchase Agreement;

WHEREAS, pursuant to Section 2.5 of the Purchase Agreement, the Parties have agreed that the Buyer Representative shall deliver Five Hundred Thousand Dollars ($500,000) (the "**Escrow Amount**") to the Escrow Agent on the date of this Agreement pursuant to the terms of this Agreement, which Escrow Amount shall be held in an account deemed the "**Escrow Account**";

WHEREAS, the Parties desire to engage the Escrow Agent so that the Escrow Amount can be held, invested, administered and distributed by the Escrow Agent, all in accordance with the terms set forth in this Agreement;

WHEREAS, the Parties desire that the Escrow Agent serve as escrow agent on the terms and conditions provided in this Agreement;

WHEREAS, capitalized terms used in this Agreement but not otherwise defined herein shall have the respective meanings given to them in the Purchase Agreement; *provided, however*, that the Escrow Agent will not be responsible to determine or to make inquiry into any term, capitalized or otherwise, not defined herein;

WHEREAS, the Parties acknowledge that the Escrow Agent is not a party to, is not bound by, and has no duties or obligations under, the Purchase Agreement, that all references in this Agreement to the Purchase Agreement are for convenience, and that the Escrow Agent shall have no implied duties beyond the express duties set forth in this Agreement; and

WHEREAS, Schedule I to this Agreement sets forth the wire transfer instructions (or payment instructions) for the Parties.

NOW, THEREFORE, in consideration of the mutual covenants of the parties set forth in this Agreement and the Purchase Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

AGREEMENT

1. Appointment of Escrow Agent. The Buyer Representative (on behalf of the Buyer) and the Seller Representative (on behalf of the Sellers) hereby appoint the Escrow Agent as their agent to hold, invest, and disburse the Escrow Amount and all interest and other income, and interest earned on such interest and other income related to the Escrow Amount ("**Escrow Interest**" and, together with the Escrow Amount, the "**Escrow Funds**") in accordance with the terms of this Agreement.

2. Appointment of the Seller Representative.

(a) The Sellers have appointed the Seller Representative as the designated representative of both of the Sellers and have authorized the Seller Representative to take or cause to be taken all action in furtherance of the Sellers' rights and obligations with respect to the Escrow Funds.

(b) Each of the Escrow Agent and the Buyer Representative shall be entitled to rely on all action taken by the Seller Representative and shall have no liability with respect to its reliance thereon. The Seller Representative is serving in that capacity solely for purposes of administrative convenience. Notwithstanding anything to the contrary contained in this Agreement, the Seller Representative, absent fraud or intentional misconduct, shall not have any liability under this Agreement in excess of its pro rata share of the collective liability of all of the Sellers.

3. Appointment of the Buyer Representative.

(a) The Buyer has appointed the Buyer Representative as the designated representative of the entities comprising the Buyer and has authorized the Buyer Representative to take or cause to be taken all action in furtherance of the Buyer's rights and obligations with respect to the Escrow Funds.

(b) Each of the Escrow Agent and the Seller Representative shall be entitled to rely on all action taken by the Buyer Representative and shall have no liability with respect to its reliance thereon. The Buyer Representative is serving in that capacity solely for purposes of administrative convenience.

4. Delivery of Funds to Escrow Agent. Pursuant to Section 2.5 of the Purchase Agreement, the Buyer Representative shall deposit the Escrow Amount with the Escrow Agent on the Effective Date. The Escrow Agent shall hold the Escrow Funds on behalf of the Buyer Representative and each of the Sellers under the terms of this Agreement and distribute the Escrow Funds in accordance with Section 8 or Section 9 hereto.

5. Investment.

(a) The Escrow Agent shall invest any and all of the Escrow Funds as directed in writing jointly by the Parties in obligations issued or guaranteed by the United States of America or any agent or instrumentality thereof or a mutual fund which invests solely in such obligations.

(b) In the absence of complete joint written investment instructions from the Parties, the Escrow Agent shall deposit and invest the Escrow Funds in the Money Market Deposit Account, certain aspects of which are further described on Exhibit A attached hereto. The Parties acknowledge that each has read and understands Exhibit A.

(c) The Escrow Agent shall have the right to liquidate any investments held in order to provide funds necessary to make required payments under this Agreement. The Parties may direct in writing the Escrow Agent as to which investments to liquidate to make such required payments. The Escrow Agent, in its capacity as escrow agent hereunder, shall not have any liability for any loss sustained as a result of any investment made pursuant to the instructions of the Parties or as a result of any liquidation of any investment prior to its maturity or for the failure of the Parties to give the Escrow Agent instructions to invest or reinvest the Escrow Funds.

(d) The Escrow Agent shall have no responsibility or liability for any loss that may result from any investment or sale of investment made pursuant to this Agreement. The Escrow Agent is hereby authorized, in making or disposing of any investment permitted by this Agreement, to deal with itself or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Escrow Agent or for any third person or dealing as principal for its own account. The Parties acknowledge that the Escrow Agent is not providing investment supervision, recommendations, or advice.

6. Monthly Statements. As soon as reasonably practicable following each month during the term of this Agreement, the Escrow Agent shall deliver to the Parties a statement setting forth (a) the value of the Escrow Funds as of such date, (b) the amount of Escrow Interest during the period covered by such statement, (c) the amount of payments and distributions made during the period covered in such statement and the payee thereof and (d) confirmations of permitted investment transactions, to the extent applicable. The Parties agree that confirmations of permitted investments are not required to be issued by the Escrow Agent for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

7. Payment of Taxes.

(a) Consistent with proposed Treasury Regulation section 1.468B-8, the Buyer Representative shall be treated as the owner of the Escrow Funds for federal income tax purposes and shall be responsible for paying all foreign, federal, state, and local income taxes payable on the Escrow Funds, and all interest and other income, and interest earned on such interest and other income related to the Escrow Funds (any such taxes being herein called "**Income Taxes**") until the amount of and parties entitled to the distribution of the Escrow Funds (or portion thereof) are determined and the Income Taxes shall thereafter be the responsibility of the Buyer Representative, on the one hand, and the Sellers, on the other hand, in accordance with their respective interests in the amount of the Escrow Funds subject to distribution consistent with proposed Treasury Regulations section 1.468B-8. Each of the Parties shall file all tax returns in a manner consistent with the foregoing, and the responsible Party shall pay the taxes directly to the taxing authority. The Parties agree that, for tax reporting purposes, all interest or other income earned on the investment of the Escrow Funds shall, as of the end of each calendar year and to the extent required by the Internal Revenue Service, be reported as having been earned by the Buyer Representative, whether or not such income was disbursed during such calendar year. Notwithstanding anything in this Agreement to the contrary, each responsible Party shall pay on its own behalf all such Income Taxes at or before the time any such Income Taxes become due and payable (taking into account any extension of the due date thereof) after any distribution of the Escrow Funds to such Party.

(b) The Escrow Agent shall have no responsibility under this Section 7 for the payment of Income Taxes or the filing of any returns in connection therewith other than to provide the Parties with copies of such records in the Escrow Agent's possession as are reasonably requested by the Parties in connection with the filing of any such returns.

(c) For certain payments made pursuant to this Agreement, the Escrow Agent may be required to make a "reportable payment" or "withholdable payment" and in such cases the Escrow Agent shall have the duty to act as a payor or withholding agent, respectively, that is responsible for any tax withholding and reporting required under Chapters 3, 4, and 61 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"). The Escrow Agent shall have the sole right to make the determination as to which payments are "reportable payments" or "withholdable payments." The Parties shall provide an executed IRS Form W-9 or appropriate IRS Form W-8 (or, in each case, any successor form) to the Escrow Agent prior to the date hereof, and shall promptly update any such form to the extent such form becomes obsolete or inaccurate in any respect. The Escrow Agent shall have the right to request from any Party, or any other person or entity entitled to payment hereunder, any additional forms, documentation or other information as may be reasonably necessary for the Escrow Agent to satisfy its reporting and withholding obligations under the Code. To the extent any such forms to be delivered under this Section 6.5(c) are not provided prior to the date hereof or by the time the related payment is required to be made or are determined by the Escrow Agent to be incomplete and/or inaccurate in any respect, the Escrow Agent shall be entitled to withhold (without liability) a portion of any interest or other income earned on the investment of the Escrow Amount or on any such payments hereunder to the extent withholding is required under Chapters 3, 4, or 61 of the Code, and shall have no obligation to gross up any such payment.

(d) To the extent that the Escrow Agent becomes liable for the payment of any taxes in respect of income derived from the investment of the Escrow Funds, the Escrow

Agent shall satisfy such liability to the extent possible from the Escrow Funds. The Parties shall indemnify, defend, and hold the Escrow Agent harmless jointly and severally from and against any tax, late payment, interest, penalty, or other cost or expense that may be assessed against the Escrow Agent on or with respect to the Escrow Funds and the investment thereof that is the responsibility of the Sellers or the Buyer Representative, as the case may be, hereunder unless such tax, late payment, interest, penalty, or other expense was directly caused by the gross negligence or willful misconduct of the Escrow Agent. The indemnification provided by this paragraph shall survive the resignation or removal of the Escrow Agent and the termination of this Agreement.

8. Delivery of Escrow Funds by Escrow Agent. The Escrow Agent shall hold the Escrow Funds until instructed or otherwise required to deliver the same or any portion thereof in accordance with Section 9 hereto.

9. Distributions.

(a) Indemnification Claims. Subject to the terms, conditions and limitations set forth in Article XII of the Purchase Agreement, if at any time prior to the second (2nd) anniversary of the Closing Date (the "**Indemnification Claims Cutoff Date**"), the Buyer Representative delivers to the Escrow Agent and the Seller Representative a certificate in substantially the form of Exhibit B attached hereto (an "**Indemnification Claim Certificate**") instructing the Escrow Agent to distribute all or a portion of the Escrow Funds to the Buyer Representative in satisfaction of any unpaid indemnification claim (a "**Claim**") asserted by the Buyer Representative pursuant to Article XII of the Purchase Agreement, then the Escrow Agent shall pay to the Buyer Representative the amount of Escrow Funds from the Escrow Account set forth in the Indemnification Claim Certificate in accordance therewith on the first (1st) business day after the thirtieth (30th) calendar day after it receives the Indemnification Claim Certificate; *provided, however*, that if the Escrow Agent receives from the Seller Representative a certificate in the form of Exhibit C attached hereto (an "**Indemnification Objection Notice**"), pursuant to which the Seller Representative objects to all or any portion of such Claim in specific detail, including the dollar amount in dispute and a specific written description of the reason(s) for the dispute, then (x) the Escrow Agent shall hold the amount disputed (the "**Disputed Amount**"), as set forth in the Indemnification Objection Notice, until receipt of notice of a Final Order (as defined below) in the form of Exhibit D attached hereto or joint notification in the form of Exhibit E attached hereto, and (y) the Escrow Agent shall as soon as reasonably practicable pay the amount, if any, not disputed to the Buyer Representative in accordance with the Indemnification Claim Certificate. The Buyer Representative shall deliver its Indemnification Claim Certificate to the Seller Representative at or prior to delivery of such Indemnification Claim Certificate to the Escrow Agent. In the event the Seller Representative fails to deliver an Indemnification Objection Notice to the Escrow Agent within such thirty (30) calendar day period, the Escrow Agent shall pay to the Buyer Representative the amount of the Escrow Funds set forth in the Indemnification Claim Certificate.

(b) In the event that an arbitration award, final judgment, or decree of any court of competent jurisdiction has been entered or awarded, in accordance with the Purchase Agreement, when the time for appeal, if any, shall have expired and no appeal shall have been taken or when all appeals taken shall have been finally determined (the "**Final Order**"), relating

to a Claim in favor of the Buyer Representative or any other the Buyer Representative Indemnified Party, in the case of Section 9(a) above, then the Buyer Representative shall deliver to the Escrow Agent and the Seller Representative, promptly after the issue of any such Final Order, a written notice in substantially the form of Exhibit D attached hereto, executed by the Buyer Representative, instructing the Escrow Agent to deliver to the Buyer Representative the Escrow Funds in accordance with Section 9(a) above in the amount of such judgment or award. Such notice shall state the amount of the Escrow Funds in accordance with Section 9(a) above, as appropriate, which the Escrow Agent shall deliver and the date upon which such delivery shall be made (which shall be no earlier than the date set forth in the next sentence) and be accompanied by a true and correct copy of the Final Order. The Escrow Agent shall deliver the stated amount of Escrow Funds in accordance with Section 9(a) above on the fifth (5^{th}) business day after it receives such notice or such later date as set forth in accordance with such notice. The Escrow Agent shall not be liable to the Seller Representative or the Buyer Representative or any other person in the event that the Escrow Agent makes a payment hereunder pursuant to a Final Order and such Final Order is subsequently reversed, modified, annulled, set aside, or vacated. Any Final Order shall be accompanied by an opinion of counsel for the presenting Party that such order is final and non-appealable and from a court of competent jurisdiction upon which opinion the Escrow Agent shall be entitled to conclusively rely without further investigation.

(c) In the event the Buyer Representative and the Seller Representative mutually agree to settle any claim for indemnification or other matter relating to the Purchase Agreement, then the Buyer Representative and the Seller Representative shall deliver to the Escrow Agent a written notice in substantially the form of Exhibit E attached hereto, duly executed by the Buyer Representative and the Seller Representative, instructing the Escrow Agent to deliver to the Buyer Representative all or a portion of such Escrow Funds. Such joint notice shall state the amount of the Escrow Funds which the Escrow Agent shall deliver to recipient and the date upon which such delivery shall be made.

(d) On the business day immediately following the Indemnification Claims Cutoff Date, or such earlier time that the Buyer Representative and the Seller Representative shall jointly instruct the Escrow Agent in writing, the Escrow Agent shall promptly deliver to the Seller Representative (for the benefit of the Sellers) from the Escrow Funds the amount, if any, by which (i) the remaining Escrow Funds exceed (ii) the sum of all Disputed Amounts then held by Escrow Agent payable pursuant to any unresolved Indemnification Claim Certificates that were delivered in accordance with Section 9(a) prior to the Indemnification Claims Cutoff Date. The Escrow Agent shall continue to hold Disputed Amounts until such Disputed Amounts are resolved in accordance with this Agreement.

(e) If any portion of a Disputed Amount remains undistributed after all Claims for disbursement are paid and resolved, the Escrow Agent shall, upon the receipt of written direction from the Seller Representative (with a copy to the Buyer Representative), if the Buyer Representative does not object in writing to the Escrow Agent (with a copy to the Seller Representative) within five (5) business days of such written direction, in accordance with the notice and delivery requirements set forth in Section 21 hereto, deliver such amount, if any, to the Seller Representative (for the benefit of the Sellers) within one (1) business day following the later of such resolution or payment.

(f) No release to the Seller Representative of Escrow Funds hereunder shall limit the Buyer Representative's right to seek indemnification, which shall only be limited as described in the Purchase Agreement. The Escrow Funds held pursuant to this Agreement are intended to provide a non-exclusive source of funds to the Buyer Representative for the payment of any amounts which may become payable with respect to indemnification claims asserted by the Buyer Representative pursuant to Article XII of the Purchase Agreement.

10. Security Procedure for Funds Transfers. The Escrow Agent shall confirm each funds transfer instruction received in the name of a Party by means of the security procedure selected by such Party and communicated to the Escrow Agent through a signed certificate in the form of Exhibit G-1 or Exhibit G-2 attached hereto, which upon receipt by the Escrow Agent shall become a part of this Agreement. Once delivered to the Escrow Agent, Exhibit G-1 or Exhibit G-2 may be revised or rescinded only by a writing signed by an authorized representative of the Party. Such revisions or rescissions shall be effective only after actual receipt and following such period of time as may be necessary to afford the Escrow Agent a reasonable opportunity to act on it. If a revised Exhibit G-1 or Exhibit G-2 or a rescission of an existing Exhibit G-1 or Exhibit G-2 is delivered to the Escrow Agent by an entity that is a successor-in-interest to such Party, such document shall be accompanied by additional documentation satisfactory to the Escrow Agent showing that such entity has succeeded to the rights and responsibilities of the Party under this Agreement.

The Parties understand that the Escrow Agent's inability to receive or confirm funds transfer instructions pursuant to the security procedure selected by such Party may result in a delay in accomplishing such funds transfer, and they agree that the Escrow Agent shall not be liable for any loss caused by any such delay.

11. Duties of Escrow Agent. The Escrow Agent hereby accepts its obligations under this Agreement and represents that it has the legal power and authority to enter into this Agreement and perform its obligations hereunder. The Escrow Agent further agrees that all Escrow Funds held by the Escrow Agent hereunder shall be segregated from all other property held by the Escrow Agent and shall be identified as being held in connection with this Agreement. Segregation may be accomplished by appropriate identification on the books and records of the Escrow Agent. The Escrow Agent agrees that its documents and records with respect to the transactions contemplated hereby will be available for examination by authorized representatives of the Buyer Representative and the Seller Representative during normal business hours of the Escrow Agent upon not less than two (2) business days' prior written notice and at the requesting Party's expense. Any fees charged by the Escrow Agent shall be paid equally by the Buyer Representative on the one hand, and the Seller Representative (on behalf of the Sellers), on the other hand. The fees of the Escrow Agent are attached hereto as Exhibit F and initial escrow fees shall be paid on the Effective Date. The Escrow Agent shall have, and is hereby granted, a prior lien upon the Escrow Funds with respect to its unpaid fees, non-reimbursed expenses, and unsatisfied indemnification rights, superior to the interests of any other persons or entities. The Escrow Agent shall be entitled and is hereby granted the right to set off and deduct any unpaid fees, non-reimbursed expenses, and unsatisfied indemnification rights from the Escrow Funds.

12. No Other Duties. Notwithstanding any provision to the contrary, the Escrow Agent is obligated only to perform the duties specifically set forth in this Agreement, which shall be deemed purely ministerial in nature. Under no circumstance will the Escrow Agent be deemed to be a fiduciary to the Buyer Representative, the Seller Representative or any other person under this Agreement. The Escrow Agent shall not have any duties or responsibilities hereunder except as expressly set forth herein. References in this Agreement to any other agreement, instrument, or document are for the convenience of the Buyer Representative and the Seller Representative, and the Escrow Agent has no duties or obligations with respect thereto.

13. Reliance on Documentary Evidence by the Escrow Agent. The Escrow Agent shall be entitled to rely upon any notice, certificate, affidavit, letter, document, or other communication that is reasonably believed by the Escrow Agent to be genuine and to have been signed or sent by the proper Party or Parties, and the Escrow Agent may rely on statements contained therein without further inquiry or investigation. Concurrently with the execution of this Agreement, the Buyer Representative and the Seller Representative shall deliver to the Escrow Agent Exhibit G-1 or Exhibit G-2 attached hereto, which contain authorized signer designations in Part I thereof. The Parties represent and warrant that each person signing this Escrow Agreement are duly authorized and has legal capacity to execute and deliver this Escrow Agreement, along with each exhibit, agreement, document, and instrument to be executed and delivered by the Parties to this Escrow Agreement.

14. Attorneys and Agents. The Escrow Agent shall be entitled to rely on and, except in the case of its own gross negligence or willful misconduct, shall not be liable for any action taken or omitted to be taken by the Escrow Agent in accordance with the advice of competent counsel or other competent professionals retained or consulted by the Escrow Agent. The Escrow Agent shall not be responsible for the negligence or misconduct of agents or attorneys appointed by it with reasonable care.

15. Liability of the Escrow Agent. The Escrow Agent shall not be liable for any action taken in accordance with the terms of this Agreement, including, without limitation, any release or distribution of Escrow Funds in accordance with Section 8 or Section 9 hereto. THE ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY DAMAGES, LOSSES, OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES, OR EXPENSES THAT HAVE BEEN FINALLY ADJUDICATED TO HAVE DIRECTLY RESULTED FROM THE ESCROW AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING, WITHOUT LIMITATION, LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

16. Indemnification of the Escrow Agent. The Buyer Representative and the Seller Representative hereby agree to jointly and severally indemnify the Escrow Agent, and defend and hold the Escrow Agent harmless, from and against any and all claims, costs, expenses, demands, judgments, losses, damages, and liabilities (including, without limitation, reasonable attorneys' fees and disbursements) ("**Escrow Damages**") arising out of or in connection with the

Escrow Agent's performance of its duties pursuant to this Agreement, except such Escrow Damages as may be finally adjudicated to have been directly caused by the gross negligence or willful misconduct of the Escrow Agent. The provisions of this Section 16 shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent. Solely as between the Buyer Representative and Seller Representative, each of the Buyer Representative, on the one hand, and the Seller Representative, on the other hand, shall have a right of contribution from the other parties (other than Escrow Agent) in any action in which the Escrow Agent claims indemnification pursuant to this Agreement in the event such Party or Parties fail(s) to pay its or their pro rata share of such claim. No provision of this Agreement shall require the Escrow Agent to risk or advance its own funds or otherwise incur any financial liability or potential financial liability in the performance of its duties or the exercise of its rights hereunder.

17. Resignation or Removal of the Escrow Agent. The Escrow Agent may at any time resign by giving not less than thirty (30) calendar days' prior written notice of such resignation to the Buyer Representative and the Seller Representative. The Escrow Agent may be removed as escrow agent hereunder if both the Buyer Representative and the Seller Representative agree to such removal and give not less than thirty (30) calendar days' prior written notice thereof to the Escrow Agent. The Escrow Agent shall not be discharged from its duties and obligations hereunder until a successor escrow agent shall have been jointly designated by the Buyer Representative and the Seller Representative, and shall have executed and delivered an escrow agreement in substantially the form of this Agreement, and all Escrow Funds then held by the Escrow Agent hereunder, less any fees and expenses then due and owing to the Escrow Agent, shall have been delivered to such successor escrow agent. If the Buyer Representative and the Seller Representative have failed to appoint a successor escrow agent prior to the expiration of thirty (30) calendar days following the delivery of such notice of resignation or removal, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Buyer Representative and the Seller Representative.

18. Interpleader. If the Buyer Representative and the Seller Representative shall disagree about the interpretation of this Agreement, or about the rights and obligations or the propriety of any action contemplated by the Escrow Agent hereunder, or the Escrow Agent shall be uncertain how to act in a situation presented hereunder, the Escrow Agent may, in its discretion, refrain from taking action until directed in writing jointly by the Buyer Representative and the Seller Representative or, after sixty (60) calendar days' notice to the Parties of its intention to do so, file an action of interpleader in the appropriate court of competent jurisdiction and deposit all of the Escrow Funds with such court. Upon the filing of such action, the Escrow Agent shall be relieved of all liability as to the Escrow Funds and shall be entitled to recover reasonable attorneys' fees, expenses, and other costs incurred in commencing and maintaining any such interpleader action unless such costs, fees, charges, disbursements, or expenses shall have been finally adjudicated to have directly resulted from the willful misconduct or gross negligence of the Escrow Agent.

19. Merger or Consolidation. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell

or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any conversion, sale, merger, consolidation, or transfer to which the Escrow Agent is a party, shall be and become the successor escrow agent under this Agreement and shall have and succeed to the rights, powers, duties, immunities, and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act, any provision herein to the contrary notwithstanding.

20. Attachment of Escrow Funds; Compliance with Legal Orders. In the event that any of the Escrow Funds shall be attached, garnished, or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment, or decree shall be made or entered by any court with respect to the Escrow Funds, the Escrow Agent is hereby expressly authorized, in its sole discretion, to respond as it reasonably deems appropriate or to comply with all writs, orders, or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Escrow Agent obeys or complies with any such writ, order, or decree, it shall not be liable to the Buyer Representative, the Seller Representative, or to any other person, firm, or corporation, should, by reason of such compliance notwithstanding, such writ, order, or decree be subsequently reversed, modified, annulled, set aside, or vacated.

21. Notices. All notices and communications (including certificates and notices delivered pursuant to Section 9 hereto) by the Buyer Representative or the Seller Representative to the Escrow Agent shall be delivered contemporaneously to the other Party in the same manner as provided to the Escrow Agent. All notices and other communications under this Agreement shall be in writing and shall be deemed effectively given when personally delivered, when received by overnight delivery or five (5) days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed as follows:

If to the Buyer Representative: Health Quest Systems, Inc.
1351 Route 55, Suite 200
Lagrangeville, NY 12540
Attention: Michael Holzhueter, Senior Vice President and General Counsel

With a Copy to: McDermott Will & Emery LLP
28 State Street
Boston, MA 02109-1775
Attention: Charles Buck

If to the Seller Representative: RegionalCare Hospital Partners, Inc.
103 Continental Place, Suite 410
Brentwood, TN 37027
Attention: General Counsel

With a Copy to:	Waller Lansden Dortch & Davis, LLP 511 Union Street, Suite 2700 Nashville, TN 37219 Attention: George W. Bishop III
If to Escrow Agent:	Wells Fargo Bank, National Association 150 East 42nd Street 40th Floor Corporate, Escrow, and Municipal Solutions New York, NY 10017 Attention: Kweku Asare Phone: 917.260.1551 Facsimile: 917.260.1592 E-mail: kweku.a.asare@wellsfargo.com

or to such other address, and to the attention of such other person or officer as any party may designate, with copies thereof to the respective counsel thereof as notified by such party.

22. Assignment. This Agreement shall not be assigned by any party without the written consent of the other parties and any attempted assignment without such written consent shall be null and void and without legal effect. This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and, if any consent required by this Section 22 is properly secured, the successors and assigns of such party. Nothing herein is intended or shall be construed to give any other person any right, remedy, or claim under, in or with respect to this Agreement or any property held hereunder.

23. Waivers and Amendments. This Agreement may be amended, modified, extended, superseded, canceled, renewed, or extended, and the terms and conditions hereof may be waived, only by a written document signed by the Buyer Representative, the Seller Representative, and the Escrow Agent or, in the case of a waiver by the Buyer Representative or the Seller Representative, by the Party or Parties waiving compliance. No delay on the part of the Buyer Representative or the Seller Representative in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any waiver on the part of the Buyer Representative or the Seller Representative of any right, power, or privilege hereunder nor any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege hereunder.

24. Governing Law. All issues and questions concerning the construction, validity, interpretation, and enforceability of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

25. Resolution of Disputes; Court Proceedings; Attorneys' Fees and Costs. The parties to this Agreement shall act in good faith to resolve any dispute or other controversy arising under this Agreement. Absent agreement resolving a dispute within ten (10) calendar days after the dispute has arisen, any party shall have the right to seek to settle the matter by

court action or, if the parties agree at the time, by arbitration. If any party should institute legal proceedings to enforce such party's rights under this Agreement, or otherwise with respect to the subject matter of this Agreement, the prevailing party or parties shall recover, in addition to all other costs and damages awarded, and the losing party or parties shall pay, the reasonable attorneys' fees and costs at trial, on appeal, upon petition for review, or in any bankruptcy proceeding, of the prevailing party or parties, whether or not such fees and costs are prescribed by statute, and shall pay the fees and costs of the Escrow Agent incurred in connection with such dispute, including reimbursement to the prevailing party of such fees and costs previously paid, in each case as determined by the court at trial or upon any appeal. Any lawsuit or proceeding permitted by the terms of this Agreement to be filed in a court, which lawsuit or proceeding is brought to enforce, challenge, or construe the terms or making of this Agreement and any claims arising out of or related to this Agreement, shall be exclusively brought and litigated exclusively in a state or federal court having subject matter jurisdiction and located in the State of New York. For the purpose of any lawsuit or proceeding instituted with respect to any claim arising out of or related to this Agreement, each party hereby irrevocably submits to the exclusive jurisdiction of the state or federal courts having subject matter jurisdiction and located in the State of New York. Each party hereby irrevocably waives any objection or defense which it may now or hereafter have of improper venue, forum non conveniens, or lack of personal jurisdiction.

26. Waiver of Jury Trial. AS A SPECIFICALLY BARGAINED INDUCEMENT FOR EACH OF THE PARTIES TO ENTER INTO THIS AGREEMENT (EACH PARTY HAVING HAD OPPORTUNITY TO CONSULT COUNSEL), EACH PARTY EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN.

27. Counterparts. This Agreement may be executed in two or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic mail in PDF or similar format shall be effective as delivery of a mutually executed counterpart to this Agreement.

28. Termination. This Agreement shall terminate upon the earlier of: (a) one-hundred twenty (120) days after Escrow Agent's delivery of all the Escrow Funds, or (b) the joint written instructions of the Buyer Representative and the Seller Representative; except that the provision of Sections 7, 15, 16, 25, and 26 shall survive the termination of this Agreement.

29. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement, and the parties hereto shall amend or otherwise modify this Agreement to replace any prohibited or invalid provision with an effective and valid provision that gives effect to the intent of the parties to the maximum extent permitted by applicable law.

30. Force Majeure. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

31. Publication; Disclosure. By executing this Agreement, the parties acknowledge that this Agreement (including related attachments) contains certain information that is sensitive and confidential in nature and agree that such information needs to be protected from improper disclosure, including the publication or dissemination of this Agreement and related information to individuals or entities not a party to this Agreement. The parties hereto further agree to take reasonable measures to mitigate any risks associated with the publication or disclosure of this Agreement and information contained therein, including, without limitation, the redaction of the manual signatures of the signatories to this Agreement, or, in the alternative, the publication of a conformed copy of this Agreement. If a party must disclose or publish this Agreement or information contained therein pursuant to any stock exchange request or any regulatory, statutory, or governmental rule or requirement, as well as any judicial or administrative order, subpoena, or discovery request, it shall notify in writing the other parties at the time of execution of this Agreement of the legal requirement to do so. If any party hereto becomes aware of any threatened or actual unauthorized disclosure, publication, or use of this Agreement, such party shall promptly notify in writing the other parties and shall be liable for any unauthorized release or disclosure.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BUYER REPRESENTATIVE:

HEALTH QUEST SYSTEMS, INC.

By:_____
Name:_____
Title:_____

SELLER REPRESENTATIVE:

REGIONALCARE HOSPITAL PARTNERS, INC.

By:_____
Name:_____
Title:_____

ESCROW AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION, solely in its capacity as Escrow Agent hereunder

By:_____
Name:_____
Title:_____

EXHIBIT A

Agency and Custody Account Direction
For Cash Balances
Wells Fargo Money Market Deposit Accounts

Directions to use the following Wells Fargo Money Market Deposit Accounts for Cash Balances for the escrow account (the "Account") established under the Escrow Agreement to which this Exhibit A is attached.

In the absence of complete, joint written investment instructions from the Parties, the Escrow Agent is hereby directed to deposit, as indicated below, or as the Parties shall direct further in writing from time to time, all cash in the Account in the following money market deposit account of Wells Fargo Bank, National Association:

Wells Fargo Money Market Deposit Account ("MMDA")

The Parties understand that amounts on deposit in the MMDA are insured, subject to the applicable rules and regulations of the Federal Deposit Insurance Corporation ("FDIC"), in the basic FDIC insurance amount of $250,000 per depositor, per insured bank. This includes principal and accrued interest up to a total of $250,000. The Parties understand that deposits in the MMDA are not secured.

The Parties acknowledge that the Parties collectively have full power to direct investments of the Account.

The Parties understand that the Parties may jointly change this direction at any time and that it shall continue in effect until revoked or modified by the Parties by joint written notice to the Escrow Agent.

EXHIBIT B

Indemnification Claim Certificate

To: Wells Fargo Bank, National Association
150 East 42nd Street 40th Floor
Corporate, Escrow, and Municipal Solutions
New York, NY 10017
Attention: Kweku Asare
Phone: 917.260.1551
Facsimile: 917.260.1592
E-mail: Kweku.a.asare@wellsfargo.com

This Indemnification Claim Certificate is issued pursuant to that certain Escrow Agreement, dated as of [_____], 2017, by and among the Buyer Representative, the Seller Representative, and you, as Escrow Agent. Capitalized terms herein shall have the meaning ascribed to them in said Escrow Agreement. This is to notify you, as the Escrow Agent, and the Seller Representative, of a Claim under the Purchase Agreement for $_____ out of the Escrow Funds.

Unless you receive from the Seller Representative an Indemnification Objection Notice in response to this Indemnification Claim Certificate on or before the thirtieth (30th) calendar day after your receipt hereof, you are hereby instructed to deliver on the first (1st) business day after the thirtieth (30th) calendar day after your receipt hereof the sum of $_____ out of Escrow Funds from the Escrow Account to the Buyer Representative by wire transfer to the following account:

_____(Bank)

_____(Account)

_____(Routing Number)

BUYER REPRESENTATIVE:

HEALTH QUEST SYSTEMS, INC.

By:_____
Name:_____
Title:_____

cc: RegionalCare Hospital Partners, Inc.
Essent Healthcare of Connecticut, Inc.
Sharon Hospital Holding Company
Vassar Health Connecticut, Inc.

Regional Healthcare Associates, LLC
Tri State Women's Services, LLC

EXHIBIT C

Indemnification Objection Notice

To: Wells Fargo Bank, National Association
150 East 42nd Street 40th Floor
Corporate, Escrow, and Municipal Solutions
New York, NY 10017
Attention: Kweku Asare
Phone: 917.260.1551
Facsimile: 917.260.1592
E-mail: Kweku.a.asare@wellsfargo.com

This Indemnification Objection Notice is issued pursuant to that certain Escrow Agreement, dated as of [_____], 2017, by and among the Buyer Representative, the Seller Representative, and you, as Escrow Agent. Capitalized terms herein shall have the meaning ascribed to them in said Escrow Agreement.

The undersigned hereby objects to $_____ (the "**Disputed Amount**") of the Claim that the Buyer Representative asserted in the Indemnification Claim Certificate. Accordingly, you are hereby instructed not to deliver the Disputed Amount to the Buyer Representative.

The reasons for this dispute are as follows (or are attached): _____
_____
_____
_____
_____
_____

SELLER REPRESENTATIVE:

REGIONALCARE HOSPITAL PARTNERS, INC.

By:_____
Name:_____
Title:_____

cc: Health Quest Systems, Inc.
Vassar Health Connecticut, Inc.
Essent Healthcare of Connecticut, Inc.
Sharon Hospital Holding Company
Regional Healthcare Associates, LLC
Tri State Women's Services, LLC

EXHIBIT D

Notice of a Final Order

To: Wells Fargo Bank, National Association
150 East 42nd Street 40th Floor
Corporate, Escrow, and Municipal Solutions
New York, NY 10017
Attention: Kweku AsarePhone: 917.260.1551
Facsimile: 917.260.1592
E-mail: Kweku.a.asare@wellsfargo.com

This Notice of a Final Order ("**Notice**") is issued pursuant to that certain Escrow Agreement, dated as of [_____], 2017, by and among the Buyer Representative, the Seller Representative, and you, as Escrow Agent. Capitalized terms herein shall have the meaning ascribed to them in said Escrow Agreement.

The undersigned hereby certifies that: (a) a Final Order exists with respect to a Claim; (b) a true and correct copy of the Final Order or other evidence of the Final Order accompanies this certificate,; and (c) the undersigned is entitled to receive Escrow Funds from the Escrow Account in accordance with the Purchase Agreement and said Escrow Agreement.

You are hereby instructed to deliver payment on the fifth (5th) business day after your receipt of this Notice $_____ of Escrow Funds from the Escrow Account to the Buyer Representative, by wire transfer to the following account:

_____(Bank)

_____(Account)

_____(Routing Number)

BUYER REPRESENTATIVE:

HEALTH QUEST SYSTEMS, INC.

By:_____
Name:_____
Title:_____

cc: RegionalCare Hospital Partners, Inc.
Essent Healthcare of Connecticut, Inc.
Sharon Hospital Holding Company
Vassar Health Connecticut, Inc.
Regional Healthcare Associates, LLC

Tri State Women's Services, LLC

EXHIBIT E

Joint Notification

To: Wells Fargo Bank, National Association
150 East 42nd Street 40th Floor
Corporate, Escrow, and Municipal Solutions
New York, NY 10017
Attention: Kweku Asare
Phone: 917.260.1551
Facsimile: 917.260.1592
E-mail: kweku.a.asare@wellsfargo.com

This Joint Notification is issued pursuant to that certain Escrow Agreement, dated as of [_____], 2017, by and among the Buyer Representative, the Seller Representative, and you, as Escrow Agent. Capitalized terms herein shall have the meaning ascribed to them in said Escrow Agreement.

You are hereby instructed to deliver **[immediately]** [on date] $_____ of Escrow Funds to the Buyer Representative, by wire transfer to the following account:

_____(Bank)

_____(Account)

_____(Routing Number)

BUYER REPRESENTATIVE:

HEALTH QUEST SYSTEMS, INC.

By:_____
Name:_____
Title:_____

SELLER REPRESENTATIVE:

REGIONALCARE HOSPITAL PARTNERS, INC.

By:_____
Name:_____
Title:_____

cc: Essent Healthcare of Connecticut, Inc.
Sharon Hospital Holding Company
Vassar Health Connecticut, Inc.
Regional Healthcare Associates, LLC
Tri State Women's Services, LLC

EXHIBIT F

Escrow Agent Fees

See attached.

Corporate Trust Services

Schedule of fees to provide escrow agent services
Health Quest Systems, Inc. / RegionalCare Hospital Partners, Inc.
Indemnification Escrow Account
Approximate size: $500,000

Exhibit F

Acceptance fee — **Waived**

A one-time fee for our initial review of governing documents, account set-up and customary duties and responsibilities related to the closing. This fee is payable at closing.

Annual administration fee — **$3,500**

An annual fee for customary administrative services provided by the escrow agent, including daily routine account management; cash management transactions processing (including wire and check processing), disbursement of funds in accordance with the agreement, tax reporting for one entity, and providing account statements to the parties. The administration fee is payable annually in advance per escrow account established. The first installment of the administrative fee is payable at closing.

Out-of-pocket expenses — **At cost**

Out-of- pocket expenses will be billed as incurred at cost at the sole discretion of Wells Fargo.

Extraordinary services — **Standard rate**

The charges for performing services not contemplated at the time of execution of the governing documents or not specifically covered elsewhere in this schedule will be at Wells Fargo's rates for such services in effect at the time the expense is incurred. The review of complex tax forms, including by way of example but not limited to IRS Form W-8IMY, shall be considered extraordinary services.

Assumptions

This proposal is based upon the following assumptions with respect to the role of escrow agent:

- Number of escrow accounts to be established: 1
- Amount of escrow: $500,000
- Term of escrow: 36 - 48 months
- Number of tax reporting parties: 1
- Number of parties to the transaction: 3
- Number of cash transactions (deposits/disbursements): 2 deposits/5 disbursements
- Fees quoted assume all transaction account balances will be held uninvested or invested in select Wells Fargo deposit products.
- Disbursements shall be made only to the parties specified in the agreement. Any payments to other parties are at the sole discretion and subject to the requirements of Wells Fargo and shall be considered extraordinary services.

Terms and conditions

- The recipient acknowledges and agrees that this proposal does not commit or bind Wells Fargo to enter into a contract or any other business arrangement, and that acceptance of the appointment described in this proposal is expressly conditioned on (1) compliance with the requirements of the USA Patriot Act of 2001, described below, (2) satisfactory completion of Wells Fargo's internal account acceptance procedures, (3) Wells Fargo's review of all applicable governing documents and its confirmation that all terms and conditions pertaining to its role are satisfactory to it and (4) execution of the governing documents by all applicable parties.

Together we'll go far

Corporate Trust Services
Schedule of fees to provide escrow agent services
Health Quest Systems, Inc. / RegionalCare Hospital Partners, Inc.
Indemnification Escrow Account
Approximate size: $500,000

- Should this transaction fail to close or if Wells Fargo determines not to participate in the transaction, any acceptance fee and any legal fees and expenses may be due and payable.
- Legal counsel fees and expenses, any acceptance fee and any first year annual administrative fee are payable at closing.
- Any annual fee covers a full year or any part thereof and will not be prorated or refunded in a year of early termination.
- Should any of the assumptions, duties or responsibilities of Wells Fargo change, Wells Fargo reserves the right to affirm, modify or rescind this proposal.
- The fees described in this proposal are subject to periodic review and adjustment by Wells Fargo.
- Invoices outstanding for over 30 days are subject to a 1.5% per month late payment penalty.
- This fee proposal is good for 90 days.

Important information about identifying our customers

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person (individual, corporation, partnership, trust, estate or other entity recognized as a legal person) for whom we open an account.

What this means for you: Before we open an account, we will ask for your name, address, date of birth (for individuals), TIN/EIN or other information that will allow us to identify you or your company. For individuals, this could mean identifying documents such as a driver's license. For a corporation, partnership, trust, estate or other entity recognized as a legal person, this could mean identifying documents such as a Certificate of Formation from the issuing state agency.

Date: September 8, 2016

EXHIBIT G-1

Buyer Representative Security Agreement

The Buyer Representative certifies that the names, titles, telephone numbers, e-mail addresses, and specimen signatures set forth in Parts I and II of this Exhibit G-1 identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of the Buyer Representative, and that the option checked in Part III of this Exhibit G-1 is the security procedure selected by the Buyer Representative for use in verifying that a funds transfer instruction received by the Escrow Agent is that of the Buyer Representative.

The Buyer Representative has reviewed each of the security procedures and has determined that the option checked in Part III of this Exhibit G-1 best meets its requirements given the size, type, and frequency of the instructions it will issue to the Escrow Agent. By selecting the security procedure specified in Part III of this Exhibit G-1, the Buyer Representative acknowledges that it has elected to not use the other security procedures described and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by the Escrow Agent in compliance with the particular security procedure chosen by the Buyer Representative.

NOTICE: The security procedure selected by the Buyer Representative will not be used to detect errors in the funds transfer instructions given by the Buyer Representative. If a funds transfer instruction describes the beneficiary of the payment inconsistently by name and account number, payment may be made on the basis of the account number even if it identifies a person different from the named beneficiary. If a funds transfer instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. Therefore, it is important that the Buyer Representative takes such steps as it deems prudent to ensure that there are no such inconsistencies in the funds transfer instructions it sends to the Escrow Agent.

Part I

Name, Title, Telephone Number, Electronic Mail ("e-mail") Address, and Specimen Signature for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of the Buyer Representative

Name	Title	Telephone Number	E-mail Address	Specimen Signature

[list more if desired]

Part II

Name, Title, Telephone Number and E-mail Address for person(s) designated to confirm funds transfer instructions

Name	Title	Telephone Number	E-mail Address

[list more if desired]

Part III

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below:

☐ *Option 1. Confirmation by telephone call-back*. The Escrow Agent shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part II above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit G-1.

☐ CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by telephone call-back, the Escrow Agent may, at its discretion, confirm by e-mail, as described in Option 2.

☐ *Option 2. Confirmation by e-mail*. The Escrow Agent shall confirm funds transfer instructions by e-mail to a person at the e-mail address specified for such person in Part II of this Exhibit G-1. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit G-1. The Buyer Representative understands the risks associated with communicating sensitive matters, including time sensitive matters, by e-mail. The Buyer Representative further acknowledges that instructions and data sent by e-mail may be less confidential or secure than instructions or data transmitted by other methods. The Escrow Agent shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by the Escrow Agent.

☐ CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by e-mail, the Escrow Agent may, at its discretion, confirm by telephone call-back, as described in Option 1.

☐ **Option 3. Delivery of funds transfer instructions by password protected file transfer system only - no confirmation*. The Escrow Agent offers the option to deliver funds transfer instructions through a password protected file transfer system. If the Buyer Representative wishes to use the password protected file transfer system, further instructions will be provided by the Escrow Agent. If the Buyer Representative chooses this Option 3, they agree that no further confirmation of funds transfer instructions will be performed by the Escrow Agent.

☐ **Option 4. Delivery of funds transfer instructions by password protected file transfer system with confirmation*. Same as Option 3 above, but the Escrow Agent shall confirm funds transfer instructions by ☐ telephone call-back or ☐ e-mail (must check at least one, may check both) to a person at the telephone number or e-mail address designated on Part II above. By checking a box in the prior sentence, the party shall be deemed to have agreed to the terms of such confirmation option as more fully described in Option 1 and Option 2 above.

**The password protected file system has a password that expires every 60 days. If you anticipate having infrequent activity on this account, please consult with your Escrow Agent before selecting this option.*

Dated this ____ day of _____, 2017.

BUYER REPRESENTATIVE:

HEALTH QUEST SYSTEMS, INC.

By:_____
Name:_____
Title:_____

EXHIBIT G-2

Seller Representative Security Agreement

The Seller Representative certifies that the names, titles, telephone numbers, e-mail addresses and specimen signatures set forth in Parts I and II of this Exhibit G-2 identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of the Seller Representative, and that the option checked in Part III of this Exhibit G-2 is the security procedure selected by the Seller Representative for use in verifying that a funds transfer instruction received by the Escrow Agent is that of the Seller Representative.

The Seller Representative has reviewed each of the security procedures and has determined that the option checked in Part III of this Exhibit G-2 best meets its requirements given the size, type, and frequency of the instructions it will issue to the Escrow Agent. By selecting the security procedure specified in Part III of this Exhibit G-2, the Seller Representative acknowledges that it has elected to not use the other security procedures described and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by the Escrow Agent in compliance with the particular security procedure chosen by the Seller Representative.

NOTICE: The security procedure selected by the Seller Representative will not be used to detect errors in the funds transfer instructions given by the Seller Representative. If a funds transfer instruction describes the beneficiary of the payment inconsistently by name and account number, payment may be made on the basis of the account number even if it identifies a person different from the named beneficiary. If a funds transfer instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. Therefore, it is important that the Seller Representative takes such steps as it deems prudent to ensure that there are no such inconsistencies in the funds transfer instructions it sends to the Escrow Agent.

Part I

Name, Title, Telephone Number, Electronic Mail ("e-mail") Address, and Specimen Signature for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of the Seller Representative

Name	Title	Telephone Number	E-mail Address	Specimen Signature

Part II

Name, Title, Telephone Number, and E-mail Address for person(s) designated to confirm funds transfer instructions

Name	Title	Telephone Number	E-mail Address

Part III

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below:

☐ *Option 1. Confirmation by telephone call-back*. The Escrow Agent shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part II above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit G-2.

☐ CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by telephone call-back, the Escrow Agent may, at its discretion, confirm by e-mail, as described in Option 2.

☐ *Option 2. Confirmation by e-mail*. The Escrow Agent shall confirm funds transfer instructions by e-mail to a person at the e-mail address specified for such person in Part II of this Exhibit G-2. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit G-2. The Seller Representative understands the risks associated with communicating sensitive matters, including time sensitive matters, by e-mail. The Seller Representative further acknowledges that instructions and data sent by e-mail may be less confidential or secure than instructions or data transmitted by other methods. The Escrow Agent shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by the Escrow Agent.

☐ CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by e-mail, the Escrow Agent may, at its discretion, confirm by telephone call-back, as described in Option 1.

☐ **Option 3. Delivery of funds transfer instructions by password protected file transfer system only - no confirmation*. The Escrow Agent offers the option to deliver funds transfer instructions through a password protected file transfer system. If the Seller Representative wishes to use the password protected file transfer system, further instructions will be provided by the Escrow Agent. If the Seller Representative chooses this Option 3, it agrees that no further confirmation of funds transfer instructions will be performed by the Escrow Agent.

☐ **Option 4. Delivery of funds transfer instructions by password protected file transfer system with confirmation*. Same as Option 3 above, but the Escrow Agent shall confirm funds transfer instructions by ☐ telephone call-back or ☐ e-mail (must check at least one, may check both) to a person at the telephone number or e-mail address designated on Part II above. By checking a box in the prior sentence, the party shall be deemed to have agreed to the terms of such confirmation option as more fully described in Option 1 and Option 2 above.

**The password protected file system has a password that expires every 60 days. If you anticipate having infrequent activity on this account, please consult with your Escrow Agent before selecting this option.*

Dated this ____ day of _____, 2017.

SELLER REPRESENTATIVE:

REGIONALCARE HOSPITAL PARTNERS, INC.

By:_____
Name:_____
Title:_____

SCHEDULE I

Wire Transfer Instructions

Buyer Representative

Bank Name:

Bank Address:

Beneficiary:

Beneficiary ABA #

Beneficiary Account #

Seller Representative

Beneficiary Company:

Beneficiary Bank:

Beneficiary ABA #

Beneficiary Account #

Swift Code =

EXHIBIT C

BILL OF SALE

This Bill of Sale (this "**Bill of Sale**") is executed and delivered as of _____, 2017 by Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, a Connecticut corporation ("**Sharon**"), Regional Healthcare Associates, LLC, a Connecticut limited liability company ("**RHA**"), Tri State Women's Services, LLC, a Connecticut limited liability company ("**TSWS**") and Sharon Hospital Holding Company, a Delaware corporation ("**SHHC**" and with Sharon, RHA and TSWS, each individually a "**Seller**" and collectively, the "**Sellers**"), pursuant to that certain Asset Purchase Agreement dated September __, 2016 (the "**Asset Purchase Agreement**") by and among Sellers, Health Quest Systems, Inc., a New York non-profit corporation ("**Health Quest**") and Vassar Health Connecticut, Inc. a Connecticut non-profit corporation ("**VHC**" and with Health Quest, individually a "**Buyer**" and collectively, the "**Buyer**") and RegionalCare Hospital Partners, Inc., a Delaware corporation ("**RCHP**"), solely for the purposes of Sections 13.32 and 13.33 of the Asset Purchase Agreement.

1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings set forth in the Asset Purchase Agreement.

2. Transfer of Assets. For the consideration set forth in the Asset Purchase Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sellers do hereby grant, bargain, sell, transfer, assign, convey, and deliver to Buyer and its successors and assigns, forever, effective as of the Closing, all of Sellers' right, title, and interest in, to, and under the Assets.

3. Further Assurances; Successors and Assigns. From and after the Closing Date, Sellers will execute, acknowledge, and deliver such other instruments of conveyance and transfer and perform such other acts as may be reasonably required effectively to transfer to, and vest in, Buyer and its successors and assigns, all of Sellers' right, title, and interest in, to, and under the Assets. This instrument shall be binding on Sellers and their successors and assigns, and the covenants and agreements of the Sellers set forth herein shall inure to the benefit of Buyer and its successors and assigns.

4. Conflict with Asset Purchase Agreement. The terms of this Bill of Sale are subject to the terms, provisions, conditions, and limitations set forth in the Asset Purchase Agreement, and this Bill of Sale is not intended to alter the obligations of the parties to the Asset Purchase Agreement. In the event the terms of this Bill of Sale conflict with the terms of the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall govern.

5. Governing Law. This Bill of Sale and the transactions contemplated hereby shall be governed by and construed and enforced in accordance with the internal laws of the State of New York without regard to the conflict of law provisions thereof.

[Signature Page Follows]

IN WITNESS WHEREOF, Sellers have executed this Bill of Sale as of the date first written above.

ESSENT HEALTHCARE OF CONNECTICUT, INC.

By:_____

Name:_____

Title:_____

REGIONAL HEALTHCARE ASSOCIATES, LLC,

By:_____

Name:_____

Title:_____

HEALTH QUEST SYSTEMS, INC.

By:_____

Name:_____

Title:_____

SHARON HOSPITAL HOLDING COMPANY

By:_____

Name:_____

Title:_____

TRI STATE WOMEN'S SERVICES, LLC

By:_____

Name:_____

Title:_____

VASSAR HEALTH CONNECTICUT, INC.

By:_____

Name:_____

Title:_____

EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Agreement**") is made and entered into as of _____, 2017, by and among Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, a Connecticut corporation ("**Sharon**"), Regional Healthcare Associates, LLC, a Connecticut limited liability company ("**RHA**"), Tri State Women's Services, LLC, a Connecticut limited liability company ("**TSWS**"), and Sharon Hospital Holding Company, a Delaware corporation ("**SHHC**" and with Sharon, RHA, and TSWS, each individually a "**Seller**" and collectively, the "**Sellers**"), Health Quest Systems, Inc., a New York non-profit corporation ("**Health Quest**"), and Vassar Health Connecticut, Inc. a Connecticut non-profit corporation ("**VHC**" and with Health Quest, individually a "**Buyer**" and collectively, the "**Buyer**").

WHEREAS, pursuant to that certain Asset Purchase Agreement dated September __, 2016 (the "**Asset Purchase Agreement**") by and among Buyer, Sellers, and RegionalCare Hospital Partners, Inc., a Delaware corporation ("**RCHP**"), solely for the purposes of Sections 13.32 and 13.33 of the Asset Purchase Agreement, Buyer has agreed to purchase the Assets (as defined in the Asset Purchase Agreement); and

WHEREAS, pursuant to the Asset Purchase Agreement, Sellers have agreed to assign certain rights and agreements to Buyer, and Buyer has agreed to assume certain obligations of Sellers, as set forth herein, and this Agreement is contemplated by Sections 3.2(c) and 3.3(b) of the Asset Purchase Agreement.

NOW, THEREFORE, for the consideration set forth in the Asset Purchase Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Capitalized Terms. Capitalized terms used but not defined herein shall have the meanings set forth in the Asset Purchase Agreement.

2. Assignment. Subject to the terms and conditions set forth in the Asset Purchase Agreement, as of the Closing, Sharon and/or SHHC, as applicable, hereby assigns to Buyer all of Sellers' right, title, benefit, privileges, and interest in, to and under the Assumed Contracts, the Tenant Leases, and the Seller Leases (collectively, the "**Seller Agreements**").

3. Assumption. Subject to the terms and conditions set forth in the Asset Purchase Agreement, as of the Closing, Buyer hereby accepts the assignment set forth in Section 2 above and assumes and agrees to keep, perform, and fulfill all of the terms, covenants, conditions, and obligations required to be kept, performed, or fulfilled by either Seller under the Seller Agreements. Additionally, subject to the terms and conditions set forth in the Asset Purchase Agreement, as of the Closing Date, Buyer hereby assumes and agrees to pay, perform, and discharge on a timely basis, in accordance with their terms, the Assumed Liabilities. Notwithstanding anything herein to the contrary, Buyer does not hereby assume, and shall not be liable or otherwise responsible for, any Excluded Liabilities.

4. Appointment. Sellers hereby appoint Buyer as Sellers' true and lawful attorney, with full power of substitution by, on behalf of, and for the benefit of Buyer and its successors and assigns, to enforce any right, title or interest hereby sold, conveyed, assigned, transferred, and delivered. The foregoing powers are coupled with an interest and shall be irrevocable by Sellers for any reason whatsoever.

5. Terms of the Asset Purchase Agreement. The terms of the Asset Purchase Agreement are incorporated herein by this reference. Except as provided in Sections 2 and 3 above, the representations, warranties, covenants, and agreements contained in the Asset Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict between the terms of this Agreement and the Asset Purchase Agreement, but specifically excluding Section 2 and Section 3 of this Agreement, the terms of the Asset Purchase Agreement shall govern.

6. Further Actions. From and after the Closing Date, each party hereto (a "**Party**") will execute, acknowledge and deliver such other instruments of transfer, assignment and assumption and perform such other acts as may be reasonably required effectively to consummate the assignments and assumptions contemplated by this Agreement.

7. Governing Law. This Agreement and the transactions contemplated hereby shall be governed by and construed and enforced in accordance with the internal laws of the State of New York without regard to the conflict of law provisions thereof.

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

9. Counterparts. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one Party, but all such counterparts taken together will constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other means of electronic transmission shall be as effective as delivery of a manually executed counterpart.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

ESSENT HEALTHCARE OF CONNECTICUT, INC.

By:_____

Name:_____

Title:_____

REGIONAL HEALTHCARE ASSOCIATES, LLC

By:_____

Name:_____

Title:_____

HEALTH QUEST SYSTEMS, INC.

By:_____

Name:_____

Title:_____

SHARON HOSPITAL HOLDING COMPANY

By:_____

Name:_____

Title:_____

TRI STATE WOMEN'S SERVICES, LLC

By:_____

Name:_____

Title:_____

VASSAR HEALTH CONNECTICUT, INC.

By:_____

Name:_____

Title:_____

Exhibit E

List of Liens to be Released at Closing

Sharon Hospital Holding Company

Sharon Hospital Holding Company is currently a guarantor under RegionalCare Hospital Partners Holdings, Inc.'s asset-backed revolving facility and senior secured notes. The secured parties listed below have liens against Sharon Hospital Holding Company that will be released by the Sellers prior to Closing.

1. Royal Bank of Canada, as collateral agent (DE lien no. 20162614020)
2. Wilmington Trust National Association, as collateral agent (De lien no. 20162615209)

Essent Healthcare of Connecticut, Inc.

1. Master Lease Agreement (Quasi) by and between Essent Healthcare of Connecticut, Inc. and General Electric Capital Corporation, dated January 29, 2013, including all related schedules (capital lease for Toshiba/Aquilion 64 CT Scanner) (CT lien no. 0002918904).

EXHIBIT F

Limited Power of Attorney for Use of DEA and Other Registration Numbers, and Controlled Substances Order Forms

Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, a Connecticut stock corporation ("Registrant"), owns and operates a hospital ("Hospital") and hospital pharmacy located at 50 Hospital Hill Road, Sharon, Connecticut (DEA registration number BE7740562), is authorized to sign the current applications for registration and licensure as the registrant under the Controlled Substances Act (21 U.S.C. § 801 *et seq.*) or Controlled Substances Import and Export Act of the United States (21 U.S.C. § 951 *et seq.*), and is licensed to operate such pharmacy under the laws of the State of Connecticut.

Pursuant to that certain Asset Purchase Agreement dated as of September __, 2016, (the "Purchase Agreement") by and among Registrant, Regional Healthcare Associates, LLC, a Connecticut limited liability company ("RHA"), Tri State Women's Services, LLC, a Connecticut limited liability company ("TSWS"), and Sharon Hospital Holding Company, a Delaware corporation ("SHHC" and together with Registrant, RHA, and TSWS, the "Sellers"), Health Quest Systems, Inc., a New York non-profit corporation ("Health Quest"), Vassar Health Connecticut, Inc. a Connecticut non-profit corporation ("NewCo" and together with Health Quest, the "Buyer"), and RegionalCare Hospital Partners, Inc., a Delaware corporation ("RCHP"), solely for the purposes of Sections 13.32 and 13.33 of the Purchase Agreement, Registrant will transfer to NewCo substantially all of the assets, properties and rights relating to its provision of hospital services at the Hospital as of the Closing Date (as defined in the Purchase Agreement).

In recognition of the need to continue to make available controlled substances for treatment of the Hospital's patients and to continue to operate the Hospital's existing pharmacy during the period from the Closing Date until approval of NewCo's DEA application and Controlled Substances Ordering System ("CSOS") registration, Registrant has, effective as of the Closing Date, made, constituted and appointed, and by these presents does make, constitute, and appoint, NewCo as Registrant's agent and attorney-in-fact for the limited purpose of utilizing Registrant's DEA registration and any other registrations required under the laws of the State of Connecticut to continue pharmacy operations at the pharmacy facility located at the address set forth above (hereinafter "Pharmacy") and listed on **Exhibit A** attached hereto. NewCo may act in this capacity until such time as NewCo receives notice of the DEA's approval of NewCo's registration application (the "DEA Notice") and notice that NewCo is established in the DEA's CSOS, but in no event shall this limited power of attorney continue for more than one hundred twenty (120) days after the Closing Date (unless otherwise extended by mutual agreement of NewCo and Registrant).

Registrant further grants this limited power of attorney to NewCo to act, effective as of the Closing Date, as the true and lawful agent and attorney-in-fact of Registrant, and to act in the name, place, and stead of Registrant, to execute applications for books of official order forms and to sign such order forms in requisition for Schedules II, III, IV and V controlled substances, whether these orders be on Form 222, other forms as may be required under the laws of the State of Connecticut, or electronic in accordance with Section 308 of the Controlled Substances Act

(21 U.S.C. § 828) and part 1305 of Title 21 of the Code of Federal Regulations, as is necessary for the treatment of the Hospital's patients.

Registrant recognizes that it is legally responsible for the DEA and other registrations. Therefore, Registrant grants this limited power of attorney based upon the following covenants and warranties of NewCo: (a) that NewCo shall follow and abide by all federal, state and local laws governing the regulation of controlled substances and pharmacy practice at all times while this limited power of attorney is in effect; and (b) that NewCo shall diligently pursue and use its commercially reasonable efforts to obtain its own DEA and other registrations which are required for the distribution of pharmaceuticals, including, but not limited to, controlled substances at the Pharmacy, as soon as practicable after the Closing Date under the Purchase Agreement.

NewCo shall indemnify and hold harmless Registrant for all losses, liabilities, costs, expenses (including reasonable attorneys' fees) and penalties incurred, paid or required under penalty of law to be paid by Registrant related, in whole or in part, to NewCo's use of the pharmacy license, DEA, and other registrations of Registrant from and after the Closing Date. Indemnification claims shall be made and processed in accordance with the applicable provisions of Article 12 of the Purchase Agreement.

NewCo agrees to notify Registrant in writing within five (5) business days after receipt of the DEA Notice and within five (5) business days after receiving confirmation that NewCo is established in CSOS. Registrant agrees that it shall not take any action to deactivate any current DEA registration or CSOS registration until NewCo makes such notification to Registrant.

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

[*Signatures on following page.*]

IN WITNESS WHEREOF, Registrant and NewCo have executed this Limited Power of Attorney for Use of DEA and Other Registration Numbers and DEA Order Forms on this ____ day of _____, 2017.

NewCo:

VASSAR HEALTH CONNECTICUT, INC.

By: _____
Name: _____
Its: _____

Witness:

_____

Registrant:

ESSENT HEALTHCARE OF CONNECTICUT, INC.

By: _____
Name:
Its:

Witness:

_____

EXHIBIT A
Licenses and Registrations
Covered by Limited Power of Attorney

Federal:

1. United States Department of Justice Drug Enforcement Administration, Controlled Substance Registration Certificate BE7740562; Registrant: Essent Healthcare of Connecticut, Inc.; Issue Date: August 12, 2013; Expiration Date: August 31, 2016.

State:

1. State of Connecticut, Department of Consumer Protection, Controlled Substances Registration for Hospitals, Registration Number CSP.0000875-HOSP; Registrant: Essent Healthcare of Connecticut, Inc.; Effective Date: March 1, 2015; Expiration Date: February 28, 2017.

Pharmacy Facility Address:

50 Hospital Hill Road
Sharon, CT 06069-2092

EXHIBIT G
FORM OF MANAGEMENT AGREEMENT

(Not attached - See Tab II)

EXHIBIT H

FORM OF TENANT ESTOPPEL

TENANT ESTOPPEL CERTIFICATE

To:_____
_____
_____
_____

Re: Lease Pertaining to _____

1. The undersigned, as tenant ("Tenant") of approximately _____ square feet of space (the "Premises") under a certain lease dated _____, _____, as amended by amendments dated _____, _____ (as so amended, the "Lease") made with Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, a Connecticut stock corporation ("Landlord"), covering space in Landlord's building commonly known as _____ (the "Building"), hereby certifies as follows:

(a) That the Lease is in full force and effect and has not been modified, supplemented or amended in any way except as described above. The interest of Tenant in the Lease has not been assigned or encumbered nor has Tenant entered into any sublease, license or other occupancy or use agreement with respect to the Premises;

(b) That the Lease represents the entire agreement between the parties as to said leasing, and that there are no other agreements, written or oral, which affect the occupancy of the Premises by Tenant;

(c) That the commencement date of the term of the Lease was _____, _____;

(d) That the expiration date of the term of the Lease is _____, _____, including any presently exercised option or renewal term, and that Tenant has no rights to renew, extend or cancel the Lease or to lease additional space in the Premises or the Building, except as expressly set forth in the Lease;

(e) That Tenant has no option or preferential right to purchase all or any part of the Premises (or the land or Building of which the Premises are a part), and has no right or interest with respect to the Premises or the Building;

(f) That all conditions of the Lease to be performed by Landlord and necessary to the enforceability of the Lease have been satisfied. On this date there are no existing defenses, offsets, claims or credits which Tenant has against the enforcement of the Lease except for prepaid rent through _____ (not to exceed one month);

(g) That all contributions required by the Lease to be paid by Landlord to date for improvements to the Premises have been paid in full. All improvements or work required under the Lease to be made by Landlord to date, if any, have been completed to the satisfaction of Tenant. Charges for all labor and materials used or furnished in connection with improvements and/or alterations made for the account of Tenant in the Premises have been paid in full. Tenant has accepted the Premises, subject to no conditions other than those set forth in the Lease. Tenant has entered into occupancy of the Premises;

(h) That the annual minimum rent currently payable under the Lease is $_____ and has been paid through _____;

(i) That additional monthly rent for estimated taxes, insurance and CAM charges is $_____ per month and has been paid through _____;

(j) That there are no current defaults by Tenant or Landlord under the Lease, and, to Tenant's knowledge, no event has occurred or situation exists that would, with the giving of notice or passage of time or both, constitute a default under the Lease. There are currently no disputes between Tenant and Landlord concerning the Lease (including, without limitation, the computation of rent payable under the Lease), the Premises or the improvements thereon;

(k) That Tenant has paid to Landlord a security deposit in the amount of $_____;

(l) That there are no concessions, bonuses, free month's rent, rent rebates or other matters effecting the rentals, and no rent has been paid more than thirty (30) days in advance of its due date;

(m) That Tenant has all governmental permits, licenses and consents required for the activities and operations being conducted or to be conducted by it in or around the Building; and

(n) That as of this date there are no actions, whether voluntary or otherwise, pending against Tenant or any guarantor of the Lease under the bankruptcy or insolvency laws of the United States or any state thereof.

2. Tenant acknowledges the right of Vassar Health Connecticut, Inc. a Connecticut non-profit corporation ("Buyer"), and its affiliates, subsidiaries, successors and assigns to rely upon the certifications and agreements in this Certificate in acquiring the Building.

3. Tenant represents and warrants to Buyer that the person signing this certificate on behalf of Tenant has the full authority and legal capacity to execute and deliver this certificate and bind Tenant hereto.

EXECUTED this _____ day of _____, 2016.

TENANT:

_____

a _____

By:_____

Name:_____

Its:_____

EXHIBIT I

FORM OF LANDLORD ESTOPPEL

LANDLORD ESTOPPEL CERTIFICATE

THIS LANDLORD ESTOPPEL (this "Estoppel") is made as of _____, 2016 by [_____] ("Landlord"), to and for the benefit of Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, a Connecticut stock corporation ("Tenant"), and Vassar Health Connecticut, Inc. a Connecticut non-profit corporation ("Buyer").

W I T N E S S E T H:

WHEREAS, Landlord, as landlord, and Tenant, as tenant, are parties to the lease agreement dated as of _____, 20__, [as amended, [_____, 20__,] (the "Lease"), with respect to the real property known as _____ (the "Premises");

WHEREAS, Buyer has agreed to purchase certain assets of Tenant, including the assumption of Tenant's rights under the Lease, pursuant to a certain Asset Purchase Agreement (the "Transaction"); and

WHEREAS, in connection with the Transaction, Tenant and Buyer desire to obtain an estoppel certificate containing the statements, confirmations, and assurances of Landlord as set forth herein.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and for the purpose of providing Buyer and Tenant with the assurances set forth herein, Landlord hereby acknowledges, certifies, represents, and warrants the following to Buyer and Tenant as of the date hereof:

1. Pursuant to the Lease, Landlord currently leases to Tenant the Premises, as more particularly described therein, which Premises consists of approximately [_____] rentable square feet.

2. Landlord is the sole owner and holder of the Landlord's interest under the Lease, and Landlord has good right and lawful authority to execute and deliver this Estoppel without the necessity of the consent or joinder of any other person or entity.

3. The Lease is in full force and effect and constitutes the complete and accurate agreement by which Landlord leases the Premises to Tenant. There are no amendments or modifications to the Lease (except as noted above), written or oral, or any other agreements to which Landlord is a party which are binding upon Landlord and relate to the leasing of the Premises by Tenant.

4. Landlord has not commenced any action or given or received any notice for the purpose of terminating the Lease or declaring default under or breach of the Lease. To Landlord's knowledge, no uncured breaches or defaults under the Lease exist and no facts or circumstances exist which with the giving of notice or the passage of time, or both, would constitute a breach or default on the part of Landlord or Tenant under the Lease.

5. The term of the Lease commenced on [_____], and the Lease will expire by its terms on [_____], subject to any extension or renewal options as may be expressly set forth in the Lease.

6. As of the date hereof, base rent, additional rent, and all other sums due and payable by Tenant under the Lease have been paid in full as and when required under the Lease through the end of the current calendar month. The current monthly base rent payable to Landlord by Tenant under the Lease is $_____, which has been paid through and including the current calendar month. The current monthly installment of additional rent under the Lease is $_____, which has been paid through and including the current calendar month.

7. Tenant has not prepaid to Landlord, and Landlord has not accepted from Tenant, any base rent, additional rent, or other charges under the Lease more than 30 days in advance or as otherwise specifically provided and referred to in the Lease.

8. Landlord is holding in accordance with the Lease a security deposit on account of Tenant under the Lease in the amount of $_____.

9. This Estoppel shall inure to the benefit of Buyer and Tenant and each of their respective successors and assigns and shall be binding upon Landlord, its successors and assigns.

[signature page follows]

IN WITNESS WHEREOF, Landlord has executed and delivered this Estoppel as of the date first above written.

LANDLORD:

[_____
_____]

By:_____

Name:_____

Its:_____

ASSET PURCHASE AGREEMENT

AMONG

HEALTH QUEST SYSTEMS, INC.,

VASSAR HEALTH CONNECTICUT, INC.,

ESSENT HEALTHCARE OF CONNECTICUT, INC.,

SHARON HOSPITAL HOLDING COMPANY.

REGIONAL HEALTHCARE ASSOCIATES, LLC,

TRI STATE WOMEN'S SERVICES, LLC

AND

REGIONALCARE HOSPITAL PARTNERS, INC.,

(solely for the limited purpose of Section 13.32 and 13.33 therein)

September 13, 2016

Attached to and forming a part of that certain Asset Purchase Agreement dated as of September 13, 2016 (the "Agreement"), by and among Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, a Connecticut corporation ("Sharon" or the "Hospital"), Sharon Hospital Holding Company, a Delaware corporation ("SHHC"), Regional Healthcare Associates, LLC, a Delaware limited liability company ("RHA"), Tri State Women's Services, LLC, a Delaware limited liability company ("TSWS" and collectively with Sharon, SHHC, and RHA, the "Sellers"), Health Quest Systems, Inc., a New York non-profit corporation ("Health Quest"), and Vassar Health Connecticut, Inc. a Connecticut non-profit corporation ("VHC" and, collectively with Health Quest, the "Buyer") and RegionalCare Hospital Partners, Inc., a Delaware corporation ("RCHP"), solely for the purposes of Sections 13.32 and 13.33 therein, are these Schedules. The Schedules shall be organized to correspond to the section numbers used for the Sellers' representations and warranties in the Agreement, and disclosures contained therein shall provide the information contemplated by, or otherwise qualify, the representations and warranties of the Sellers set forth in the corresponding section or subsection of the Agreement; provided that, any exception or qualification set forth in the Schedules with respect to a particular representation or warranty contained in the Agreement shall be deemed to be an exception or qualification with respect to all other applicable representations and warranties contained in the Agreement to the extent the relevance of such disclosure to such other representations and warranties is reasonably apparent on its face. Nothing in the Schedules shall broaden the scope of any representation or

warranty contained in this Agreement or create any covenant. Matters reflected in the Schedules do not represent a determination that such matters are material or establish a standard of materiality, do not and shall not represent a determination that any such matters did not arise in the ordinary course of business, and shall not constitute, or be deemed to be, an admission to any third party concerning such matter or an admission of default or breach under any agreement or document.

SCHEDULES

#	Title
2.1(a)	Owned Real Property
2.1(b)	Leased Real Property
2.1(c)	Personal Property
2.1(h)	Tenant Leases
2.1(i)	Seller Leases
2.1(k)	Pending Approvals
2.2	Excluded Assets
2.2(e)	Excluded Contracts
2.2(i)	Amounts Due to Sellers
2.3(c)	Accrued PTO
2.4(c)	Excluded Liabilities
4.2(b)	Sellers' Required Consents
4.4(a)	Financial Statements; GAAP Exceptions
4.5	Certain Post-Balance Sheet Results
4.6	Licenses
4.7	Applications
4.8	Medicare Participation; Accreditation
4.9	Regulatory Compliance
4.10	Equipment
4.11	Permitted Encumbrances
4.11(a)	Property Violations
4.11(b)	Zoning
4.11(d)	Real Property Actions
4.11(g)	Rent Roll
4.11(h)	Notice of Modifications
4.11(i)	Encroachments
4.11(j)	Third Party Rights
4.11(k)	Construction
4.11(l)	Tenant Improvement
4.12	Condition of the Assets
4.13(a)	Benefit Plans
4.13(c)	ERISA
4.14	Litigation
4.16	Tax Returns
4.16(a)	Tax Extensions
4.16(b)	Tax Audits
4.16(c)	Tax Partnerships
4.17(a)	Employees
4.17(b)	Employment Claims
4.17(c)(i)	Employment Contracts
4.17(c)(ii)	Employment Loss
4.18	Material Contracts

#	Title
4.19(d)	Assumed Contract Consents
4.19(e)	Assignment Penalties
4.21	Insurance
4.22	Cost Reports
4.23	Medical Staff Matters
4.25	Compliance Program
4.26	Environmental Matters
4.26(f)(i)	Underground Storage Tanks
4.26(g)	Environmental Proceedings
4.26(j)	Connecticut Transfer Act
4.27(a)	Owned Intellectual Property
4.27(b)	Other Intellectual Property
4.27(d)	Patents, Copyrights and Trademarks
4.29	Sellers' Brokers
4.30	Knowledge Parties
5.2(b)	Buyer Required Consents
5.5	Buyer Brokers
6.4(j)	Sellers' Negative Covenants
8.1	Governmental Approvals
8.6	Material Contract Consents

Schedule 2.1(a)
Owned Real Property

Tract I - 48 & 50 Hospital Hill Road
Assessor Map 28
Lot 7-1

All that certain piece or parcel of land, together with the buildings and improvements thereon, situated in the Town of Sharon, County of Litchfield and State of Connecticut and shown on a map entitled: "Site Plan Prepared for Sharon Hospital, Inc. Hospital Hill Road & King Hill Road Sharon, Connecticut Scale 1" = 50' July 22, 1991 Total Area = 16.133 ± Acres Peter A. Lamb R.L.S. #7764 Sharon, Connecticut From the Office of: Lamb-Kiefer Land Surveyors, Sharon, Connecticut", and more particularly bounded and described as follows:

Beginning at a point in the southerly street line of King Hill Road which point marks the northeast corner of the herein described parcel and the northwest corner of land now or formerly of Richard Debrowsky & Melanie Aakjar; thence running S 06° 13' 00" W a distance of 185.30 feet along land now or formerly of Richard Debrowsky & Melanie Aakjar to a point; thence running S 84° 08' 00" E a distance of 271.50 feet to an iron pipe; thence S 06° 17' 00" W a distance of 109.85 feet to a point; the last two courses and distances being along land now or formerly of Richard Debrowsky and Melanie Aakjar and August Prause and St. Bernard's Roman Catholic Church, Inc., in part by each; thence running N 84° 14' 00" W a distance of 39.25 feet to a point; thence S 06° 34' 03" W a distance of 110.00 feet to an iron pipe; the last two courses and distances being along land now or formerly of Thomas A. & Violet E. Cunningham; thence N 84° 14' 00" W a distance of 302.21 feet to an iron pipe along land now or formerly of Florence C. Gobillot and Eugene B. & Florence C. Gobillot, in part by each; thence running S 05° 54' 00" W a distance of 149.20 feet to a point; thence S 84° 06' 00" E a distance of 65.20 feet to an iron pipe, the last two courses and distances being along land now or formerly of Eugene B. & Florence C. Gobillot; thence S 06° 32' 00" W a distance of 321.87 feet along land now or formerly of Alma & Gertrude King to a point on the northerly street line of Hospital Hill Road; thence N 82° 38' 00" W a distance of 353.533 feet to a point; thence along the arc of a curve to the right having a radius of 150.00 feet, a delta of 48° 22' 00", a tangent of 673.602 feet and a length of 126.623 feet to a point; thence N 34° 06' 00" W a distance of 723.598 feet to an iron pipe the last three courses and distances being along Hospital Hill Road; thence N 60° 20' 00" E a distance of 81.90 feet along land now or formerly of Patricia A. Lynehan to an iron pipe; thence N 10° 52' 00" W a distance of 239.30 feet along land now or formerly of Patricia A. Lynehan and Barbara Heili, in part by each, to a point on the southerly street line of King Hill Road; thence S 83° 10' 55" E a distance of 944.824 feet along King Hill Road to the point or place of beginning.

Tract II - 1 Low Road

Assessor Map 29
Lot 7

PARCEL TWO: All that certain tract or parcel of land with all buildings thereon standing and all appurtenances thereto belonging, lying northerly of Route #41, so-called, in the Town of Sharon, County of Litchfield, and State of Connecticut, bounded and described as follows:

NORTHERLY	by lands now or formerly of Patricia Gillette and lands now or formerly of Mabel Hotaling, each in part;
EASTERLY	by Low Street, so-called, by lands now or formerly of Mabel Hotaling, by lands now or formerly of Kenneth L. and Margaret Bartram, and by lands now or formerly of Iva N. Stine, each in part;
SOUTHERLY	by highway leading from Sharon to Lakeville (Route #41); and
WESTERLY	by lands now or formerly of Arthur W. Lamb and by lands now or formerly of L. H. Bartram, each in part.

Tract III - 25 Hospital Hill Road

Assessor Map 26
Lot 40-2

All that certain piece or parcel of land, with all improvements thereon situated on the southerly side of the highway leading from Sharon Town Street to Sharon Valley in the Town of Sharon, County of Litchfield and State of Connecticut, bounded and described as follows: viz:

BEGINNING at an iron pipe in the southerly line of said highway at the northwest corner of land of I. Harry Bartram and being the northeast corner of the parcel herein conveyed; thence along the westerly line of land of said Bartram S. 18° 48' W. 259.1 feet to an iron pipe in line of other lands owned by Laura R. Hamlin; thence along line of other land of said Laura R. Hamlin N. 70° 38' W. 132.0 feet to an iron pipe, being the southeast corner of land now or formerly of Pete, Ida and Louise Hansen; thence along said Hansen land N. 18° 48' E. 261.1 feet to an iron pipe in the southerly line of said highway; thence along the southerly line of said highway S. 69° 48' E. 132.0 feet to the iron pipe and place of beginning. Containing .787 of an acre, more or less.

Tract IV - 29 Hospital Hill Road & 40 Amenia Road
Assessor Map 26
Lot 40-3

All that certain piece or parcel of land with all improvements thereon, situated on the northerly side of the highway leading from Sharon, Connecticut to Amenia, New York, in the Town of Sharon, County of Litchfield, State of Connecticut, bounded and described as follows:

BEGINNING at an iron pin in the southwesterly corner of the piece herein described and running the following courses and distances North 20° 49' East 10.8 feet to an iron pin; North 8° 23' East 521.6 feet to an iron pin; North 4° 26' East 390.6 feet to an iron pin; thence running South 70° 26' East 132.2 feet to an iron pin; thence running South 17° 36' West 97.5 feet to an iron pin; then running the following courses and distances: South 70° 38' East 133.65 feet to an iron pin; South 70° 38' East 132.0 feet to an iron pin; South 70° 38' East 253.85 feet to an iron pin; thence running South 20° 52' West 239.2 feet to an iron pin; thence running North 72° 37' West 131.4 feet to an iron pin; thence running the following courses and distances: South 15° 08' East 266.6 feet to an iron pin; South 7° 47' East 77.6 feet to an iron pin; South 1° 11' West 79.95 feet to an iron pin; South 4° 04' West 186.1 feet to an iron pin; thence running the following courses and distances: North 70° 53' West 99.6 feet to a Connecticut Highway Department monument; North 70° 53' West 159.0 feet to an iron pin; thence running North 15° 10' East 200.3 feet to an iron pin; thence running North 70° 53' West 180.0 feet to an iron pin; thence running South 15° 10' West 200.3 feet to an iron pin; thence running along the northerly line of the Sharon, Connecticut to Amenia, New York highway the following courses and distances: North 70° 53' West 102.9 feet to a Connecticut Highway Department monument; North 88° 30' West 38.21 feet to an iron pin which marks the point and place of beginning.

Containing 9.35 acres, more or less.

Reference is made to a map entitled "Map Showing Property of Laura Hamlin in the Town of Sharon, Conn. Scale 1 inch = 40 feet, by H. Knickerbocker, Land Surveyor, Salisbury, Conn., dated March 10, 1958.

LESS AND EXCEPTING that certain parcel conveyed to United Methodist Home of Sharon, Inc. by Warranty Deed dated May 31, 2001 and recorded on June 1, 2001 in Volume 141 at Page 256 of the Sharon Land Records.

Excepting from the above-described parcel the property described in the following deeds:

(a) Quit Claim Deed dated April 30, 1990 from West Sharon Corporation to Sharon Corporation recorded in Volume 113, Page 331 of the Sharon Land Records; however, the property referenced in the Quit Claim Deed dated September 1, 1991 from Sharon Corporation to West Sharon Corporation recorded in Volume 115, Page 495 is not excepted from the above described Parcel 4. Reference is made to Map 1611 and Map 1640.

(b) Warranty Deed dated August 21, 1992 from West Sharon Corporation to Sharon Medical Office Building Limited Partnership recorded in Volume 117, Page 708 of the Sharon Land Records. Reference is made to Map 1657.

(c) Statutory Form Warranty Deed dated May 31, 2001 from Sharon Health Care, Inc. to United Methodist Home of Sharon, Inc. recorded in Volume 115, Page 729 of the Sharon Land Records. Reference is further made to a Quit Claim Deed dated September 30, 1991 from West Sharon Corporation to Sharon Corporation recorded in Volume 115, Page 491 of the Sharon Land Records. Reference is made to Map 1693.

(d) Warranty Deed dated May 1, 2014 from Essent Healthcare of Connecticut, Inc. to Jean C. Hodouin recorded in Volume 195, Page 201 of the Sharon Land Records. Reference is made to Map 2129.

Tract V - 33 Hospital Hill Road
Assessor Map 26
Lot 40-1

All that certain piece or parcel of land, situated in the Town of Sharon, County of Litchfield and State of Connecticut more particularly bounded and described as follows: Beginning at the Northeast corner of the property herein described; thence in line of West Main Street, westerly four rods to a corner bound; thence south 18 degrees 56 minutes 05 seconds west, 262.054 feet to an iron pipe; thence easterly about four rods to an iron pipe; thence northerly along land now or formerly of Clarence Bassett to the place of beginning. Shown as 0.398 more or less acre on a map entitled Map Prepared for Sharon Hospital, Inc., Hospital Hill Road, Sharon, Connecticut dated May 5, 1985, prepared by Peter A. Lamb and on file in the Office of the Town Clerk of Sharon as Map No. 1429.

Schedule 2.1(b)
Leased Real Property

TENANT	LANDLORD	ADDRESS/ LOCATION
Essent Healthcare of Connecticut, Inc.	Anu Properties Corp.	17 Hospital Hill Road (Residential Unit) Sharon, CT
Regional Healthcare Associates, LLC	Robert J. Orlandi	2 Old Park Lane (1st Floor) New Milford, CT
Regional Healthcare Associates, LLC	Robert J. Orlandi	2 Old Park Lane (2nd Floor) New Milford, CT
Tri State Women's Services, LLC	Bruce Janelli, M.D.	75 Church St. Canaan, CT
Tri State Women's Services, LLC	Orlito Trias, M.D.	9 Aspetuck Ave. New Milford, CT
Tri State Women's Services LLC	Winsted Health Center, Inc.	115 Spencer St. Winsted, CT
Regional Healthcare Associates, LLC	Kenmil Realty, LLC	64 Maple St. Kent, CT
Tri State Women's Services LLC	Sharon Medical Office Building LLC	50 Amenia Rd. Sharon, CT
Regional Healthcare Associates, LLC	Candlewood Properties, LLC	120 Park Lane Road, New Milford, CT
Regional Healthcare Associates, LLC	Anu Properties, LLC	17 Hospital Hill Road (Office Space) Sharon, CT

Schedule 2.1(c)
Personal Property

See attached.

Sharon Hospital
Depreciation Expense Report
As of May 31, 2016

	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
1	Cisco WAN interface	0.00	0.00	0.00	030.1470.10000	030.1570.10000
2	Cisco 2901 WAN router & license	0.00	0.00	0.00	030.1470.10000	030.1570.10000
3	Microsoft Licenses (from audit)	48.38	241.88	290.26	030.1470.10000	030.1570.10000
4	Wound Care Archtect and contruction	0.00	0.00	0.00	030.1450.10000	030.1550.10000
5	New Roof- Quality PO 57603 Inv 938, Securitis	0.00	0.00	0.00	030.1420.10000	030.1520.10000
6	New Roof- Quality PO 57603 Inv 938, Securitis	0.00	0.00	0.00	030.1420.10000	030.1520.10000
7	Carpet:ing: Pottenburgh, Ped office	0.00	0.00	0.00	0	0
8	CarpetFlooring 3 B Inv 10312	0.00	0.00	0.00	0	0
9	New Door SBH	0.00	0.00	0.00	030.1420.10000	030.1520.10000
10	Wound Care Computers	175.00	875.00	1,050.00	030.1470.10000	030.1570.10000
11	Computers - 5 Dell Marketing Inv XFFJ1J195	0.00	0.00	0.00	030.1470.10000	030.1570.10000
12	Computers 20- Dell Marketing Inv XFJNNPX93,	279.16	1,395.83	1,675.00	030.1470.10000	030.1570.10000
13	Mac Computer	0.00	0.00	0.00	030.1470.10000	030.1570.10000
14	Computer:Dell 7 Laptops	87.50	437.50	525.00	030.1470.10000	030.1570.10000
15	CDW Cinv C9333343 PO 58053, Network	0.00	0.00	0.00	030.1470.10000	030.1570.10000
16	Paragon Imaging Software, CDW Inv D213774,	0.00	0.00	0.00	030.1470.10000	030.1570.10000
17	Computers, CDW F180861 & F261842, PO	175.00	875.00	1,050.00	030.1470.10000	030.1570.10000
18	Computers - 20 Dell/ CDW	350.00	1,750.00	2,100.00	030.1470.10000	030.1570.10000
19	Microsoft Office Update	0.00	0.00	0.00	030.1450.10000	030.1550.10000
20	Dragon Software, Nuance 10039055, po 60403	26.88	134.38	161.26	030.1470.10000	030.1570.10000
21	Microsoft Office Update - Acct, CDW K606006	0.00	0.00	0.00	030.1450.10000	030.1550.10000
22	CD Burner- Sorna, Inv 19904 & BPO 59785	44.79	223.96	268.75	030.1450.10000	030.1550.10000
23	Lap Tops, CDW P621686, pO 6082	0.00	0.00	0.00	030.1470.10000	030.1570.10000
24	Sprinkler System in Morgue Hartford Spinkler	0.00	0.00	0.00	030.1450.10000	030.1550.10000
25	7 Carts for Laptops CDW C976194 PO 57555	104.16	520.83	625.00	030.1470.10000	030.1570.10000
26	Wound Care Equipmt Medical	687.50	3,437.50	4,125.00	030.1450.10000	030.1550.10000
27	PACS : Dell, Merge Healthcare	2,220.84	11,104.17	13,325.00	030.1450.10000	030.1550.10000
28	Ultrasound console: GE 5212284,5212282,	21.43	107.14	128.57	030.1450.10000	030.1550.10000
29	Travel and Traing on Powerscribe:Nuance	0.00	0.00	0.00	030.1450.10000	030.1550.10000
30	Wound Care Equipmt Medical	248.61	1,243.05	1,491.66	030.1450.10000	030.1550.10000
31	Immuno Analyzer: Fisher	41.21	206.04	247.25	030.1450.10000	030.1550.10000
32	Disk Array Enclosure - PACs	0.00	0.00	0.00	030.1450.10000	030.1550.10000
33	Medical Equipment, peds	33.34	166.67	200.00	030.1450.10000	030.1550.10000
34	Stretchers for TelestrokeHill Rom Inv 23572371	26.39	131.95	158.34	030.1450.10000	030.1550.10000
35	Beds - 7 Hill Rom Inv 23580845	273.59	1,367.92	1,641.50	030.1450.10000	030.1550.10000
36	Cad Stream Server, Merge Inv II32799, PO	43.75	218.75	262.50	030.1450.10000	030.1550.10000
37	C-Arm Model 9900, GE 70375 PO 58385	1,736.11	8,680.55	10,416.66	030.1450.10000	030.1550.10000
38	Blinds, Peds office, Window coverup	0.00	0.00	0.00	030.1480.10000	030.1580.10000
39	Medical Equipment, peds	22.22	111.11	133.33	030.1450.10000	030.1550.10000
40	Welch/Allyn Wall Mount Diagnostic Set-Ped	30.56	152.78	183.34	030.1450.10000	030.1550.10000
41	Treatment Tables3 -PT, Universal Hospital Inv	15.28	76.39	91.67	030.1450.10000	030.1550.10000
42	Dishwashing Machine, Kittredge Inv H267008,	158.90	794.51	953.41	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
1	Cisco WAN interface	0.00	0.00	0.00	030.1470.10000	030.1570.10000
2	Cisco 2901 WAN router & license	0.00	0.00	0.00	030.1470.10000	030.1570.10000
3	Microsoft Licenses (from audit)	48.38	241.88	290.26	030.1470.10000	030.1570.10000
4	Wound Care Archtect and contruction	0.00	0.00	0.00	030.1450.10000	030.1550.10000
5	New Roof- Quality PO 57603 Inv 938, Securitis	0.00	0.00	0.00	030.1420.10000	030.1520.10000
6	New Roof- Quality PO 57603 Inv 938, Securitis	0.00	0.00	0.00	030.1420.10000	030.1520.10000
7	Carpet:ing: Pottenburgh, Ped office	0.00	0.00	0.00	0	0
8	CarpetFlooring 3 B Inv 10312	0.00	0.00	0.00	0	0
9	New Door SBH	0.00	0.00	0.00	030.1420.10000	030.1520.10000
10	Wound Care Computers	175.00	875.00	1,050.00	030.1470.10000	030.1570.10000
11	Computers - 5 Dell Marketing Inv XFFJ1J195	0.00	0.00	0.00	030.1470.10000	030.1570.10000
12	Computers 20- Dell Marketing Inv XFJNNPX93,	279.16	1,395.83	1,675.00	030.1470.10000	030.1570.10000
13	Mac Computer	0.00	0.00	0.00	030.1470.10000	030.1570.10000
14	Computer:Dell 7 Laptops	87.50	437.50	525.00	030.1470.10000	030.1570.10000
15	CDW Cinv C9333343 PO 58053, Network	0.00	0.00	0.00	030.1470.10000	030.1570.10000
16	Paragon Imaging Software, CDW Inv D213774,	0.00	0.00	0.00	030.1470.10000	030.1570.10000
17	Computers, CDW F180861 & F261842, PO	175.00	875.00	1,050.00	030.1470.10000	030.1570.10000
18	Computers - 20 Dell/ CDW	350.00	1,750.00	2,100.00	030.1470.10000	030.1570.10000
19	Microsoft Office Update	0.00	0.00	0.00	030.1450.10000	030.1550.10000
20	Dragon Software, Nuance 10039055, po 60403	26.88	134.38	161.26	030.1470.10000	030.1570.10000
21	Microsoft Office Update - Acct, CDW K606006	0.00	0.00	0.00	030.1450.10000	030.1550.10000
22	CD Burner- Sorna, Inv 19904 & BPO 59785	44.79	223.96	268.75	030.1450.10000	030.1550.10000
23	Lap Tops, CDW P621686, pO 6082	0.00	0.00	0.00	030.1470.10000	030.1570.10000
24	Sprinkler System in Morgue Hartford Spinkler	0.00	0.00	0.00	030.1450.10000	030.1550.10000
25	7 Carts for Laptops CDW C976194 PO 57555	104.16	520.83	625.00	030.1470.10000	030.1570.10000
26	Wound Care Equipmt Medical	687.50	3,437.50	4,125.00	030.1450.10000	030.1550.10000
27	PACS : Dell, Merge Healthcare	2,220.84	11,104.17	13,325.00	030.1450.10000	030.1550.10000
28	Ultrasound console: GE 5212284,5212282,	21.43	107.14	128.57	030.1450.10000	030.1550.10000
29	Travel and Traing on Powerscribe:Nuance	0.00	0.00	0.00	030.1450.10000	030.1550.10000
30	Wound Care Equipmt Medical	248.61	1,243.05	1,491.66	030.1450.10000	030.1550.10000
31	Immuno Analyzer: Fisher	41.21	206.04	247.25	030.1450.10000	030.1550.10000
32	Disk Array Enclosure - PACs	0.00	0.00	0.00	030.1450.10000	030.1550.10000
33	Medical Equipment, peds	33.34	166.67	200.00	030.1450.10000	030.1550.10000
34	Stretchers for TelestrokeHill Rom Inv 23572371	26.39	131.95	158.34	030.1450.10000	030.1550.10000
35	Beds - 7 Hill Rom Inv 23580845	273.59	1,367.92	1,641.50	030.1450.10000	030.1550.10000
36	Cad Stream Server, Merge Inv II32799, PO	43.75	218.75	262.50	030.1450.10000	030.1550.10000
37	C-Arm Model 9900, GE 70375 PO 58385	1,736.11	8,680.55	10,416.66	030.1450.10000	030.1550.10000
38	Blinds, Peds office, Window coverup	0.00	0.00	0.00	030.1480.10000	030.1580.10000
39	Medical Equipment, peds	22.22	111.11	133.33	030.1450.10000	030.1550.10000
40	Welch/Allyn Wall Mount Diagnostic Set-Ped	30.56	152.78	183.34	030.1450.10000	030.1550.10000
41	Treatment Tables3 -PT, Universal Hospital Inv	15.28	76.39	91.67	030.1450.10000	030.1550.10000
42	Dishwashing Machine, Kittredge Inv H267008,	158.90	794.51	953.41	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
43	Ultra sound, GE Inv 520391673 PO	251.39	1,256.95	1,508.34	030.1450.10000	030.1550.10000
44	Stretchers, Heritage Med Inv 16028, PO 58963	59.72	298.61	358.33	030.1450.10000	030.1550.10000
45	Update Viewing Stations - Hudson, CDW PO	155.95	779.76	935.71	030.1450.10000	030.1550.10000
46	Replacement Centrifuge, Helmer Inv 144330	0.00	0.00	0.00	030.1450.10000	030.1550.10000
47	Lesion Generator, Neurotherm Inv 80849 PO	146.43	732.14	878.57	030.1450.10000	030.1550.10000
48	Steris Replacement, Olympus PO	300.00	1,500.00	1,800.00	030.1450.10000	030.1550.10000
49	Privacy Glass, PT Ducillo Inv 4410	27.38	136.90	164.28	030.1450.10000	030.1550.10000
50	Alarm Panel, Simplex Inv 40460212, PO 59743	67.86	339.29	407.15	030.1450.10000	030.1550.10000
51	Storz Image 1 P3 Camera, Total Repair Inv	17.86	89.29	107.15	030.1450.10000	030.1550.10000
52	Ultra sound, Phy for Women - Tri-State	400.00	2,000.00	2,400.00	030.1450.10000	030.1550.10000
53	Crypblation, Phy for Women - Tri-State	88.10	440.48	528.58	030.1450.10000	030.1550.10000
54	Affirm Micro, Phy for Women Tri-State	32.15	160.72	192.86	030.1450.10000	030.1550.10000
55	Ikon Copier - Tri-State	0.00	0.00	0.00	030.1450.10000	030.1550.10000
56	Server Transfer from ECHO Corporate	0.00	0.00	0.00	030.1470.10000	030.1570.10000
57	Buildings - Sharon Hospital - Main Hospital	0.00	0.00	0.00	030.1420.10000	030.1520.10000
58	Buildings - Medical Arts Building	0.00	0.00	0.00	030.1420.10000	030.1520.10000
59	Land - Sharon Hospital - Main Hospital	0.00	0.00	0.00	030.1400.10000	0
60	MRI System	1,912.50	9,562.50	11,475.00	030.1450.10000	030.1550.10000
61	Site Improvements - Sharon Hospital - Main	0.00	0.00	0.00	030.1420.10000	030.1520.10000
62	PACS	1,139.78	5,698.89	6,838.67	030.1450.10000	030.1550.10000
63	Site Improvements - Medical Arts Building	0.00	0.00	0.00	030.1420.10000	030.1520.10000
64	Land - Community Health Building	0.00	0.00	0.00	030.1400.10000	0
65	Land - Medical Arts Building	0.00	0.00	0.00	030.1400.10000	0
66	Buildings - Community Health Building	0.00	0.00	0.00	030.1420.10000	030.1520.10000
67	Mammography System	763.89	3,819.45	4,583.34	030.1450.10000	030.1550.10000
68	Radiographic/Fluoroscopic System	563.89	2,819.45	3,383.34	030.1450.10000	030.1550.10000
69	Dictation System	344.09	1,720.42	2,064.50	030.1450.10000	030.1550.10000
70	Buildings - Bargain Barn	0.00	0.00	0.00	030.1420.10000	030.1520.10000
71	Buildings - House - Corporate Apartments	0.00	0.00	0.00	030.1420.10000	030.1520.10000
72	Land - Hansen House - On-Call Apartment	0.00	0.00	0.00	030.1400.10000	0
73	Table, Surgical	40.61	203.05	243.66	030.1450.10000	030.1550.10000
74	Phones Lease	238.34	1,191.67	1,430.00	030.1450.10000	030.1550.10000
75	Land - Cottage C - Empty	0.00	0.00	0.00	030.1400.10000	0
76	Land - House - Corporate Apartments	0.00	0.00	0.00	030.1400.10000	0
77	Walk in Freezer	170.25	851.25	1,021.50	030.1450.10000	030.1550.10000
78	PACS	0.00	0.00	0.00	030.1450.10000	030.1550.10000
79	Dell Marketing	375.00	1,875.00	2,250.00	030.1450.10000	030.1550.10000
80	Insight Phone System	130.84	654.17	785.00	030.1450.10000	030.1550.10000
81	Buildings - Hansen House - On-Call Apartment	0.00	0.00	0.00	030.1420.10000	030.1520.10000
82	Buildings - Maintenance Barns (2)	0.00	0.00	0.00	030.1420.10000	030.1520.10000
83	CT Scanner	186.11	930.55	1,116.66	030.1450.10000	030.1550.10000
84	Analyzer, Coagulation	125.46	627.29	752.75	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
85	Analyzer, Coagulation	125.46	627.29	752.75	030.1450.10000	030.1550.10000
86	Radiographic System	166.66	833.33	1,000.00	030.1450.10000	030.1550.10000
87	Gamma Camera	166.66	833.33	1,000.00	030.1450.10000	030.1550.10000
88	Mobile C-Arm	347.22	1,736.11	2,083.33	030.1450.10000	030.1550.10000
89	CORE SWITCHES	127.84	639.17	767.00	030.1450.10000	030.1550.10000
90	Mobile C-Arm	277.78	1,388.89	1,666.67	030.1450.10000	030.1550.10000
91	Monitor, Central	140.28	701.39	841.67	030.1470.10000	030.1570.10000
92	STROKE CART	129.16	645.83	775.00	030.1450.10000	030.1550.10000
93	Ultrasound, Diagnostic	118.06	590.28	708.34	030.1450.10000	030.1550.10000
94	Radiographic System	112.50	562.50	675.00	030.1450.10000	030.1550.10000
95	Meditech Nursing Module	113.89	569.45	683.34	030.1450.10000	030.1550.10000
96	Anesthesia Machine	250.00	1,250.00	1,500.00	030.1450.10000	030.1550.10000
97	Anesthesia Machine	250.00	1,250.00	1,500.00	030.1450.10000	030.1550.10000
98	Anesthesia Machine	250.00	1,250.00	1,500.00	030.1450.10000	030.1550.10000
99	Anesthesia Machine	250.00	1,250.00	1,500.00	030.1450.10000	030.1550.10000
100	Surveillance Cameras	0.00	0.00	0.00	030.1450.10000	030.1550.10000
101	Computers	179.16	895.83	1,075.00	030.1470.10000	030.1570.10000
102	CR Reader	101.39	506.95	608.34	030.1450.10000	030.1550.10000
103	CR Reader	101.39	506.95	608.34	030.1450.10000	030.1550.10000
104	Video Tower	95.84	479.17	575.00	030.1450.10000	030.1550.10000
105	PACS Expansion	92.00	460.00	552.00	030.1450.10000	030.1550.10000
106	CAD - MRI	88.89	444.45	533.34	030.1450.10000	030.1550.10000
107	Ultrasound, Diagnostic	86.11	430.55	516.66	030.1450.10000	030.1550.10000
108	COMPUTERS -HOSPITAL	154.16	770.83	925.00	030.1470.10000	030.1570.10000
109	Refrigerator/Freezer, Walk-in	59.14	295.70	354.84	030.1450.10000	030.1550.10000
110	Cryostat	84.72	423.61	508.33	030.1450.10000	030.1550.10000
111	Dell Marketing	150.00	750.00	900.00	030.1450.10000	030.1550.10000
112	Bone Densitometer	80.56	402.78	483.34	030.1450.10000	030.1550.10000
113	Monitor, Central	77.78	388.89	466.67	030.1470.10000	030.1570.10000
114	Portable Radiographic	70.84	354.17	425.00	030.1450.10000	030.1550.10000
115	Tissue Processor	75.00	375.00	450.00	030.1450.10000	030.1550.10000
116	NURSE CALL SYSTEM	44.79	223.96	268.75	030.1450.10000	030.1550.10000
117	Ultrasound, Diagnostic	66.66	333.33	400.00	030.1450.10000	030.1550.10000
118	Ultrasound, Diagnostic	66.66	333.33	400.00	030.1450.10000	030.1550.10000
119	Sterilizer	69.44	347.22	416.67	030.1450.10000	030.1550.10000
120	Sterilizer	69.44	347.22	416.67	030.1450.10000	030.1550.10000
121	Monitor, Fetal	68.06	340.28	408.34	030.1470.10000	030.1570.10000
122	Monitor, Fetal	68.06	340.28	408.34	030.1470.10000	030.1570.10000
123	Monitor, Fetal	68.06	340.28	408.34	030.1470.10000	030.1570.10000
124	Monitor, Fetal	68.06	340.28	408.34	030.1470.10000	030.1570.10000
125	Utility Boom	47.19	235.97	283.17	030.1450.10000	030.1550.10000
126	Breast Biopsy System	59.72	298.61	358.33	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
127	Biopsy System	59.72	298.61	358.33	030.1450.10000	030.1550.10000
128	Dell Marketing	95.84	479.17	575.00	030.1450.10000	030.1550.10000
129	Laser Imager	51.39	256.95	308.34	030.1470.10000	030.1570.10000
130	Buildings - Cottage C - Empty	0.00	0.00	0.00	030.1420.10000	030.1520.10000
131	Kronos	50.00	250.00	300.00	030.1450.10000	030.1550.10000
132	COMPUTERS	87.50	437.50	525.00	030.1470.10000	030.1570.10000
133	Table, Surgical	48.97	244.86	293.83	030.1450.10000	030.1550.10000
134	POINT OF SERVICE	56.94	284.72	341.67	030.1450.10000	030.1550.10000
135	Ablation Device	47.22	236.11	283.33	030.1450.10000	030.1550.10000
136	MRI Expansion	34.65	173.26	207.91	030.1450.10000	030.1550.10000
137	Slit Lamp	47.22	236.11	283.33	030.1450.10000	030.1550.10000
138	Dell Marketing	83.34	416.67	500.00	030.1450.10000	030.1550.10000
139	Ulralinq Echo Storage	45.84	229.17	275.00	030.1450.10000	030.1550.10000
140	Injector, Angiographic	41.66	208.33	250.00	030.1450.10000	030.1550.10000
141	Washer/Disinfector	44.44	222.22	266.67	030.1450.10000	030.1550.10000
142	Pulmonary Function System	44.44	222.22	266.67	030.1450.10000	030.1550.10000
143	Handpiece	44.44	222.22	266.67	030.1450.10000	030.1550.10000
144	Forceps-Arthroscopy equip	41.81	209.03	250.84	030.1450.10000	030.1550.10000
145	Chairs/Drapes for Boardroom	31.07	155.35	186.42	030.1480.10000	030.1580.10000
146	Rad Room #4 Renovations (C&H Electric) From	31.07	155.35	186.42	030.1450.10000	030.1550.10000
147	Analyzer, Blood Culture	26.88	134.38	161.26	030.1450.10000	030.1550.10000
148	Analyzer, Blood Culture	26.88	134.38	161.26	030.1450.10000	030.1550.10000
149	Table, Surgical	40.61	203.05	243.66	030.1450.10000	030.1550.10000
150	5 COMPUTERS	70.84	354.17	425.00	030.1470.10000	030.1570.10000
151	Sleep Study System	40.28	201.39	241.67	030.1450.10000	030.1550.10000
152	DOCUMENT SCANNER	45.84	229.17	275.00	030.1470.10000	030.1570.10000
153	ANTI VIRUS	0.00	0.00	0.00	030.1470.10000	030.1570.10000
154	Injector, MRI	36.11	180.55	216.66	030.1450.10000	030.1550.10000
155	CDW Computer Centers Inc	66.66	333.33	400.00	030.1450.10000	030.1550.10000
156	Furnishing for Corp Apartmt	28.07	140.35	168.42	030.1480.10000	030.1580.10000
157	COMPUTERS	62.50	312.50	375.00	030.1470.10000	030.1570.10000
158	Table, Surgical	33.44	167.22	200.67	030.1450.10000	030.1550.10000
159	Monitor, Bedside	34.64	173.20	207.84	030.1470.10000	030.1570.10000
160	Monitor, Bedside	34.64	173.20	207.84	030.1470.10000	030.1570.10000
161	Monitor, Bedside	34.64	173.20	207.84	030.1470.10000	030.1570.10000
162	Monitor, Bedside	34.64	173.20	207.84	030.1470.10000	030.1570.10000
163	Hot Food Steam Table	33.34	166.67	200.00	030.1450.10000	030.1550.10000
164	Bladder Scanner	37.50	187.50	225.00	030.1450.10000	030.1550.10000
165	Sterilizer	31.94	159.72	191.67	030.1450.10000	030.1550.10000
166	Monitor, Telemetry	20.90	104.51	125.41	030.1470.10000	030.1570.10000
167	Steamer	30.56	152.78	183.34	030.1450.10000	030.1550.10000
168	Plate Warmer	30.56	152.78	183.34	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
169	Dell Marketing	54.16	270.83	325.00	030.1450.10000	030.1550.10000
170	Light, Birthing	30.56	152.78	183.34	030.1480.10000	030.1580.10000
171	Light, Birthing	30.56	152.78	183.34	030.1480.10000	030.1580.10000
172	Light, Birthing	30.56	152.78	183.34	030.1480.10000	030.1580.10000
173	Light, Birthing	30.56	152.78	183.34	030.1480.10000	030.1580.10000
174	Light, Birthing	30.56	152.78	183.34	030.1480.10000	030.1580.10000
175	Vascular System	29.16	145.83	175.00	030.1450.10000	030.1550.10000
176	Stretcher (6)	29.16	145.83	175.00	030.1450.10000	030.1550.10000
177	Anesthesia Machine	27.78	138.89	166.67	030.1450.10000	030.1550.10000
178	LARYNGOSCOPE BLADES	19.71	98.54	118.25	030.1450.10000	030.1550.10000
179	Micro Saw and Drill	27.78	138.89	166.67	030.1450.10000	030.1550.10000
180	Sterilizer	27.78	138.89	166.67	030.1450.10000	030.1550.10000
181	Holter Monitor System	27.78	138.89	166.67	030.1450.10000	030.1550.10000
182	Water Separator	27.78	138.89	166.67	030.1450.10000	030.1550.10000
183	COMPUTERS LATITUDE E6400	45.84	229.17	275.00	030.1470.10000	030.1570.10000
184	Incubator, Infant	26.39	131.95	158.34	030.1450.10000	030.1550.10000
185	Dell Marketing	45.84	229.17	275.00	030.1450.10000	030.1550.10000
186	Defibrillator	25.00	125.00	150.00	030.1450.10000	030.1550.10000
187	Stretcher (5)	25.00	125.00	150.00	030.1450.10000	030.1550.10000
188	Stretcher (7)	25.00	125.00	150.00	030.1450.10000	030.1550.10000
189	Beds	25.09	125.42	150.50	030.1450.10000	030.1550.10000
190	Heat Pump	25.00	125.00	150.00	030.1450.10000	030.1550.10000
191	Prep Station	23.61	118.05	141.66	030.1450.10000	030.1550.10000
192	Argon Beam Coagulator	23.61	118.05	141.66	030.1450.10000	030.1550.10000
193	Argon Beam Coagulator	23.61	118.05	141.66	030.1450.10000	030.1550.10000
194	EKG	23.61	118.05	141.66	030.1450.10000	030.1550.10000
195	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
196	Tourniquet	23.61	118.05	141.66	030.1450.10000	030.1550.10000
197	Tourniquet	23.61	118.05	141.66	030.1450.10000	030.1550.10000
198	Tourniquet	23.61	118.05	141.66	030.1450.10000	030.1550.10000
199	PACS SERVER	22.91	114.58	137.50	030.1450.10000	030.1550.10000
200	Gero Psych Low Beds	23.89	119.45	143.34	030.1450.10000	030.1550.10000
201	WATER SOFTNER	22.22	111.11	133.33	030.1450.10000	030.1550.10000
202	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
203	Fuel Tank monitoring and Leak Detection Syste	16.13	80.63	96.76	030.1450.10000	030.1550.10000
204	Digitizer, Film	20.84	104.17	125.00	030.1450.10000	030.1550.10000
205	Defibrillator	22.22	111.11	133.33	030.1450.10000	030.1550.10000
206	Freezer	22.22	111.11	133.33	030.1450.10000	030.1550.10000
207	Microscope (6)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
208	UPS for CT Scan	20.84	104.17	125.00	030.1450.10000	030.1550.10000
209	Mobile Treatment Recliners	22.22	111.11	133.33	030.1450.10000	030.1550.10000
210	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
211	Monitor, MRI	20.84	104.17	125.00	030.1470.10000	030.1570.10000
212	Portable Radiographic	19.44	97.22	116.67	030.1450.10000	030.1550.10000
213	Microscope, Surgical	20.31	101.53	121.84	030.1450.10000	030.1550.10000
214	Defibrillator	20.84	104.17	125.00	030.1450.10000	030.1550.10000
215	EMC Corp	20.84	104.17	125.00	030.1450.10000	030.1550.10000
216	Microscope	0.00	0.00	0.00	030.1450.10000	030.1550.10000
217	Microscope	0.00	0.00	0.00	030.1450.10000	030.1550.10000
218	Stress Test System	19.44	97.22	116.67	030.1450.10000	030.1550.10000
219	Bone Forcepts	19.11	95.55	114.66	030.1450.10000	030.1550.10000
220	5100 Radio Pager System	19.44	97.22	116.67	030.1450.10000	030.1550.10000
221	In house paging System	19.44	97.22	116.67	030.1450.10000	030.1550.10000
222	DELL COMPUTERS	0.00	0.00	0.00	030.1470.10000	030.1570.10000
223	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
224	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
225	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
226	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
227	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
228	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
229	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
230	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
231	Light, Surgical	19.11	95.55	114.66	030.1480.10000	030.1580.10000
232	Light, Surgical	19.11	95.55	114.66	030.1480.10000	030.1580.10000
233	Pump, IV (19)	18.06	90.28	108.34	030.1450.10000	030.1550.10000
234	PACS Expansion	18.06	90.28	108.34	030.1450.10000	030.1550.10000
235	ICU Ice Machine	18.06	90.28	108.34	030.1450.10000	030.1550.10000
236	Computers	0.00	0.00	0.00	030.1470.10000	030.1570.10000
237	Pro-Med Computer Upgrade	0.00	0.00	0.00	030.1470.10000	030.1570.10000
238	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
239	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
240	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
241	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
242	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
243	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
244	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
245	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
246	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
247	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
248	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
249	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
250	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
251	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
252	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000

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253	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
254	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
255	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
256	Defibrillator	18.06	90.28	108.34	030.1450.10000	030.1550.10000
257	Endoscope, Flexible (5)	16.66	83.33	100.00	030.1450.10000	030.1550.10000
258	Cataract Tray	18.06	90.28	108.34	030.1450.10000	030.1550.10000
259	Phototherapy Lights	18.06	90.28	108.34	030.1450.10000	030.1550.10000
260	SALT SPREADER	18.06	90.28	108.34	030.1450.10000	030.1550.10000
261	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
262	Dietary Chairs	12.54	62.71	75.25	030.1450.10000	030.1550.10000
263	Gazebo Furniture	12.54	62.71	75.25	030.1480.10000	030.1580.10000
264	Defibrillator	18.06	90.28	108.34	030.1450.10000	030.1550.10000
265	Defibrillator	18.06	90.28	108.34	030.1450.10000	030.1550.10000
266	CDW	0.00	0.00	0.00	030.1470.10000	030.1570.10000
267	Computer Backup System	0.00	0.00	0.00	030.1470.10000	030.1570.10000
268	ON-LINE CREDIT CARD PROCESSING	0.00	0.00	0.00	030.1470.10000	030.1570.10000
269	Ventilator, Adult	15.28	76.39	91.67	030.1450.10000	030.1550.10000
270	Defibrillator	15.28	76.39	91.67	030.1450.10000	030.1550.10000
271	Eye Wash Station	15.28	76.39	91.67	030.1450.10000	030.1550.10000
272	Ventilator, Adult	15.28	76.39	91.67	030.1450.10000	030.1550.10000
273	Ventilator, Adult	15.28	76.39	91.67	030.1450.10000	030.1550.10000
274	EYE HANDPIECE	15.28	76.39	91.67	030.1450.10000	030.1550.10000
275	Lumbar and Spine Instruments	15.28	76.39	91.67	030.1450.10000	030.1550.10000
276	Meat Slicer	15.28	76.39	91.67	030.1450.10000	030.1550.10000
277	Oven	15.28	76.39	91.67	030.1450.10000	030.1550.10000
278	Nortel WLAN Access Port	0.00	0.00	0.00	030.1470.10000	030.1570.10000
279	Monitor, Telemetry	8.96	44.79	53.75	030.1470.10000	030.1570.10000
280	Monitor, Patient	0.00	0.00	0.00	030.1470.10000	030.1570.10000
281	Monitor, Bedside	14.34	71.67	86.00	030.1470.10000	030.1570.10000
282	ELLIPTICAL CROSSTRAINER	0.00	0.00	0.00	030.1450.10000	030.1550.10000
283	BARIATRIC RECLINER	0.00	0.00	0.00	030.1450.10000	030.1550.10000
284	LOW BEDS	14.34	71.67	86.00	030.1450.10000	030.1550.10000
285	LOW BEDS	14.34	71.67	86.00	030.1450.10000	030.1550.10000
286	COMPUTERS	0.00	0.00	0.00	030.1470.10000	030.1570.10000
287	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
288	Gazebo Furniture	9.56	47.78	57.34	030.1480.10000	030.1580.10000
289	Hartford Fine Art & Framing	9.56	47.78	57.34	030.1480.10000	030.1580.10000
290	Optimus Arch	0.00	0.00	0.00	030.1450.10000	030.1550.10000
291	Optimus Arch	0.00	0.00	0.00	030.1450.10000	030.1550.10000
292	PHONES	0.00	0.00	0.00	030.1450.10000	030.1550.10000
293	Monitor, Bedside	13.14	65.70	78.84	030.1470.10000	030.1570.10000
294	Monitor, Bedside	13.14	65.70	78.84	030.1470.10000	030.1570.10000

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295	Microtome	0.00	0.00	0.00	030.1450.10000	030.1550.10000
296	Monitor, Bedside	13.14	65.70	78.84	030.1470.10000	030.1570.10000
297	Monitor, Bedside	13.14	65.70	78.84	030.1470.10000	030.1570.10000
298	Monitor, Bedside	13.14	65.70	78.84	030.1470.10000	030.1570.10000
299	Monitor, Bedside	13.14	65.70	78.84	030.1470.10000	030.1570.10000
300	Hardware to support Meditide	0.00	0.00	0.00	030.1470.10000	030.1570.10000
301	CAD System	0.00	0.00	0.00	030.1450.10000	030.1550.10000
302	Integra Lifesciences Corp (instruments)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
303	Hartford Fine Art & Framing	8.96	44.79	53.75	030.1480.10000	030.1580.10000
304	Lobby Furniture Upholstery	8.96	44.79	53.75	030.1480.10000	030.1580.10000
305	Optimus Arch	0.00	0.00	0.00	030.1450.10000	030.1550.10000
306	Owens & Minor	0.00	0.00	0.00	030.1450.10000	030.1550.10000
307	Refrigerator, Walk-in	7.76	38.82	46.58	030.1450.10000	030.1550.10000
308	Thyroid Uptake	0.00	0.00	0.00	030.1450.10000	030.1550.10000
309	Cell Washer	0.00	0.00	0.00	030.1450.10000	030.1550.10000
310	Freezer	0.00	0.00	0.00	030.1450.10000	030.1550.10000
311	Light, Exam	0.00	0.00	0.00	030.1480.10000	030.1580.10000
312	Electrosurgical Unit	0.00	0.00	0.00	030.1450.10000	030.1550.10000
313	File Cabinet & Shelf	8.36	41.80	50.16	030.1480.10000	030.1580.10000
314	LOCK SYSTEM	8.36	41.80	50.16	030.1450.10000	030.1550.10000
315	Centrifuge	0.00	0.00	0.00	030.1450.10000	030.1550.10000
316	Defibrillator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
317	Defibrillator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
318	Treatment Tables	0.00	0.00	0.00	030.1450.10000	030.1550.10000
319	Treatment Tables	0.00	0.00	0.00	030.1450.10000	030.1550.10000
320	GK Electric LLC	0.00	0.00	0.00	030.1450.10000	030.1550.10000
321	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
322	Trash Recepticles	8.36	41.80	50.16	030.1480.10000	030.1580.10000
323	Treadmill	0.00	0.00	0.00	030.1450.10000	030.1550.10000
324	Treadmill	0.00	0.00	0.00	030.1450.10000	030.1550.10000
325	DIGITAL VITALS MACHINE	0.00	0.00	0.00	030.1450.10000	030.1550.10000
326	Temp Pacemaker	0.00	0.00	0.00	030.1450.10000	030.1550.10000
327	Telemetry Units	7.16	35.83	43.00	030.1450.10000	030.1550.10000
328	Ultra Shoulder Positioner	0.00	0.00	0.00	030.1450.10000	030.1550.10000
329	Sink /Facet	7.76	38.82	46.58	030.1450.10000	030.1550.10000
330	Athena Travel invoice	0.00	0.00	0.00	030.1470.10000	030.1570.10000
331	Hydrocollator Mobile Heatg Unit	0.00	0.00	0.00	030.1450.10000	030.1550.10000
332	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
333	SERVERS-COMPUTER	0.00	0.00	0.00	030.1470.10000	030.1570.10000
334	FOOD WARMER	0.00	0.00	0.00	030.1450.10000	030.1550.10000
335	Athena	0.00	0.00	0.00	030.1470.10000	030.1570.10000
336	DOCUMENT SCANNERS	0.00	0.00	0.00	030.1470.10000	030.1570.10000

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337	Optimus Arch	0.00	0.00	0.00	030.1450.10000	030.1550.10000
338	Pathology Dictation Equipmt	0.00	0.00	0.00	030.1470.10000	030.1570.10000
339	Electrocardiograph	0.00	0.00	0.00	030.1450.10000	030.1550.10000
340	Electrocardiograph	0.00	0.00	0.00	030.1450.10000	030.1550.10000
341	Microscope, Surgical	0.00	0.00	0.00	030.1450.10000	030.1550.10000
342	Performa bobath	0.00	0.00	0.00	030.1450.10000	030.1550.10000
343	Stirrups for OB Cased	0.00	0.00	0.00	030.1450.10000	030.1550.10000
344	SERVER-COMPUTER	0.00	0.00	0.00	030.1470.10000	030.1570.10000
345	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
346	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
347	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
348	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
349	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
350	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
351	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
352	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
353	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
354	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
355	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
356	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
357	Incubator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
358	Hood , Biomedical	0.00	0.00	0.00	030.1450.10000	030.1550.10000
359	Light, Exam (6)	0.00	0.00	0.00	030.1480.10000	030.1580.10000
360	Endoscope, Flexible (6)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
361	Monitor, Fetal (3)	0.00	0.00	0.00	030.1470.10000	030.1570.10000
362	Laparascopic Gallbladder Instrument Set	0.00	0.00	0.00	030.1450.10000	030.1550.10000
363	Computer Optiplex 760	0.00	0.00	0.00	030.1470.10000	030.1570.10000
364	Suction Regulators-Med Surg	0.00	0.00	0.00	030.1450.10000	030.1550.10000
365	Sona Speech Machine	0.00	0.00	0.00	030.1470.10000	030.1570.10000
366	Bed, Patient (7)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
367	Bed, Patient (8)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
368	Radiology Record Shelving	0.00	0.00	0.00	030.1450.10000	030.1550.10000
369	Stretcher (2)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
370	Beds	0.00	0.00	0.00	030.1450.10000	030.1550.10000
371	Fisher Healthcare	0.00	0.00	0.00	030.1450.10000	030.1550.10000
372	Hill rom	0.00	0.00	0.00	030.1450.10000	030.1550.10000
373	Network Switch Replacement	0.00	0.00	0.00	030.1470.10000	030.1570.10000
374	Power Vault Stoage for CMS	0.00	0.00	0.00	030.1450.10000	030.1550.10000
375	Driver Set	0.00	0.00	0.00	030.1450.10000	030.1550.10000
376	ER Chairs	0.00	0.00	0.00	030.1480.10000	030.1580.10000
377	Harmonic Scalpel	0.00	0.00	0.00	030.1450.10000	030.1550.10000
378	Monitor, NIBP	0.00	0.00	0.00	030.1470.10000	030.1570.10000

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379	Total Gym 200030.9100.10.0.0	0.00	0.00	0.00	030.1450.10000	030.1550.10000
380	TREATMENT TABLE	0.00	0.00	0.00	030.1450.10000	030.1550.10000
381	OXICLIP ADULT FINGER SENSOR	0.00	0.00	0.00	030.1450.10000	030.1550.10000
382	Oven	0.00	0.00	0.00	030.1450.10000	030.1550.10000
383	Garbage Disposal	0.00	0.00	0.00	030.1450.10000	030.1550.10000
384	Auscultation Trainer	0.00	0.00	0.00	030.1450.10000	030.1550.10000
385	Treadmill	0.00	0.00	0.00	030.1450.10000	030.1550.10000
386	AC UNIT-MEDICAL ARTS	0.00	0.00	0.00	030.1450.10000	030.1550.10000
387	Carts	0.00	0.00	0.00	030.1450.10000	030.1550.10000
388	Sink for OR	0.00	0.00	0.00	030.1450.10000	030.1550.10000
389	Portable AC Unit	0.00	0.00	0.00	030.1450.10000	030.1550.10000
390	EMC Corp	0.00	0.00	0.00	030.1450.10000	030.1550.10000
391	Formfast check Printing Software	0.00	0.00	0.00	030.1470.10000	030.1570.10000
392	Knee Positioner	0.00	0.00	0.00	030.1450.10000	030.1550.10000
393	Raintech Sound & Comm Inc	0.00	0.00	0.00	030.1450.10000	030.1550.10000
394	Grossing Station	0.00	0.00	0.00	030.1450.10000	030.1550.10000
395	Refigerator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
396	Refigerator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
397	Refigerator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
398	Phlebotomy Chair	0.00	0.00	0.00	030.1480.10000	030.1580.10000
399	Monitor, NIBP (4)	0.00	0.00	0.00	030.1470.10000	030.1570.10000
400	Mannequin	0.00	0.00	0.00	030.1450.10000	030.1550.10000
401	Meditech Equipmt Loan/Swap	0.00	0.00	0.00	030.1450.10000	030.1550.10000
402	Router-Wireless Project	0.00	0.00	0.00	030.1470.10000	030.1570.10000
403	Staples Advantage	0.00	0.00	0.00	030.1450.10000	030.1550.10000
404	TVs 5	0.00	0.00	0.00	030.1470.10000	030.1570.10000
405	Bed, Birthing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
406	Bed, Birthing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
407	Bed, Birthing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
408	Bed, Birthing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
409	Cabinet, Warming	0.00	0.00	0.00	030.1450.10000	030.1550.10000
410	Cabinet, Warming	0.00	0.00	0.00	030.1450.10000	030.1550.10000
411	Cabinet, Warming	0.00	0.00	0.00	030.1450.10000	030.1550.10000
412	Injector, CT	0.00	0.00	0.00	030.1450.10000	030.1550.10000
413	Cryostat	0.00	0.00	0.00	030.1450.10000	030.1550.10000
414	Table, Imaging	0.00	0.00	0.00	030.1450.10000	030.1550.10000
415	Wall Mount Diagnost Set	0.00	0.00	0.00	030.1450.10000	030.1550.10000
416	Endoscope, Flexible (2)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
417	Light, Surgical (2)	0.00	0.00	0.00	030.1480.10000	030.1580.10000
418	Warmer, Infant (2)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
419	Storage System	0.00	0.00	0.00	030.1450.10000	030.1550.10000
420	Wheelchairs	0.00	0.00	0.00	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
421	TimeClock 2N	0.00	0.00	0.00	030.1450.10000	030.1550.10000
422	HDTV 1080P SONY	0.00	0.00	0.00	030.1470.10000	030.1570.10000
423	(2) Dave's TV	0.00	0.00	0.00	030.1470.10000	030.1570.10000
424	Chairs for Lab Office	0.00	0.00	0.00	030.1480.10000	030.1580.10000
425	Computer Software	0.00	0.00	0.00	030.1470.10000	030.1570.10000
426	Containers	0.00	0.00	0.00	030.1450.10000	030.1550.10000
427	ED Meditech Module	0.00	0.00	0.00	030.1450.10000	030.1550.10000
428	Used Furniture	0.00	0.00	0.00	030.1480.10000	030.1580.10000
429	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
430	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
431	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
432	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
433	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
434	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
435	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
436	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
437	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
438	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
439	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
440	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
441	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
442	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
443	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
444	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
445	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
446	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
447	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
448	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
449	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
450	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
451	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
452	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
453	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
454	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
455	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
456	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
457	Refrigerator, Blood Bank	0.00	0.00	0.00	030.1450.10000	030.1550.10000
458	Table, Autopsy	0.00	0.00	0.00	030.1450.10000	030.1550.10000
459	Phacoemulsifier	0.00	0.00	0.00	030.1450.10000	030.1550.10000
460	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
461	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
462	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000

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463	Monitor, NIBP	0.00	0.00	0.00	030.1470.10000	030.1570.10000
464	Monitor, NIBP	0.00	0.00	0.00	030.1470.10000	030.1570.10000
465	Monitor, NIBP	0.00	0.00	0.00	030.1470.10000	030.1570.10000
466	Bed, Patient	0.00	0.00	0.00	030.1450.10000	030.1550.10000
467	Bed, Patient	0.00	0.00	0.00	030.1450.10000	030.1550.10000
468	Refrigerator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
469	Med Fridge	0.00	0.00	0.00	030.1450.10000	030.1550.10000
470	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
471	Meehan & Goodin	0.00	0.00	0.00	030.1450.10000	030.1550.10000
472	Outdoor Tables	0.00	0.00	0.00	030.1480.10000	030.1580.10000
473	Owens	0.00	0.00	0.00	030.1450.10000	030.1550.10000
474	PACS Expansion	0.00	0.00	0.00	030.1450.10000	030.1550.10000
475	Abbott Lab	0.00	0.00	0.00	030.1450.10000	030.1550.10000
476	licensing for 3M system (2)	23.04	115.18	138.22	030.1450.10000	030.1550.10000
477	Cart Intelect XT & Transport	0.00	0.00	0.00	030.1450.10000	030.1550.10000
478	N600 Pulse OX, 1 yr, adk kit	10.75	53.75	64.50	030.1450.10000	030.1550.10000
479	High Definition Eyecup camera head	781.87	3,909.35	4,691.22	030.1450.10000	030.1550.10000
480	High Definition Urology Camera Head	36.87	184.35	221.22	030.1450.10000	030.1550.10000
481	(2each) HD camera, control, etc.	175.12	875.60	1,050.72	030.1450.10000	030.1550.10000
482	Certegra Workstation	172.56	862.80	1,035.36	030.1450.10000	030.1550.10000
483	Video carts (2)	46.60	232.98	279.58	030.1450.10000	030.1550.10000
484	Colpac Unit C-5 w/6 std & 6 half sz coldpac	7.68	38.39	46.07	030.1450.10000	030.1550.10000
485	Hypothermia Machine	0.00	0.00	0.00	030.1450.10000	030.1550.10000
486	Hypothermia Machine	19.96	99.82	119.79	030.1450.10000	030.1550.10000
487	NIBP MONITORSCareScape printers,	105.95	529.76	635.71	030.1450.10000	030.1550.10000
488	Mettler Balance 120G/41G X 0.1 MG/0.01M	18.43	92.14	110.57	030.1450.10000	030.1550.10000
489	IM4123 High Definition 3ccd Urology Camera	36.87	184.35	221.22	030.1450.10000	030.1550.10000
490	2013 Chevy Silverado	98.31	491.55	589.86	030.1450.10000	030.1550.10000
491	Infiltration Pump	9.72	48.63	58.36	030.1450.10000	030.1550.10000
492	ms-SQL 3M Conversion software	0.00	0.00	0.00	030.1470.10000	030.1570.10000
493	Intelect Legend XT 4 channel combp w/5 cm	11.26	56.31	67.57	030.1450.10000	030.1550.10000
494	10 desktops	108.34	541.67	650.00	030.1470.10000	030.1570.10000
495	Medlux GPI Ceiling Graphics CT Project	0.00	0.00	0.00	030.1450.10000	030.1550.10000
496	Laptops HP SB 8470P (4)	0.00	0.00	0.00	030.1470.10000	030.1570.10000
497	4 LAPTOPS FOR MEDICAL EDUCATION	0.00	0.00	0.00	030.1470.10000	030.1570.10000
498	Ice MachinesDispenser 12# Air Cooled	19.45	97.26	116.71	030.1450.10000	030.1550.10000
499	Treatment recliner (3)	26.63	133.15	159.78	030.1450.10000	030.1550.10000
500	DASH4-FEAG-XAXB-XAAX	46.60	232.98	279.58	030.1450.10000	030.1550.10000
501	Bike upright nautilus 10 series w/7" touch	12.80	63.99	76.79	030.1450.10000	030.1550.10000
502	Cable Crossover - Free standing	14.34	71.67	86.00	030.1450.10000	030.1550.10000
503	QD head coil	57.35	286.73	344.08	030.1450.10000	030.1550.10000
504	Removal of Asb. Floor tile, mastic, etc from CT	0.00	0.00	0.00	0	0

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505	Re-install all curtains CT SCAN	0.00	0.00	0.00	030.1450.10000	030.1550.10000
506	Kangaroo Epump (5)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
507	Preparation & painting of interior of Dr. Smith's	20.47	102.38	122.86	030.1450.10000	030.1550.10000
508	Monitor, ABP (2)	22.01	110.06	132.07	030.1470.10000	030.1570.10000
509	6 Channel TeleRehab versaCare - Single	150.02	750.12	900.14	030.1450.10000	030.1550.10000
510	Guest Wireless	6.15	30.72	36.86	030.1470.10000	030.1570.10000
511	4 LAPTOPS FOR MEDICAL EDUCATION	0.00	0.00	0.00	030.1470.10000	030.1570.10000
512	Histology Strainer	100.87	504.35	605.22	030.1450.10000	030.1550.10000
513	Anesthisia machine	31.24	156.19	187.43	030.1450.10000	030.1550.10000
514	MOB Wireless	97.29	486.43	583.72	030.1470.10000	030.1570.10000
515	MOB Wireless	54.79	273.93	328.72	030.1470.10000	030.1570.10000
516	MOB Wireless	0.00	0.00	0.00	030.1470.10000	030.1570.10000
517	Ground penetrating Radar ct PROJECT	0.00	0.00	0.00	030.1450.10000	030.1550.10000
518	Dr Smiths office painting and interior	19.45	97.26	116.71	030.1480.10000	030.1580.10000
519	Network Cabling	6.66	33.28	39.94	030.1470.10000	030.1570.10000
520	Network Cabling	6.66	33.28	39.94	030.1470.10000	030.1570.10000
521	Dragon Medical Practice Edition	0.00	0.00	0.00	030.1470.10000	030.1570.10000
522	Fabricate and install the pan	0.00	0.00	0.00	030.1450.10000	030.1550.10000
523	Dr. Astraskus move	0.00	0.00	0.00	030.1450.10000	030.1550.10000
524	Dr. Astraskus move	0.00	0.00	0.00	030.1450.10000	030.1550.10000
525	Dr. Astraskus move	0.00	0.00	0.00	030.1450.10000	030.1550.10000
526	Dr. Astrauskas	26.12	130.60	156.72	030.1450.10000	030.1550.10000
527	ICU Telemetry	11.77	58.87	70.64	030.1450.10000	030.1550.10000
528	CT Lung Software	231.19	1,155.94	1,387.13	030.1450.10000	030.1550.10000
529	Dr. Astrauskas	0.00	0.00	0.00	030.1450.10000	030.1550.10000
530	Sleep Room Comfort Control	8.19	40.95	49.14	030.1450.10000	030.1550.10000
531	Laptops for Dr. Sussman's office	0.00	0.00	0.00	030.1470.10000	030.1570.10000
532	Laptops Dr. Sussman	0.00	0.00	0.00	030.1470.10000	030.1570.10000
533	Dr. Astraskus move	0.00	0.00	0.00	030.1450.10000	030.1550.10000
534	Quality Control Data Analyizer	53.75	268.75	322.50	030.1450.10000	030.1550.10000
535	TV REMOVAL	0.00	0.00	0.00	030.1470.10000	030.1570.10000
536	Stryker Stretcher Chair	17.91	89.58	107.50	030.1480.10000	030.1580.10000
537	Guest Wireless	13.44	67.19	80.63	030.1470.10000	030.1570.10000
538	CT Scan Room Rennovations	0.00	0.00	0.00	0	0
539	Mamography reporting system	23.30	116.51	139.81	030.1450.10000	030.1550.10000
540	Registration area	19.71	98.54	118.25	030.1450.10000	030.1550.10000
541	SONY IPELA CAMERA REMOTE INSTALLED	0.00	0.00	0.00	030.1470.10000	030.1570.10000
542	RHA Think Pads (2)	25.09	125.47	150.56	030.1450.10000	030.1550.10000
543	Chiller Tower Media Replacement	24.20	120.99	145.19	030.1450.10000	030.1550.10000
544	Registration area	6.27	31.35	37.62	030.1450.10000	030.1550.10000
545	Registration area	23.30	116.51	139.81	030.1450.10000	030.1550.10000
546	Optical through cutting Biopsy focep	4.93	24.64	29.57	030.1450.10000	030.1550.10000

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547	Cardiology Move	8.96	44.79	53.75	030.1450.10000	030.1550.10000
548	Autoscrubber T3	22.85	114.27	137.13	030.1450.10000	030.1550.10000
549	Weil Mclain WTGO5 Gold Boiler	30.47	152.35	182.82	030.1450.10000	030.1550.10000
550	MOB Roof	0.00	0.00	0.00	030.1420.10000	030.1520.10000
551	10 laptops and software	86.11	430.55	516.66	030.1470.10000	030.1570.10000
552	10 laptops and software	0.00	0.00	0.00	030.1470.10000	030.1570.10000
553	10 laptops and software	194.44	972.22	1,166.67	030.1470.10000	030.1570.10000
554	Carpeting various locations	0.00	0.00	0.00	0	0
555	Carpeting various locations	0.00	0.00	0.00	0	0
556	Carpeting various locations	0.00	0.00	0.00	0	0
557	DOOR HINGE REPLACEMENT	0.00	0.00	0.00	030.1420.10000	030.1520.10000
558	DOOR HINGE REPLACEMENT	0.00	0.00	0.00	030.1420.10000	030.1520.10000
559	ROOF REPLACEMENT	0.00	0.00	0.00	030.1420.10000	030.1520.10000
560	ROOF REPLACEMENT	0.00	0.00	0.00	030.1420.10000	030.1520.10000
561	ROOF REPLACEMENT	0.00	0.00	0.00	030.1420.10000	030.1520.10000
562	Software licensing	26.88	134.38	161.26	030.1470.10000	030.1570.10000
563	MOB WIRELESS	187.50	937.50	1,125.00	030.1470.10000	030.1570.10000
564	6 ft coaxile for MOB wirless	0.00	0.00	0.00	030.1470.10000	030.1570.10000
565	26" TV SAMSUNG (32)	113.10	565.48	678.58	030.1470.10000	030.1570.10000
566	Carpeting various locations	0.00	0.00	0.00	0	0
567	(22) 26" TV'S REPLACEMENT	38.10	190.48	228.58	030.1470.10000	030.1570.10000
568	6 ft coaxile for MOB wirless	0.00	0.00	0.00	030.1470.10000	030.1570.10000
569	GEN 4 DIGITAL TV NURSE CALL	25.09	125.42	150.50	030.1470.10000	030.1570.10000
570	COLLIMATOR REPLACEMENT RAD ROOM 4	65.47	327.38	392.86	030.1450.10000	030.1550.10000
571	LOCKING REFRIGERATOR	0.00	0.00	0.00	030.1450.10000	030.1550.10000
572	UTILITY CART	0.00	0.00	0.00	030.1450.10000	030.1550.10000
573	BABY SCALE DIGITAL	0.00	0.00	0.00	030.1450.10000	030.1550.10000
574	TREATMENT TABLE SUITE 1600	0.00	0.00	0.00	030.1450.10000	030.1550.10000
575	TREATMENT TABLE SUITE 1600	0.00	0.00	0.00	030.1450.10000	030.1550.10000
576	RNNOVATIONS	0.00	0.00	0.00	0	0
577	RNNOVATIONS	0.00	0.00	0.00	0	0
578	WELCH ALLYN 767 WALL SYSTEM	29.76	148.81	178.57	030.1450.10000	030.1550.10000
579	RNNOVATIONS	0.00	0.00	0.00	0	0
580	INTERFACE FOR VITROS 5600	29.76	148.81	178.57	030.1450.10000	030.1550.10000
581	Selenia tungsten base system service	253.57	1,267.86	1,521.43	030.1450.10000	030.1550.10000
582	STRAP TOGGLE 1/4"	0.00	0.00	0.00	030.1450.10000	030.1550.10000
583	TOSHIBA AMERICA MEDICAL SYSTEMS	298.81	1,494.05	1,792.86	030.1450.10000	030.1550.10000
584	Wireless	175.63	878.13	1,053.76	030.1470.10000	030.1570.10000
585	Ob rennovations painting	8.96	44.79	53.75	030.1450.10000	030.1550.10000
586	Registration waiting area	6.27	31.35	37.62	030.1450.10000	030.1550.10000
587	Glass Enclosures	23.30	116.51	139.81	030.1450.10000	030.1550.10000
588	TJ's Custom Floors	4.93	24.64	29.57	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
589	Recliner Caremore (3)	7.62	38.08	45.70	030.1450.10000	030.1550.10000
590	TJ's Custom Floors	17.91	89.58	107.50	030.1450.10000	030.1550.10000
591	Anesthsia Machine	99.01	495.05	594.06	030.1450.10000	030.1550.10000
592	Guarmarx Specimen Boxes	12.54	62.71	75.25	030.1450.10000	030.1550.10000
593	Wiring for automated doors wound care	0.00	0.00	0.00	030.1450.10000	030.1550.10000
594	Pemkp Hinges Installed	39.43	197.14	236.57	030.1450.10000	030.1550.10000
595	Drop Arm Commodes	11.65	58.23	69.88	030.1450.10000	030.1550.10000
596	12 Lazy Boy Florin Guest Chairs	28.68	143.39	172.07	030.1480.10000	030.1580.10000
597	Bariatric transported	18.81	94.06	112.87	030.1450.10000	030.1550.10000
598	MOB Roof work	47.04	235.21	282.25	030.1450.10000	030.1550.10000
599	26" NDS Monitors	38.53	192.66	231.19	030.1470.10000	030.1570.10000
600	MVS Ultrasound	30.47	152.35	182.82	030.1450.10000	030.1550.10000
601	Sytemm 777 Opthalmoscope & otoscope	0.00	0.00	0.00	030.1450.10000	030.1550.10000
602	vENTILATOR	37.19	185.94	223.13	030.1450.10000	030.1550.10000
603	CANOPY LOADING DOCK	13.44	67.19	80.63	030.1450.10000	030.1550.10000
604	(2) TREATMENT TABLES	10.30	51.51	61.81	030.1450.10000	030.1550.10000
605	Ventilator	5.38	26.88	32.26	030.1450.10000	030.1550.10000
606	Cardio Pacs	13.82	69.11	82.93	030.1450.10000	030.1550.10000
607	enovate latop cart	4.93	24.64	29.57	030.1450.10000	030.1550.10000
608	LAPTOP CART	0.00	0.00	0.00	030.1470.10000	030.1570.10000
609	INSTALLATION OF DOOR	9.85	49.27	59.13	030.1450.10000	030.1550.10000
610	OR SONIC IRRAGATOR	101.25	506.25	607.50	030.1450.10000	030.1550.10000
611	OR humidity control	39.43	197.14	236.57	030.1450.10000	030.1550.10000
612	Purchase of Dr. Sussman's practice	0.00	0.00	0.00	030.1420.10000	030.1520.10000
613	Pacs system	537.63	2,688.13	3,225.76	030.1450.10000	030.1550.10000
614	chemistry analyzer lease	2,627.25	13,136.25	15,763.50	030.1450.10000	030.1550.10000
615	Enovate Laptop Cart	0.00	0.00	0.00	030.1470.10000	030.1570.10000
616	Replacement of Carpet	7.16	35.83	43.00	030.1450.10000	030.1550.10000
617	High definition Urology Camera	37.90	189.47	227.36	030.1450.10000	030.1550.10000
618	Wireless network	13.31	66.55	79.86	030.1470.10000	030.1570.10000
619	Guarmarx Specimen Boxes	28.23	141.15	169.38	030.1450.10000	030.1550.10000
620	Ge Soloar 8000i ECG NIBP	39.43	197.14	236.57	030.1450.10000	030.1550.10000
621	Low Beds (4)	128.31	641.58	769.90	030.1450.10000	030.1550.10000
622	BIG WHEEL STRETCHERS (2)	44.35	221.77	266.13	030.1450.10000	030.1550.10000
623	trade in on steris from 2012	0.00	0.00	0.00	030.1450.10000	030.1550.10000
624	HOER LIFT	23.75	118.75	142.50	030.1450.10000	030.1550.10000
625	ct ELECTRICAL RENNOVATION	0.00	0.00	0.00	0	0
626	GERI CHAIR	9.85	49.27	59.13	030.1450.10000	030.1550.10000
627	TABLET	11.65	58.23	69.88	030.1470.10000	030.1570.10000
628	Treadmill	30.10	150.50	180.60	030.1450.10000	030.1550.10000
629	COLPOSCOPE	84.84	424.17	509.00	030.1450.10000	030.1550.10000
630	3 DESK PRO COMPUTERS	0.00	0.00	0.00	030.1470.10000	030.1570.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
631	CARD READER	32.25	161.25	193.50	030.1450.10000	030.1550.10000
632	CARDIOLOGY [ACS	16.13	80.63	96.76	030.1450.10000	030.1550.10000
633	CARDIOLOGY [ACS	0.00	0.00	0.00	030.1450.10000	030.1550.10000
634	Food Thermiliazer replacement	9.40	47.03	56.44	030.1450.10000	030.1550.10000
635	TrabsAir3 PFT system	101.70	508.49	610.19	030.1450.10000	030.1550.10000
636	Expansion Feasibility	24.65	123.23	147.88	030.1450.10000	030.1550.10000
637	SCALE FOR ED	7.16	35.83	43.00	030.1450.10000	030.1550.10000
638	PANDA WARMER	52.97	264.82	317.78	030.1450.10000	030.1550.10000
639	COLOPSCOPE	33.15	165.73	198.88	030.1450.10000	030.1550.10000
640	ORTHOPEDIC PEGBOARD	11.54	57.73	69.28	030.1450.10000	030.1550.10000
641	ICE MAKER	12.74	63.70	76.44	030.1450.10000	030.1550.10000
642	CENTRIFUGE 24C	12.34	61.71	74.05	030.1450.10000	030.1550.10000
643	LAB CHEMISTRY 180	47.50	237.50	285.00	030.1450.10000	030.1550.10000
644	DRAGON SOFTWARE	59.75	298.75	358.50	030.1470.10000	030.1570.10000
645	MICROSCOPE BX 43 THREE	148.75	743.75	892.50	030.1450.10000	030.1550.10000
646	GARBAGE DISPOSAL	7.97	39.82	47.78	030.1450.10000	030.1550.10000
647	ACMEWARE SOFTWARE LICENSE	311.84	1,559.17	1,871.00	030.1470.10000	030.1570.10000
648	PHARMACY ONE SOURCE LICENSE	331.90	1,659.50	1,991.40	030.1470.10000	030.1570.10000
649	HEATEK 300 SLIDE STAINER	39.03	195.14	234.17	030.1450.10000	030.1550.10000
650	VERSACARE BED MODEL =3200	36.44	182.22	218.67	030.1450.10000	030.1550.10000
651	ICE APEXPREO TELEMETRY TRANSMITTER	0.00	0.00	0.00	030.1450.10000	030.1550.10000
652	MEDICAL ARMS	18.32	91.58	109.90	030.1450.10000	030.1550.10000
653	MEDICAL ARTS WATER HEATER	9.56	47.78	57.34	030.1450.10000	030.1550.10000
654	OVERBED TABLES (40)	103.94	519.72	623.67	030.1450.10000	030.1550.10000
655	Ortho surgical	151.74	758.68	910.42	030.1450.10000	030.1550.10000
656	Ortho surgical	21.50	107.50	129.00	030.1450.10000	030.1550.10000
657	CARDIOLOGY PACS SYSTEM	1,417.56	7,087.78	8,505.34	030.1450.10000	030.1550.10000
658	Venue 40 Demo Ultrasound	87.61	438.05	525.66	030.1450.10000	030.1550.10000
659	CDIS Infrastructure	16.72	83.61	100.33	030.1450.10000	030.1550.10000
660	SUBRAU COUURIER CAR 2011	65.32	326.58	391.90	030.1450.10000	030.1550.10000
661	ROOFING REPAIR MAINT BLGDS	88.01	440.05	528.06	030.1450.10000	030.1550.10000
662	MRI MONITOR	186.78	933.89	1,120.67	030.1450.10000	030.1550.10000
663	HELO PAD WORK	36.64	183.20	219.84	030.1450.10000	030.1550.10000
664	ACU-DOSE SYSTEM	20.32	101.58	121.90	030.1450.10000	030.1550.10000
665	NUCLEAR MED PACS	141.78	708.89	850.67	030.1450.10000	030.1550.10000
666	CISCO FROM CORPORATE	29.76	148.81	178.57	030.1470.10000	030.1570.10000
667	CISCO FROM CORPORATE	97.62	488.10	585.72	030.1470.10000	030.1570.10000
668	Carpet rplacement Dr. Kirsh	14.34	71.67	86.00	030.1480.10000	030.1580.10000
669	CT Scanner Capital Leae	1,914.87	9,574.33	11,489.20	030.1450.10000	030.1550.10000
670	Laproscopic instruments	10.35	51.76	62.11	030.1450.10000	030.1550.10000
671	12 channel uretero renoscope	92.29	461.46	553.75	030.1450.10000	030.1550.10000
672	ENDOCSOPY INSTRUMENTS	21.51	107.55	129.06	030.1450.10000	030.1550.10000

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673	TISSUE TEC 5 SYSTEM	46.59	232.96	279.55	030.1450.10000	030.1550.10000
674	COMPUTERS / LAPTOPS	89.59	447.92	537.50	030.1470.10000	030.1570.10000
675	Segami Dell server	0.00	0.00	0.00	030.1470.10000	030.1570.10000
676	Segami Dell server	14.29	71.43	85.72	030.1470.10000	030.1570.10000
677	Chairs (35)	39.43	197.13	236.56	030.1480.10000	030.1580.10000
678	LD304 BedMaternityMM	205.50	1,027.50	1,233.00	030.1450.10000	030.1550.10000
679	GLIDE SCOPE AV;	136.21	681.04	817.25	030.1450.10000	030.1550.10000
680	12 lead ECG	30.27	151.34	181.61	030.1450.10000	030.1550.10000
681	5 ECG Holter Monitors	326.57	1,632.83	1,959.40	030.1470.10000	030.1570.10000
682	Corp Meaningful use	1,861.50	9,307.50	11,169.00	030.1450.10000	030.1550.10000
683	Unit Combo Intelect	13.54	67.69	81.23	030.1450.10000	030.1550.10000
684	Biodex Biostep	17.52	87.59	105.11	030.1450.10000	030.1550.10000
685	Medical Air Dryer	15.93	79.63	95.56	030.1450.10000	030.1550.10000
686	Patient Recliners and guest chairs	132.22	661.11	793.33	030.1450.10000	030.1550.10000
687	Naunce Software	69.31	346.53	415.84	030.1470.10000	030.1570.10000
688	Panda Warmer	58.15	290.74	348.89	030.1450.10000	030.1550.10000
689	Telemtry	9.95	49.77	59.72	030.1450.10000	030.1550.10000
690	Airfit Cycle	8.76	43.80	52.56	030.1450.10000	030.1550.10000
691	Roof Replacement Medical Bldg	0.00	0.00	0.00	030.1420.10000	030.1520.10000
692	Refrigerator and Chilling cart	54.56	272.78	327.34	030.1450.10000	030.1550.10000
693	PC equipment purchase	92.00	460.00	552.00	030.1470.10000	030.1570.10000
694	Patient Controlled Analgesia	164.88	824.38	989.26	030.1450.10000	030.1550.10000
695	Surgical Exam Light	9.56	47.78	57.34	030.1450.10000	030.1550.10000
696	Motorized Micotome	58.94	294.72	353.67	030.1450.10000	030.1550.10000
697	Sound Wizards	6.37	31.85	38.22	030.1450.10000	030.1550.10000
698	Cardio PACS	70.34	351.72	422.06	030.1450.10000	030.1550.10000
699	Cardio PACS Modules	135.41	677.04	812.45	030.1450.10000	030.1550.10000
700	Bedside Cabinets	142.35	711.73	854.08	030.1480.10000	030.1580.10000
701	Eliptical	15.76	78.83	94.60	030.1450.10000	030.1550.10000
702	Ped Renovation	0.00	0.00	0.00	0	0
703	Column Repair	0.00	0.00	0.00	030.1420.10000	030.1520.10000
704	Shoulder Arthroscopy	9.31	46.58	55.90	030.1450.10000	030.1550.10000
705	Refrigerator and Chiller	57.35	286.75	344.10	030.1450.10000	030.1550.10000
706	Sleeper Chairs	35.49	177.42	212.90	030.1480.10000	030.1580.10000
707	Pxyis Meditech Interface	80.40	401.97	482.36	030.1470.10000	030.1570.10000
708	Warming Cabinet	13.98	69.88	83.86	030.1450.10000	030.1550.10000
709	GUS Probe	9.68	48.38	58.06	030.1450.10000	030.1550.10000
710	Waiting Chairs	26.16	130.83	157.00	030.1480.10000	030.1580.10000
711	Chimney Repair	0.00	0.00	0.00	030.1420.10000	030.1520.10000
712	Door Frame Repair	0.00	0.00	0.00	030.1420.10000	030.1520.10000
713	Waiting Chairs	15.41	77.04	92.45	030.1480.10000	030.1580.10000
714	Waiting Chairs	15.41	77.04	92.45	030.1480.10000	030.1580.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
715	Window Sills	0.00	0.00	0.00	030.1420.10000	030.1520.10000
716	Patient Beds	362.52	1,812.62	2,175.14	030.1450.10000	030.1550.10000
717	CT Scanner Battery	27.60	138.00	165.60	030.1450.10000	030.1550.10000
718	Ortho Power Tools	246.59	1,232.96	1,479.55	030.1450.10000	030.1550.10000
719	Microfiche Cabinets	15.05	75.25	90.30	030.1450.10000	030.1550.10000
720	Bi-Polar Terp	63.44	317.21	380.65	030.1450.10000	030.1550.10000
721	Patient Lift	18.64	93.21	111.85	030.1450.10000	030.1550.10000
722	Ramp Replacement Oncall House	0.00	0.00	0.00	0	0
723	Bedside Monitor	37.90	189.47	227.36	030.1470.10000	030.1570.10000
724	Exam Table	29.19	145.95	175.14	030.1450.10000	030.1550.10000
725	Centrifuge	16.13	80.63	96.76	030.1450.10000	030.1550.10000
726	EEG Machine	66.66	333.33	400.00	030.1450.10000	030.1550.10000
727	Portable CO2	7.89	39.42	47.30	030.1450.10000	030.1550.10000
728	Stair Repair	0.00	0.00	0.00	030.1420.10000	030.1520.10000
729	Meditech Interfaces	17.91	89.58	107.50	030.1470.10000	030.1570.10000
730	Meditech Interfaces	92.68	463.39	556.07	030.1470.10000	030.1570.10000
731	Boiler Replacement Oncall House	0.00	0.00	0.00	030.1450.10000	030.1550.10000
732	SBH Unit Reno	0.00	0.00	0.00	030.1450.10000	030.1550.10000
733	Roof - CT Scan	0.00	0.00	0.00	030.1420.10000	030.1520.10000
734	equipment	10.04	50.17	60.20	030.1450.10000	030.1550.10000
735	Stretcher	21.86	109.33	131.20	030.1450.10000	030.1550.10000
736	Anethesia Glidescope	128.31	641.58	769.90	030.1450.10000	030.1550.10000
737	OBIX Refresh	84.23	421.15	505.38	030.1450.10000	030.1550.10000
738	Pyxis Interface	17.91	89.58	107.50	030.1470.10000	030.1570.10000
739	Ventilator	47.79	238.94	286.73	030.1450.10000	030.1550.10000
740	CareFusion	5.18	25.88	31.06	030.1450.10000	030.1550.10000
741		0.00	0.00	0.00	#N/A	#N/A
742	Blood Culture	101.79	508.96	610.75	030.1450.10000	030.1550.10000
743	Pxyis Cabinet	10.39	51.96	62.35	030.1450.10000	030.1550.10000
744	Tables / Chairs	32.98	164.88	197.86	030.1480.10000	030.1580.10000
745	Stess Test	77.41	387.08	464.50	030.1450.10000	030.1550.10000
746	Cardiac Cycle	15.76	78.83	94.60	030.1450.10000	030.1550.10000
747	Bargain Barn	333.34	1,666.67	2,000.00	030.1420.10000	030.1520.10000
748	CDW - PO 71085 OBIX HW - Equpipment	22.22	111.11	133.33	030.1470.10000	030.1570.10000
749	Community Health Building	416.66	2,083.33	2,500.00	030.1420.10000	030.1520.10000
750	Community Health Campus	0.00	0.00	0.00	030.1400.10000	0
751	Corporate Apartment Land	0.00	0.00	0.00	030.1400.10000	0
752	Hansen House	250.00	1,250.00	1,500.00	030.1420.10000	030.1520.10000
753	Hansen House Land	0.00	0.00	0.00	030.1400.10000	0
754	House - Corporate Apartments	161.29	806.46	967.75	030.1420.10000	030.1520.10000
755	Main Campus	0.00	0.00	0.00	030.1400.10000	0
756	Main Campus	2,568.69	12,843.47	15,412.17	030.1410.10000	030.1510.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
757	Maintenance Barn 1	83.34	416.67	500.00	030.1420.10000	030.1520.10000
758	Maintenance Barn 2	83.34	416.67	500.00	030.1420.10000	030.1520.10000
759	Medical Arts Building	1,720.43	8,602.13	10,322.56	030.1420.10000	030.1520.10000
760	Medical Arts Campus	0.00	0.00	0.00	030.1400.10000	0
761	Medical Arts Campus	716.84	3,584.22	4,301.06	030.1410.10000	030.1510.10000
762	MRI Monitors	276.50	1,382.50	1,659.00	030.1470.10000	030.1570.10000
763	Patient Curtains SBH Unit Reno	107.14	535.67	642.80	030.1450.10000	030.1550.10000
764	Philips Healthcare PO 69121 MRI Monitor -	22.22	111.11	133.33	030.1470.10000	030.1570.10000
765	RX Renovations Not in Production - Equipment	70.37	351.85	422.22	030.1450.10000	030.1550.10000
766	SBH/EMR	212.97	1,064.86	1,277.83	030.1450.10000	030.1550.10000
767	Sharon Hospital	46,487.30	232,436.50	278,923.80	030.1420.10000	030.1520.10000
768	Workstation Replacement	212.97	1,064.86	1,277.83	030.1470.10000	030.1570.10000
769	Workstation Replacement	212.99	1,064.93	1,277.92	030.1470.10000	030.1570.10000
770	Loading Dock Door	116.81	584.08	584.08	030.1420.10000	030.1520.10000
771	RX Renovations PH2	490.84	2,454.17	2,454.17	030.1420.10000	030.1520.10000
772	MOB Sink Replacement	64.95	194.84	194.84	030.1420.10000	030.1520.10000
773	RX Renovations PH2	772.92	3,091.67	3,091.67	030.1420.10000	030.1520.10000
774	Ultrasound	394.17	1,182.50	1,182.50	030.1450.10000	030.1550.10000
775	TSW EMR	539.58	2,158.33	2,158.33	030.1470.10000	030.1570.10000
776	OB Door Locks	99.48	298.43	298.43	030.1420.10000	030.1520.10000
777	MRI Monitors	265.83	797.50	797.50	030.1470.10000	030.1570.10000
778	Registration Tablet	61.11	122.22	122.22	030.1470.10000	030.1570.10000
779	On Call House Reno	164.41	328.83	328.83	030.1420.10000	030.1520.10000
780	ED Mag Locks	66.31	132.61	132.61	030.1420.10000	030.1520.10000
781	2N Light Replacement	76.21	152.42	152.42	030.1420.10000	030.1520.10000
782	On Call House Reno	96.62	96.62	96.62	030.1420.10000	030.1520.10000
783	Atrium Window Repair	128.50	128.50	128.50	030.1420.10000	030.1520.10000
784	SBH Renovations	0.00	0.00	0.00	030.1420.10000	030.1520.10000
785	Light Replacement 2N	36.85	36.85	36.85	030.1420.10000	030.1520.10000
786	Atrium Window Repair	0.00	0.00	0.00	030.1420.10000	030.1520.10000
787	Patient Curtains SDS	120.88	120.88	120.88	030.1450.10000	030.1550.10000
788	Exam Table	31.66	31.66	31.66	030.1450.10000	030.1550.10000
789	Biological Cabinet	90.11	90.11	90.11	030.1450.10000	030.1550.10000
790	Biological Cabinet Install	27.64	27.64	27.64	030.1450.10000	030.1550.10000
791	Fixed Asset Purchase - Roth	0.00	0.00	0.00	030.1450.10000	030.1550.10000
792	Screw Replace System	0.00	0.00	0.00	030.1450.10000	030.1550.10000

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43	Ultra sound, GE Inv 520391673 PO	251.39	1,256.95	1,508.34	030.1450.10000	030.1550.10000
44	Stretchers, Heritage Med Inv 16028, PO 58963	59.72	298.61	358.33	030.1450.10000	030.1550.10000
45	Update Viewing Stations - Hudson, CDW PO	155.95	779.76	935.71	030.1450.10000	030.1550.10000
46	Replacement Centrifuge, Helmer Inv 144330	0.00	0.00	0.00	030.1450.10000	030.1550.10000
47	Lesion Generator, Neurotherm Inv 80849 PO	146.43	732.14	878.57	030.1450.10000	030.1550.10000
48	Steris Replacement, Olympus PO	300.00	1,500.00	1,800.00	030.1450.10000	030.1550.10000
49	Privacy Glass, PT Ducillo Inv 4410	27.38	136.90	164.28	030.1450.10000	030.1550.10000
50	Alarm Panel, Simplex Inv 40460212, PO 59743	67.86	339.29	407.15	030.1450.10000	030.1550.10000
51	Storz Image 1 P3 Camera, Total Repair Inv	17.86	89.29	107.15	030.1450.10000	030.1550.10000
52	Ultra sound, Phy for Women - Tri-State	400.00	2,000.00	2,400.00	030.1450.10000	030.1550.10000
53	Crypblation, Phy for Women - Tri-State	88.10	440.48	528.58	030.1450.10000	030.1550.10000
54	Affirm Micro, Phy for Women Tri-State	32.15	160.72	192.86	030.1450.10000	030.1550.10000
55	Ikon Copier - Tri-State	0.00	0.00	0.00	030.1450.10000	030.1550.10000
56	Server Transfer from ECHO Corporate	0.00	0.00	0.00	030.1470.10000	030.1570.10000
57	Buildings - Sharon Hospital - Main Hospital	0.00	0.00	0.00	030.1420.10000	030.1520.10000
58	Buildings - Medical Arts Building	0.00	0.00	0.00	030.1420.10000	030.1520.10000
59	Land - Sharon Hospital - Main Hospital	0.00	0.00	0.00	030.1400.10000	0
60	MRI System	1,912.50	9,562.50	11,475.00	030.1450.10000	030.1550.10000
61	Site Improvements - Sharon Hospital - Main	0.00	0.00	0.00	030.1420.10000	030.1520.10000
62	PACS	1,139.78	5,698.89	6,838.67	030.1450.10000	030.1550.10000
63	Site Improvements - Medical Arts Building	0.00	0.00	0.00	030.1420.10000	030.1520.10000
64	Land - Community Health Building	0.00	0.00	0.00	030.1400.10000	0
65	Land - Medical Arts Building	0.00	0.00	0.00	030.1400.10000	0
66	Buildings - Community Health Building	0.00	0.00	0.00	030.1420.10000	030.1520.10000
67	Mammography System	763.89	3,819.45	4,583.34	030.1450.10000	030.1550.10000
68	Radiographic/Fluoroscopic System	563.89	2,819.45	3,383.34	030.1450.10000	030.1550.10000
69	Dictation System	344.09	1,720.42	2,064.50	030.1450.10000	030.1550.10000
70	Buildings - Bargain Barn	0.00	0.00	0.00	030.1420.10000	030.1520.10000
71	Buildings - House - Corporate Apartments	0.00	0.00	0.00	030.1420.10000	030.1520.10000
72	Land - Hansen House - On-Call Apartment	0.00	0.00	0.00	030.1400.10000	0
73	Table, Surgical	40.61	203.05	243.66	030.1450.10000	030.1550.10000
74	Phones Lease	238.34	1,191.67	1,430.00	030.1450.10000	030.1550.10000
75	Land - Cottage C - Empty	0.00	0.00	0.00	030.1400.10000	0
76	Land - House - Corporate Apartments	0.00	0.00	0.00	030.1400.10000	0
77	Walk in Freezer	170.25	851.25	1,021.50	030.1450.10000	030.1550.10000
78	PACS	0.00	0.00	0.00	030.1450.10000	030.1550.10000
79	Dell Marketing	375.00	1,875.00	2,250.00	030.1450.10000	030.1550.10000
80	Insight Phone System	130.84	654.17	785.00	030.1450.10000	030.1550.10000
81	Buildings - Hansen House - On-Call Apartment	0.00	0.00	0.00	030.1420.10000	030.1520.10000
82	Buildings - Maintenance Barns (2)	0.00	0.00	0.00	030.1420.10000	030.1520.10000
83	CT Scanner	186.11	930.55	1,116.66	030.1450.10000	030.1550.10000
84	Analyzer, Coagulation	125.46	627.29	752.75	030.1450.10000	030.1550.10000

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85	Analyzer, Coagulation	125.46	627.29	752.75	030.1450.10000	030.1550.10000
86	Radiographic System	166.66	833.33	1,000.00	030.1450.10000	030.1550.10000
87	Gamma Camera	166.66	833.33	1,000.00	030.1450.10000	030.1550.10000
88	Mobile C-Arm	347.22	1,736.11	2,083.33	030.1450.10000	030.1550.10000
89	CORE SWITCHES	127.84	639.17	767.00	030.1450.10000	030.1550.10000
90	Mobile C-Arm	277.78	1,388.89	1,666.67	030.1450.10000	030.1550.10000
91	Monitor, Central	140.28	701.39	841.67	030.1470.10000	030.1570.10000
92	STROKE CART	129.16	645.83	775.00	030.1450.10000	030.1550.10000
93	Ultrasound, Diagnostic	118.06	590.28	708.34	030.1450.10000	030.1550.10000
94	Radiographic System	112.50	562.50	675.00	030.1450.10000	030.1550.10000
95	Meditech Nursing Module	113.89	569.45	683.34	030.1450.10000	030.1550.10000
96	Anesthesia Machine	250.00	1,250.00	1,500.00	030.1450.10000	030.1550.10000
97	Anesthesia Machine	250.00	1,250.00	1,500.00	030.1450.10000	030.1550.10000
98	Anesthesia Machine	250.00	1,250.00	1,500.00	030.1450.10000	030.1550.10000
99	Anesthesia Machine	250.00	1,250.00	1,500.00	030.1450.10000	030.1550.10000
100	Surveillance Cameras	0.00	0.00	0.00	030.1450.10000	030.1550.10000
101	Computers	179.16	895.83	1,075.00	030.1470.10000	030.1570.10000
102	CR Reader	101.39	506.95	608.34	030.1450.10000	030.1550.10000
103	CR Reader	101.39	506.95	608.34	030.1450.10000	030.1550.10000
104	Video Tower	95.84	479.17	575.00	030.1450.10000	030.1550.10000
105	PACS Expansion	92.00	460.00	552.00	030.1450.10000	030.1550.10000
106	CAD - MRI	88.89	444.45	533.34	030.1450.10000	030.1550.10000
107	Ultrasound, Diagnostic	86.11	430.55	516.66	030.1450.10000	030.1550.10000
108	COMPUTERS -HOSPITAL	154.16	770.83	925.00	030.1470.10000	030.1570.10000
109	Refrigerator/Freezer, Walk-in	59.14	295.70	354.84	030.1450.10000	030.1550.10000
110	Cryostat	84.72	423.61	508.33	030.1450.10000	030.1550.10000
111	Dell Marketing	150.00	750.00	900.00	030.1450.10000	030.1550.10000
112	Bone Densitometer	80.56	402.78	483.34	030.1450.10000	030.1550.10000
113	Monitor, Central	77.78	388.89	466.67	030.1470.10000	030.1570.10000
114	Portable Radiographic	70.84	354.17	425.00	030.1450.10000	030.1550.10000
115	Tissue Processor	75.00	375.00	450.00	030.1450.10000	030.1550.10000
116	NURSE CALL SYSTEM	44.79	223.96	268.75	030.1450.10000	030.1550.10000
117	Ultrasound, Diagnostic	66.66	333.33	400.00	030.1450.10000	030.1550.10000
118	Ultrasound, Diagnostic	66.66	333.33	400.00	030.1450.10000	030.1550.10000
119	Sterilizer	69.44	347.22	416.67	030.1450.10000	030.1550.10000
120	Sterilizer	69.44	347.22	416.67	030.1450.10000	030.1550.10000
121	Monitor, Fetal	68.06	340.28	408.34	030.1470.10000	030.1570.10000
122	Monitor, Fetal	68.06	340.28	408.34	030.1470.10000	030.1570.10000
123	Monitor, Fetal	68.06	340.28	408.34	030.1470.10000	030.1570.10000
124	Monitor, Fetal	68.06	340.28	408.34	030.1470.10000	030.1570.10000
125	Utility Boom	47.19	235.97	283.17	030.1450.10000	030.1550.10000
126	Breast Biopsy System	59.72	298.61	358.33	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
127	Biopsy System	59.72	298.61	358.33	030.1450.10000	030.1550.10000
128	Dell Marketing	95.84	479.17	575.00	030.1450.10000	030.1550.10000
129	Laser Imager	51.39	256.95	308.34	030.1470.10000	030.1570.10000
130	Buildings - Cottage C - Empty	0.00	0.00	0.00	030.1420.10000	030.1520.10000
131	Kronos	50.00	250.00	300.00	030.1450.10000	030.1550.10000
132	COMPUTERS	87.50	437.50	525.00	030.1470.10000	030.1570.10000
133	Table, Surgical	48.97	244.86	293.83	030.1450.10000	030.1550.10000
134	POINT OF SERVICE	56.94	284.72	341.67	030.1450.10000	030.1550.10000
135	Ablation Device	47.22	236.11	283.33	030.1450.10000	030.1550.10000
136	MRI Expansion	34.65	173.26	207.91	030.1450.10000	030.1550.10000
137	Slit Lamp	47.22	236.11	283.33	030.1450.10000	030.1550.10000
138	Dell Marketing	83.34	416.67	500.00	030.1450.10000	030.1550.10000
139	Ulralinq Echo Storage	45.84	229.17	275.00	030.1450.10000	030.1550.10000
140	Injector, Angiographic	41.66	208.33	250.00	030.1450.10000	030.1550.10000
141	Washer/Disinfector	44.44	222.22	266.67	030.1450.10000	030.1550.10000
142	Pulmonary Function System	44.44	222.22	266.67	030.1450.10000	030.1550.10000
143	Handpiece	44.44	222.22	266.67	030.1450.10000	030.1550.10000
144	Forceps-Arthroscopy equip	41.81	209.03	250.84	030.1450.10000	030.1550.10000
145	Chairs/Drapes for Boardroom	31.07	155.35	186.42	030.1480.10000	030.1580.10000
146	Rad Room #4 Renovations (C&H Electric) From	31.07	155.35	186.42	030.1450.10000	030.1550.10000
147	Analyzer, Blood Culture	26.88	134.38	161.26	030.1450.10000	030.1550.10000
148	Analyzer, Blood Culture	26.88	134.38	161.26	030.1450.10000	030.1550.10000
149	Table, Surgical	40.61	203.05	243.66	030.1450.10000	030.1550.10000
150	5 COMPUTERS	70.84	354.17	425.00	030.1470.10000	030.1570.10000
151	Sleep Study System	40.28	201.39	241.67	030.1450.10000	030.1550.10000
152	DOCUMENT SCANNER	45.84	229.17	275.00	030.1470.10000	030.1570.10000
153	ANTI VIRUS	0.00	0.00	0.00	030.1470.10000	030.1570.10000
154	Injector, MRI	36.11	180.55	216.66	030.1450.10000	030.1550.10000
155	CDW Computer Centers Inc	66.66	333.33	400.00	030.1450.10000	030.1550.10000
156	Furnishing for Corp Apartmt	28.07	140.35	168.42	030.1480.10000	030.1580.10000
157	COMPUTERS	62.50	312.50	375.00	030.1470.10000	030.1570.10000
158	Table, Surgical	33.44	167.22	200.67	030.1450.10000	030.1550.10000
159	Monitor, Bedside	34.64	173.20	207.84	030.1470.10000	030.1570.10000
160	Monitor, Bedside	34.64	173.20	207.84	030.1470.10000	030.1570.10000
161	Monitor, Bedside	34.64	173.20	207.84	030.1470.10000	030.1570.10000
162	Monitor, Bedside	34.64	173.20	207.84	030.1470.10000	030.1570.10000
163	Hot Food Steam Table	33.34	166.67	200.00	030.1450.10000	030.1550.10000
164	Bladder Scanner	37.50	187.50	225.00	030.1450.10000	030.1550.10000
165	Sterilizer	31.94	159.72	191.67	030.1450.10000	030.1550.10000
166	Monitor, Telemetry	20.90	104.51	125.41	030.1470.10000	030.1570.10000
167	Steamer	30.56	152.78	183.34	030.1450.10000	030.1550.10000
168	Plate Warmer	30.56	152.78	183.34	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
169	Dell Marketing	54.16	270.83	325.00	030.1450.10000	030.1550.10000
170	Light, Birthing	30.56	152.78	183.34	030.1480.10000	030.1580.10000
171	Light, Birthing	30.56	152.78	183.34	030.1480.10000	030.1580.10000
172	Light, Birthing	30.56	152.78	183.34	030.1480.10000	030.1580.10000
173	Light, Birthing	30.56	152.78	183.34	030.1480.10000	030.1580.10000
174	Light, Birthing	30.56	152.78	183.34	030.1480.10000	030.1580.10000
175	Vascular System	29.16	145.83	175.00	030.1450.10000	030.1550.10000
176	Stretcher (6)	29.16	145.83	175.00	030.1450.10000	030.1550.10000
177	Anesthesia Machine	27.78	138.89	166.67	030.1450.10000	030.1550.10000
178	LARYNGOSCOPE BLADES	19.71	98.54	118.25	030.1450.10000	030.1550.10000
179	Micro Saw and Drill	27.78	138.89	166.67	030.1450.10000	030.1550.10000
180	Sterilizer	27.78	138.89	166.67	030.1450.10000	030.1550.10000
181	Holter Monitor System	27.78	138.89	166.67	030.1450.10000	030.1550.10000
182	Water Separator	27.78	138.89	166.67	030.1450.10000	030.1550.10000
183	COMPUTERS LATITUDE E6400	45.84	229.17	275.00	030.1470.10000	030.1570.10000
184	Incubator, Infant	26.39	131.95	158.34	030.1450.10000	030.1550.10000
185	Dell Marketing	45.84	229.17	275.00	030.1450.10000	030.1550.10000
186	Defibrillator	25.00	125.00	150.00	030.1450.10000	030.1550.10000
187	Stretcher (5)	25.00	125.00	150.00	030.1450.10000	030.1550.10000
188	Stretcher (7)	25.00	125.00	150.00	030.1450.10000	030.1550.10000
189	Beds	25.09	125.42	150.50	030.1450.10000	030.1550.10000
190	Heat Pump	25.00	125.00	150.00	030.1450.10000	030.1550.10000
191	Prep Station	23.61	118.05	141.66	030.1450.10000	030.1550.10000
192	Argon Beam Coagulator	23.61	118.05	141.66	030.1450.10000	030.1550.10000
193	Argon Beam Coagulator	23.61	118.05	141.66	030.1450.10000	030.1550.10000
194	EKG	23.61	118.05	141.66	030.1450.10000	030.1550.10000
195	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
196	Tourniquet	23.61	118.05	141.66	030.1450.10000	030.1550.10000
197	Tourniquet	23.61	118.05	141.66	030.1450.10000	030.1550.10000
198	Tourniquet	23.61	118.05	141.66	030.1450.10000	030.1550.10000
199	PACS SERVER	22.91	114.58	137.50	030.1450.10000	030.1550.10000
200	Gero Psych Low Beds	23.89	119.45	143.34	030.1450.10000	030.1550.10000
201	WATER SOFTNER	22.22	111.11	133.33	030.1450.10000	030.1550.10000
202	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
203	Fuel Tank monitoring and Leak Detection Syste	16.13	80.63	96.76	030.1450.10000	030.1550.10000
204	Digitizer, Film	20.84	104.17	125.00	030.1450.10000	030.1550.10000
205	Defibrillator	22.22	111.11	133.33	030.1450.10000	030.1550.10000
206	Freezer	22.22	111.11	133.33	030.1450.10000	030.1550.10000
207	Microscope (6)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
208	UPS for CT Scan	20.84	104.17	125.00	030.1450.10000	030.1550.10000
209	Mobile Treatment Recliners	22.22	111.11	133.33	030.1450.10000	030.1550.10000
210	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
211	Monitor, MRI	20.84	104.17	125.00	030.1470.10000	030.1570.10000
212	Portable Radiographic	19.44	97.22	116.67	030.1450.10000	030.1550.10000
213	Microscope, Surgical	20.31	101.53	121.84	030.1450.10000	030.1550.10000
214	Defibrillator	20.84	104.17	125.00	030.1450.10000	030.1550.10000
215	EMC Corp	20.84	104.17	125.00	030.1450.10000	030.1550.10000
216	Microscope	0.00	0.00	0.00	030.1450.10000	030.1550.10000
217	Microscope	0.00	0.00	0.00	030.1450.10000	030.1550.10000
218	Stress Test System	19.44	97.22	116.67	030.1450.10000	030.1550.10000
219	Bone Forcepts	19.11	95.55	114.66	030.1450.10000	030.1550.10000
220	5100 Radio Pager System	19.44	97.22	116.67	030.1450.10000	030.1550.10000
221	In house paging System	19.44	97.22	116.67	030.1450.10000	030.1550.10000
222	DELL COMPUTERS	0.00	0.00	0.00	030.1470.10000	030.1570.10000
223	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
224	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
225	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
226	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
227	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
228	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
229	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
230	Monitor, Bedside	20.31	101.53	121.84	030.1470.10000	030.1570.10000
231	Light, Surgical	19.11	95.55	114.66	030.1480.10000	030.1580.10000
232	Light, Surgical	19.11	95.55	114.66	030.1480.10000	030.1580.10000
233	Pump, IV (19)	18.06	90.28	108.34	030.1450.10000	030.1550.10000
234	PACS Expansion	18.06	90.28	108.34	030.1450.10000	030.1550.10000
235	ICU Ice Machine	18.06	90.28	108.34	030.1450.10000	030.1550.10000
236	Computers	0.00	0.00	0.00	030.1470.10000	030.1570.10000
237	Pro-Med Computer Upgrade	0.00	0.00	0.00	030.1470.10000	030.1570.10000
238	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
239	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
240	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
241	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
242	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
243	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
244	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
245	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
246	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
247	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
248	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
249	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
250	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
251	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
252	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
253	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
254	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
255	Bed, Patient	17.91	89.58	107.50	030.1450.10000	030.1550.10000
256	Defibrillator	18.06	90.28	108.34	030.1450.10000	030.1550.10000
257	Endoscope, Flexible (5)	16.66	83.33	100.00	030.1450.10000	030.1550.10000
258	Cataract Tray	18.06	90.28	108.34	030.1450.10000	030.1550.10000
259	Phototherapy Lights	18.06	90.28	108.34	030.1450.10000	030.1550.10000
260	SALT SPREADER	18.06	90.28	108.34	030.1450.10000	030.1550.10000
261	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
262	Dietary Chairs	12.54	62.71	75.25	030.1450.10000	030.1550.10000
263	Gazebo Furniture	12.54	62.71	75.25	030.1480.10000	030.1580.10000
264	Defibrillator	18.06	90.28	108.34	030.1450.10000	030.1550.10000
265	Defibrillator	18.06	90.28	108.34	030.1450.10000	030.1550.10000
266	CDW	0.00	0.00	0.00	030.1470.10000	030.1570.10000
267	Computer Backup System	0.00	0.00	0.00	030.1470.10000	030.1570.10000
268	ON-LINE CREDIT CARD PROCESSING	0.00	0.00	0.00	030.1470.10000	030.1570.10000
269	Ventilator, Adult	15.28	76.39	91.67	030.1450.10000	030.1550.10000
270	Defibrillator	15.28	76.39	91.67	030.1450.10000	030.1550.10000
271	Eye Wash Station	15.28	76.39	91.67	030.1450.10000	030.1550.10000
272	Ventilator, Adult	15.28	76.39	91.67	030.1450.10000	030.1550.10000
273	Ventilator, Adult	15.28	76.39	91.67	030.1450.10000	030.1550.10000
274	EYE HANDPIECE	15.28	76.39	91.67	030.1450.10000	030.1550.10000
275	Lumbar and Spine Instruments	15.28	76.39	91.67	030.1450.10000	030.1550.10000
276	Meat Slicer	15.28	76.39	91.67	030.1450.10000	030.1550.10000
277	Oven	15.28	76.39	91.67	030.1450.10000	030.1550.10000
278	Nortel WLAN Access Port	0.00	0.00	0.00	030.1470.10000	030.1570.10000
279	Monitor, Telemetry	8.96	44.79	53.75	030.1470.10000	030.1570.10000
280	Monitor, Patient	0.00	0.00	0.00	030.1470.10000	030.1570.10000
281	Monitor, Bedside	14.34	71.67	86.00	030.1470.10000	030.1570.10000
282	ELLIPTICAL CROSSTRAINER	0.00	0.00	0.00	030.1450.10000	030.1550.10000
283	BARIATRIC RECLINER	0.00	0.00	0.00	030.1450.10000	030.1550.10000
284	LOW BEDS	14.34	71.67	86.00	030.1450.10000	030.1550.10000
285	LOW BEDS	14.34	71.67	86.00	030.1450.10000	030.1550.10000
286	COMPUTERS	0.00	0.00	0.00	030.1470.10000	030.1570.10000
287	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
288	Gazebo Furniture	9.56	47.78	57.34	030.1480.10000	030.1580.10000
289	Hartford Fine Art & Framing	9.56	47.78	57.34	030.1480.10000	030.1580.10000
290	Optimus Arch	0.00	0.00	0.00	030.1450.10000	030.1550.10000
291	Optimus Arch	0.00	0.00	0.00	030.1450.10000	030.1550.10000
292	PHONES	0.00	0.00	0.00	030.1450.10000	030.1550.10000
293	Monitor, Bedside	13.14	65.70	78.84	030.1470.10000	030.1570.10000
294	Monitor, Bedside	13.14	65.70	78.84	030.1470.10000	030.1570.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
295	Microtome	0.00	0.00	0.00	030.1450.10000	030.1550.10000
296	Monitor, Bedside	13.14	65.70	78.84	030.1470.10000	030.1570.10000
297	Monitor, Bedside	13.14	65.70	78.84	030.1470.10000	030.1570.10000
298	Monitor, Bedside	13.14	65.70	78.84	030.1470.10000	030.1570.10000
299	Monitor, Bedside	13.14	65.70	78.84	030.1470.10000	030.1570.10000
300	Hardware to support Meditide	0.00	0.00	0.00	030.1470.10000	030.1570.10000
301	CAD System	0.00	0.00	0.00	030.1450.10000	030.1550.10000
302	Integra Lifesciences Corp (instruments)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
303	Hartford Fine Art & Framing	8.96	44.79	53.75	030.1480.10000	030.1580.10000
304	Lobby Furniture Upholstery	8.96	44.79	53.75	030.1480.10000	030.1580.10000
305	Optimus Arch	0.00	0.00	0.00	030.1450.10000	030.1550.10000
306	Owens & Minor	0.00	0.00	0.00	030.1450.10000	030.1550.10000
307	Refrigerator, Walk-in	7.76	38.82	46.58	030.1450.10000	030.1550.10000
308	Thyroid Uptake	0.00	0.00	0.00	030.1450.10000	030.1550.10000
309	Cell Washer	0.00	0.00	0.00	030.1450.10000	030.1550.10000
310	Freezer	0.00	0.00	0.00	030.1450.10000	030.1550.10000
311	Light, Exam	0.00	0.00	0.00	030.1480.10000	030.1580.10000
312	Electrosurgical Unit	0.00	0.00	0.00	030.1450.10000	030.1550.10000
313	File Cabinet & Shelf	8.36	41.80	50.16	030.1480.10000	030.1580.10000
314	LOCK SYSTEM	8.36	41.80	50.16	030.1450.10000	030.1550.10000
315	Centrifuge	0.00	0.00	0.00	030.1450.10000	030.1550.10000
316	Defibrillator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
317	Defibrillator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
318	Treatment Tables	0.00	0.00	0.00	030.1450.10000	030.1550.10000
319	Treatment Tables	0.00	0.00	0.00	030.1450.10000	030.1550.10000
320	GK Electric LLC	0.00	0.00	0.00	030.1450.10000	030.1550.10000
321	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
322	Trash Recepticles	8.36	41.80	50.16	030.1480.10000	030.1580.10000
323	Treadmill	0.00	0.00	0.00	030.1450.10000	030.1550.10000
324	Treadmill	0.00	0.00	0.00	030.1450.10000	030.1550.10000
325	DIGITAL VITALS MACHINE	0.00	0.00	0.00	030.1450.10000	030.1550.10000
326	Temp Pacemaker	0.00	0.00	0.00	030.1450.10000	030.1550.10000
327	Telemetry Units	7.16	35.83	43.00	030.1450.10000	030.1550.10000
328	Ultra Shoulder Positioner	0.00	0.00	0.00	030.1450.10000	030.1550.10000
329	Sink /Facet	7.76	38.82	46.58	030.1450.10000	030.1550.10000
330	Athena Travel invoice	0.00	0.00	0.00	030.1470.10000	030.1570.10000
331	Hydrocollator Mobile Heatg Unit	0.00	0.00	0.00	030.1450.10000	030.1550.10000
332	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
333	SERVERS-COMPUTER	0.00	0.00	0.00	030.1470.10000	030.1570.10000
334	FOOD WARMER	0.00	0.00	0.00	030.1450.10000	030.1550.10000
335	Athena	0.00	0.00	0.00	030.1470.10000	030.1570.10000
336	DOCUMENT SCANNERS	0.00	0.00	0.00	030.1470.10000	030.1570.10000

PP000306
11/03/2016

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Depreciation Expense Report
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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
337	Optimus Arch	0.00	0.00	0.00	030.1450.10000	030.1550.10000
338	Pathology Dictation Equipmt	0.00	0.00	0.00	030.1470.10000	030.1570.10000
339	Electrocardiograph	0.00	0.00	0.00	030.1450.10000	030.1550.10000
340	Electrocardiograph	0.00	0.00	0.00	030.1450.10000	030.1550.10000
341	Microscope, Surgical	0.00	0.00	0.00	030.1450.10000	030.1550.10000
342	Performa bobath	0.00	0.00	0.00	030.1450.10000	030.1550.10000
343	Stirrups for OB Cased	0.00	0.00	0.00	030.1450.10000	030.1550.10000
344	SERVER-COMPUTER	0.00	0.00	0.00	030.1470.10000	030.1570.10000
345	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
346	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
347	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
348	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
349	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
350	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
351	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
352	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
353	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
354	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
355	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
356	Monitor, Bedside	0.00	0.00	0.00	030.1470.10000	030.1570.10000
357	Incubator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
358	Hood , Biomedical	0.00	0.00	0.00	030.1450.10000	030.1550.10000
359	Light, Exam (6)	0.00	0.00	0.00	030.1480.10000	030.1580.10000
360	Endoscope, Flexible (6)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
361	Monitor, Fetal (3)	0.00	0.00	0.00	030.1470.10000	030.1570.10000
362	Laparascopic Gallbladder Instrument Set	0.00	0.00	0.00	030.1450.10000	030.1550.10000
363	Computer Optiplex 760	0.00	0.00	0.00	030.1470.10000	030.1570.10000
364	Suction Regulators-Med Surg	0.00	0.00	0.00	030.1450.10000	030.1550.10000
365	Sona Speech Machine	0.00	0.00	0.00	030.1470.10000	030.1570.10000
366	Bed, Patient (7)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
367	Bed, Patient (8)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
368	Radiology Record Shelving	0.00	0.00	0.00	030.1450.10000	030.1550.10000
369	Stretcher (2)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
370	Beds	0.00	0.00	0.00	030.1450.10000	030.1550.10000
371	Fisher Healthcare	0.00	0.00	0.00	030.1450.10000	030.1550.10000
372	Hill rom	0.00	0.00	0.00	030.1450.10000	030.1550.10000
373	Network Switch Replacement	0.00	0.00	0.00	030.1470.10000	030.1570.10000
374	Power Vault Stoage for CMS	0.00	0.00	0.00	030.1450.10000	030.1550.10000
375	Driver Set	0.00	0.00	0.00	030.1450.10000	030.1550.10000
376	ER Chairs	0.00	0.00	0.00	030.1480.10000	030.1580.10000
377	Harmonic Scalpel	0.00	0.00	0.00	030.1450.10000	030.1550.10000
378	Monitor, NIBP	0.00	0.00	0.00	030.1470.10000	030.1570.10000

PP000307
11/03/2016

Sharon Hospital
Depreciation Expense Report
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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
379	Total Gym 200030.9100.10.0.0	0.00	0.00	0.00	030.1450.10000	030.1550.10000
380	TREATMENT TABLE	0.00	0.00	0.00	030.1450.10000	030.1550.10000
381	OXICLIP ADULT FINGER SENSOR	0.00	0.00	0.00	030.1450.10000	030.1550.10000
382	Oven	0.00	0.00	0.00	030.1450.10000	030.1550.10000
383	Garbage Disposal	0.00	0.00	0.00	030.1450.10000	030.1550.10000
384	Auscultation Trainer	0.00	0.00	0.00	030.1450.10000	030.1550.10000
385	Treadmill	0.00	0.00	0.00	030.1450.10000	030.1550.10000
386	AC UNIT-MEDICAL ARTS	0.00	0.00	0.00	030.1450.10000	030.1550.10000
387	Carts	0.00	0.00	0.00	030.1450.10000	030.1550.10000
388	Sink for OR	0.00	0.00	0.00	030.1450.10000	030.1550.10000
389	Portable AC Unit	0.00	0.00	0.00	030.1450.10000	030.1550.10000
390	EMC Corp	0.00	0.00	0.00	030.1450.10000	030.1550.10000
391	Formfast check Printing Software	0.00	0.00	0.00	030.1470.10000	030.1570.10000
392	Knee Positioner	0.00	0.00	0.00	030.1450.10000	030.1550.10000
393	Raintech Sound & Comm Inc	0.00	0.00	0.00	030.1450.10000	030.1550.10000
394	Grossing Station	0.00	0.00	0.00	030.1450.10000	030.1550.10000
395	Refigerator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
396	Refigerator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
397	Refigerator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
398	Phlebotomy Chair	0.00	0.00	0.00	030.1480.10000	030.1580.10000
399	Monitor, NIBP (4)	0.00	0.00	0.00	030.1470.10000	030.1570.10000
400	Mannequin	0.00	0.00	0.00	030.1450.10000	030.1550.10000
401	Meditech Equipmt Loan/Swap	0.00	0.00	0.00	030.1450.10000	030.1550.10000
402	Router-Wireless Project	0.00	0.00	0.00	030.1470.10000	030.1570.10000
403	Staples Advantage	0.00	0.00	0.00	030.1450.10000	030.1550.10000
404	TVs 5	0.00	0.00	0.00	030.1470.10000	030.1570.10000
405	Bed, Birthing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
406	Bed, Birthing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
407	Bed, Birthing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
408	Bed, Birthing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
409	Cabinet, Warming	0.00	0.00	0.00	030.1450.10000	030.1550.10000
410	Cabinet, Warming	0.00	0.00	0.00	030.1450.10000	030.1550.10000
411	Cabinet, Warming	0.00	0.00	0.00	030.1450.10000	030.1550.10000
412	Injector, CT	0.00	0.00	0.00	030.1450.10000	030.1550.10000
413	Cryostat	0.00	0.00	0.00	030.1450.10000	030.1550.10000
414	Table, Imaging	0.00	0.00	0.00	030.1450.10000	030.1550.10000
415	Wall Mount Diagnost Set	0.00	0.00	0.00	030.1450.10000	030.1550.10000
416	Endoscope, Flexible (2)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
417	Light, Surgical (2)	0.00	0.00	0.00	030.1480.10000	030.1580.10000
418	Warmer, Infant (2)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
419	Storage System	0.00	0.00	0.00	030.1450.10000	030.1550.10000
420	Wheelchairs	0.00	0.00	0.00	030.1450.10000	030.1550.10000

PP000308
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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
421	TimeClock 2N	0.00	0.00	0.00	030.1450.10000	030.1550.10000
422	HDTV 1080P SONY	0.00	0.00	0.00	030.1470.10000	030.1570.10000
423	(2) Dave's TV	0.00	0.00	0.00	030.1470.10000	030.1570.10000
424	Chairs for Lab Office	0.00	0.00	0.00	030.1480.10000	030.1580.10000
425	Computer Software	0.00	0.00	0.00	030.1470.10000	030.1570.10000
426	Containers	0.00	0.00	0.00	030.1450.10000	030.1550.10000
427	ED Meditech Module	0.00	0.00	0.00	030.1450.10000	030.1550.10000
428	Used Furniture	0.00	0.00	0.00	030.1480.10000	030.1580.10000
429	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
430	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
431	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
432	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
433	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
434	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
435	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
436	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
437	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
438	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
439	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
440	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
441	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
442	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
443	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
444	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
445	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
446	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
447	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
448	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
449	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
450	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
451	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
452	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
453	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
454	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
455	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
456	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
457	Refrigerator, Blood Bank	0.00	0.00	0.00	030.1450.10000	030.1550.10000
458	Table, Autopsy	0.00	0.00	0.00	030.1450.10000	030.1550.10000
459	Phacoemulsifier	0.00	0.00	0.00	030.1450.10000	030.1550.10000
460	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
461	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000
462	Pump, IV	0.00	0.00	0.00	030.1450.10000	030.1550.10000

PP000309
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Depreciation Expense Report
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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
463	Monitor, NIBP	0.00	0.00	0.00	030.1470.10000	030.1570.10000
464	Monitor, NIBP	0.00	0.00	0.00	030.1470.10000	030.1570.10000
465	Monitor, NIBP	0.00	0.00	0.00	030.1470.10000	030.1570.10000
466	Bed, Patient	0.00	0.00	0.00	030.1450.10000	030.1550.10000
467	Bed, Patient	0.00	0.00	0.00	030.1450.10000	030.1550.10000
468	Refrigerator	0.00	0.00	0.00	030.1450.10000	030.1550.10000
469	Med Fridge	0.00	0.00	0.00	030.1450.10000	030.1550.10000
470	Dell Marketing	0.00	0.00	0.00	030.1450.10000	030.1550.10000
471	Meehan & Goodin	0.00	0.00	0.00	030.1450.10000	030.1550.10000
472	Outdoor Tables	0.00	0.00	0.00	030.1480.10000	030.1580.10000
473	Owens	0.00	0.00	0.00	030.1450.10000	030.1550.10000
474	PACS Expansion	0.00	0.00	0.00	030.1450.10000	030.1550.10000
475	Abbott Lab	0.00	0.00	0.00	030.1450.10000	030.1550.10000
476	licensing for 3M system (2)	23.04	115.18	138.22	030.1450.10000	030.1550.10000
477	Cart Intelect XT & Transport	0.00	0.00	0.00	030.1450.10000	030.1550.10000
478	N600 Pulse OX, 1 yr, adk kit	10.75	53.75	64.50	030.1450.10000	030.1550.10000
479	High Definition Eyecup camera head	781.87	3,909.35	4,691.22	030.1450.10000	030.1550.10000
480	High Definition Urology Camera Head	36.87	184.35	221.22	030.1450.10000	030.1550.10000
481	(2each) HD camera, control, etc.	175.12	875.60	1,050.72	030.1450.10000	030.1550.10000
482	Certegra Workstation	172.56	862.80	1,035.36	030.1450.10000	030.1550.10000
483	Video carts (2)	46.60	232.98	279.58	030.1450.10000	030.1550.10000
484	Colpac Unit C-5 w/6 std & 6 half sz coldpac	7.68	38.39	46.07	030.1450.10000	030.1550.10000
485	Hypothermia Machine	0.00	0.00	0.00	030.1450.10000	030.1550.10000
486	Hypothermia Machine	19.96	99.82	119.79	030.1450.10000	030.1550.10000
487	NIBP MONITORSCareScape printers,	105.95	529.76	635.71	030.1450.10000	030.1550.10000
488	Mettler Balance 120G/41G X 0.1 MG/0.01M	18.43	92.14	110.57	030.1450.10000	030.1550.10000
489	IM4123 High Definition 3ccd Urology Camera	36.87	184.35	221.22	030.1450.10000	030.1550.10000
490	2013 Chevy Silverado	98.31	491.55	589.86	030.1450.10000	030.1550.10000
491	Infiltration Pump	9.72	48.63	58.36	030.1450.10000	030.1550.10000
492	ms-SQL 3M Conversion software	0.00	0.00	0.00	030.1470.10000	030.1570.10000
493	Intelect Legend XT 4 channel combp w/5 cm	11.26	56.31	67.57	030.1450.10000	030.1550.10000
494	10 desktops	108.34	541.67	650.00	030.1470.10000	030.1570.10000
495	Medlux GPI Ceiling Graphics CT Project	0.00	0.00	0.00	030.1450.10000	030.1550.10000
496	Laptops HP SB 8470P (4)	0.00	0.00	0.00	030.1470.10000	030.1570.10000
497	4 LAPTOPS FOR MEDICAL EDUCATION	0.00	0.00	0.00	030.1470.10000	030.1570.10000
498	Ice MachinesDispenser 12# Air Cooled	19.45	97.26	116.71	030.1450.10000	030.1550.10000
499	Treatment recliner (3)	26.63	133.15	159.78	030.1450.10000	030.1550.10000
500	DASH4-FEAG-XAXB-XAAX	46.60	232.98	279.58	030.1450.10000	030.1550.10000
501	Bike upright nautilus 10 series w/7" touch	12.80	63.99	76.79	030.1450.10000	030.1550.10000
502	Cable Crossover - Free standing	14.34	71.67	86.00	030.1450.10000	030.1550.10000
503	QD head coil	57.35	286.73	344.08	030.1450.10000	030.1550.10000
504	Removal of Asb. Floor tile, mastic, etc from CT	0.00	0.00	0.00	0	0

PP000310
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Depreciation Expense Report
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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
505	Re-install all curtains CT SCAN	0.00	0.00	0.00	030.1450.10000	030.1550.10000
506	Kangaroo Epump (5)	0.00	0.00	0.00	030.1450.10000	030.1550.10000
507	Preparation & painting of interior of Dr. Smith's	20.47	102.38	122.86	030.1450.10000	030.1550.10000
508	Monitor, ABP (2)	22.01	110.06	132.07	030.1470.10000	030.1570.10000
509	6 Channel TeleRehab versaCare - Single	150.02	750.12	900.14	030.1450.10000	030.1550.10000
510	Guest Wireless	6.15	30.72	36.86	030.1470.10000	030.1570.10000
511	4 LAPTOPS FOR MEDICAL EDUCATION	0.00	0.00	0.00	030.1470.10000	030.1570.10000
512	Histology Strainer	100.87	504.35	605.22	030.1450.10000	030.1550.10000
513	Anesthisia machine	31.24	156.19	187.43	030.1450.10000	030.1550.10000
514	MOB Wireless	97.29	486.43	583.72	030.1470.10000	030.1570.10000
515	MOB Wireless	54.79	273.93	328.72	030.1470.10000	030.1570.10000
516	MOB Wireless	0.00	0.00	0.00	030.1470.10000	030.1570.10000
517	Ground penetrating Radar ct PROJECT	0.00	0.00	0.00	030.1450.10000	030.1550.10000
518	Dr Smiths office painting and interior	19.45	97.26	116.71	030.1480.10000	030.1580.10000
519	Network Cabling	6.66	33.28	39.94	030.1470.10000	030.1570.10000
520	Network Cabling	6.66	33.28	39.94	030.1470.10000	030.1570.10000
521	Dragon Medical Practice Edition	0.00	0.00	0.00	030.1470.10000	030.1570.10000
522	Fabricate and install the pan	0.00	0.00	0.00	030.1450.10000	030.1550.10000
523	Dr. Astraskus move	0.00	0.00	0.00	030.1450.10000	030.1550.10000
524	Dr. Astraskus move	0.00	0.00	0.00	030.1450.10000	030.1550.10000
525	Dr. Astraskus move	0.00	0.00	0.00	030.1450.10000	030.1550.10000
526	Dr. Astrauskas	26.12	130.60	156.72	030.1450.10000	030.1550.10000
527	ICU Telemetry	11.77	58.87	70.64	030.1450.10000	030.1550.10000
528	CT Lung Software	231.19	1,155.94	1,387.13	030.1450.10000	030.1550.10000
529	Dr. Astrauskas	0.00	0.00	0.00	030.1450.10000	030.1550.10000
530	Sleep Room Comfort Control	8.19	40.95	49.14	030.1450.10000	030.1550.10000
531	Laptops for Dr. Sussman's office	0.00	0.00	0.00	030.1470.10000	030.1570.10000
532	Laptops Dr. Sussman	0.00	0.00	0.00	030.1470.10000	030.1570.10000
533	Dr. Astraskus move	0.00	0.00	0.00	030.1450.10000	030.1550.10000
534	Quality Control Data Analyizer	53.75	268.75	322.50	030.1450.10000	030.1550.10000
535	TV REMOVAL	0.00	0.00	0.00	030.1470.10000	030.1570.10000
536	Stryker Stretcher Chair	17.91	89.58	107.50	030.1480.10000	030.1580.10000
537	Guest Wireless	13.44	67.19	80.63	030.1470.10000	030.1570.10000
538	CT Scan Room Rennovations	0.00	0.00	0.00	0	0
539	Mamography reporting system	23.30	116.51	139.81	030.1450.10000	030.1550.10000
540	Registration area	19.71	98.54	118.25	030.1450.10000	030.1550.10000
541	SONY IPELA CAMERA REMOTE INSTALLED	0.00	0.00	0.00	030.1470.10000	030.1570.10000
542	RHA Think Pads (2)	25.09	125.47	150.56	030.1450.10000	030.1550.10000
543	Chiller Tower Media Replacement	24.20	120.99	145.19	030.1450.10000	030.1550.10000
544	Registration area	6.27	31.35	37.62	030.1450.10000	030.1550.10000
545	Registration area	23.30	116.51	139.81	030.1450.10000	030.1550.10000
546	Optical through cutting Biopsy focep	4.93	24.64	29.57	030.1450.10000	030.1550.10000

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Depreciation Expense Report
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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
547	Cardiology Move	8.96	44.79	53.75	030.1450.10000	030.1550.10000
548	Autoscrubber T3	22.85	114.27	137.13	030.1450.10000	030.1550.10000
549	Weil Mclain WTGO5 Gold Boiler	30.47	152.35	182.82	030.1450.10000	030.1550.10000
550	MOB Roof	0.00	0.00	0.00	030.1420.10000	030.1520.10000
551	10 laptops and software	86.11	430.55	516.66	030.1470.10000	030.1570.10000
552	10 laptops and software	0.00	0.00	0.00	030.1470.10000	030.1570.10000
553	10 laptops and software	194.44	972.22	1,166.67	030.1470.10000	030.1570.10000
554	Carpeting various locations	0.00	0.00	0.00	0	0
555	Carpeting various locations	0.00	0.00	0.00	0	0
556	Carpeting various locations	0.00	0.00	0.00	0	0
557	DOOR HINGE REPLACEMENT	0.00	0.00	0.00	030.1420.10000	030.1520.10000
558	DOOR HINGE REPLACEMENT	0.00	0.00	0.00	030.1420.10000	030.1520.10000
559	ROOF REPLACEMENT	0.00	0.00	0.00	030.1420.10000	030.1520.10000
560	ROOF REPLACEMENT	0.00	0.00	0.00	030.1420.10000	030.1520.10000
561	ROOF REPLACEMENT	0.00	0.00	0.00	030.1420.10000	030.1520.10000
562	Software licensing	26.88	134.38	161.26	030.1470.10000	030.1570.10000
563	MOB WIRELESS	187.50	937.50	1,125.00	030.1470.10000	030.1570.10000
564	6 ft coaxile for MOB wirless	0.00	0.00	0.00	030.1470.10000	030.1570.10000
565	26" TV SAMSUNG (32)	113.10	565.48	678.58	030.1470.10000	030.1570.10000
566	Carpeting various locations	0.00	0.00	0.00	0	0
567	(22) 26" TV'S REPLACEMENT	38.10	190.48	228.58	030.1470.10000	030.1570.10000
568	6 ft coaxile for MOB wirless	0.00	0.00	0.00	030.1470.10000	030.1570.10000
569	GEN 4 DIGITAL TV NURSE CALL	25.09	125.42	150.50	030.1470.10000	030.1570.10000
570	COLLIMATOR REPLACEMENT RAD ROOM 4	65.47	327.38	392.86	030.1450.10000	030.1550.10000
571	LOCKING REFRIGERATOR	0.00	0.00	0.00	030.1450.10000	030.1550.10000
572	UTILITY CART	0.00	0.00	0.00	030.1450.10000	030.1550.10000
573	BABY SCALE DIGITAL	0.00	0.00	0.00	030.1450.10000	030.1550.10000
574	TREATMENT TABLE SUITE 1600	0.00	0.00	0.00	030.1450.10000	030.1550.10000
575	TREATMENT TABLE SUITE 1600	0.00	0.00	0.00	030.1450.10000	030.1550.10000
576	RNNOVATIONS	0.00	0.00	0.00	0	0
577	RNNOVATIONS	0.00	0.00	0.00	0	0
578	WELCH ALLYN 767 WALL SYSTEM	29.76	148.81	178.57	030.1450.10000	030.1550.10000
579	RNNOVATIONS	0.00	0.00	0.00	0	0
580	INTERFACE FOR VITROS 5600	29.76	148.81	178.57	030.1450.10000	030.1550.10000
581	Selenia tungsten base system service	253.57	1,267.86	1,521.43	030.1450.10000	030.1550.10000
582	STRAP TOGGLE 1/4"	0.00	0.00	0.00	030.1450.10000	030.1550.10000
583	TOSHIBA AMERICA MEDICAL SYSTEMS	298.81	1,494.05	1,792.86	030.1450.10000	030.1550.10000
584	Wireless	175.63	878.13	1,053.76	030.1470.10000	030.1570.10000
585	Ob rennovations painting	8.96	44.79	53.75	030.1450.10000	030.1550.10000
586	Registration waiting area	6.27	31.35	37.62	030.1450.10000	030.1550.10000
587	Glass Enclosures	23.30	116.51	139.81	030.1450.10000	030.1550.10000
588	TJ's Custom Floors	4.93	24.64	29.57	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
589	Recliner Caremore (3)	7.62	38.08	45.70	030.1450.10000	030.1550.10000
590	TJ's Custom Floors	17.91	89.58	107.50	030.1450.10000	030.1550.10000
591	Anesthsia Machine	99.01	495.05	594.06	030.1450.10000	030.1550.10000
592	Guarmarx Specimen Boxes	12.54	62.71	75.25	030.1450.10000	030.1550.10000
593	Wiring for automated doors wound care	0.00	0.00	0.00	030.1450.10000	030.1550.10000
594	Pemkp Hinges Installed	39.43	197.14	236.57	030.1450.10000	030.1550.10000
595	Drop Arm Commodes	11.65	58.23	69.88	030.1450.10000	030.1550.10000
596	12 Lazy Boy Florin Guest Chairs	28.68	143.39	172.07	030.1480.10000	030.1580.10000
597	Bariatric transported	18.81	94.06	112.87	030.1450.10000	030.1550.10000
598	MOB Roof work	47.04	235.21	282.25	030.1450.10000	030.1550.10000
599	26" NDS Monitors	38.53	192.66	231.19	030.1470.10000	030.1570.10000
600	MVS Ultrasound	30.47	152.35	182.82	030.1450.10000	030.1550.10000
601	Sytemm 777 Opthalmoscope & otoscope	0.00	0.00	0.00	030.1450.10000	030.1550.10000
602	vENTILATOR	37.19	185.94	223.13	030.1450.10000	030.1550.10000
603	CANOPY LOADING DOCK	13.44	67.19	80.63	030.1450.10000	030.1550.10000
604	(2) TREATMENT TABLES	10.30	51.51	61.81	030.1450.10000	030.1550.10000
605	Ventilator	5.38	26.88	32.26	030.1450.10000	030.1550.10000
606	Cardio Pacs	13.82	69.11	82.93	030.1450.10000	030.1550.10000
607	enovate latop cart	4.93	24.64	29.57	030.1450.10000	030.1550.10000
608	LAPTOP CART	0.00	0.00	0.00	030.1470.10000	030.1570.10000
609	INSTALLATION OF DOOR	9.85	49.27	59.13	030.1450.10000	030.1550.10000
610	OR SONIC IRRAGATOR	101.25	506.25	607.50	030.1450.10000	030.1550.10000
611	OR humidity control	39.43	197.14	236.57	030.1450.10000	030.1550.10000
612	Purchase of Dr. Sussman's practice	0.00	0.00	0.00	030.1420.10000	030.1520.10000
613	Pacs system	537.63	2,688.13	3,225.76	030.1450.10000	030.1550.10000
614	chemistry analyzer lease	2,627.25	13,136.25	15,763.50	030.1450.10000	030.1550.10000
615	Enovate Laptop Cart	0.00	0.00	0.00	030.1470.10000	030.1570.10000
616	Replacement of Carpet	7.16	35.83	43.00	030.1450.10000	030.1550.10000
617	High definition Urology Camera	37.90	189.47	227.36	030.1450.10000	030.1550.10000
618	Wireless network	13.31	66.55	79.86	030.1470.10000	030.1570.10000
619	Guarmarx Specimen Boxes	28.23	141.15	169.38	030.1450.10000	030.1550.10000
620	Ge Soloar 8000i ECG NIBP	39.43	197.14	236.57	030.1450.10000	030.1550.10000
621	Low Beds (4)	128.31	641.58	769.90	030.1450.10000	030.1550.10000
622	BIG WHEEL STRETCHERS (2)	44.35	221.77	266.13	030.1450.10000	030.1550.10000
623	trade in on steris from 2012	0.00	0.00	0.00	030.1450.10000	030.1550.10000
624	HOER LIFT	23.75	118.75	142.50	030.1450.10000	030.1550.10000
625	ct ELECTRICAL RENNOVATION	0.00	0.00	0.00	0	0
626	GERI CHAIR	9.85	49.27	59.13	030.1450.10000	030.1550.10000
627	TABLET	11.65	58.23	69.88	030.1470.10000	030.1570.10000
628	Treadmill	30.10	150.50	180.60	030.1450.10000	030.1550.10000
629	COLPOSCOPE	84.84	424.17	509.00	030.1450.10000	030.1550.10000
630	3 DESK PRO COMPUTERS	0.00	0.00	0.00	030.1470.10000	030.1570.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
631	CARD READER	32.25	161.25	193.50	030.1450.10000	030.1550.10000
632	CARDIOLOGY [ACS	16.13	80.63	96.76	030.1450.10000	030.1550.10000
633	CARDIOLOGY [ACS	0.00	0.00	0.00	030.1450.10000	030.1550.10000
634	Food Thermiliazer replacement	9.40	47.03	56.44	030.1450.10000	030.1550.10000
635	TrabsAir3 PFT system	101.70	508.49	610.19	030.1450.10000	030.1550.10000
636	Expansion Feasibility	24.65	123.23	147.88	030.1450.10000	030.1550.10000
637	SCALE FOR ED	7.16	35.83	43.00	030.1450.10000	030.1550.10000
638	PANDA WARMER	52.97	264.82	317.78	030.1450.10000	030.1550.10000
639	COLOPSCOPE	33.15	165.73	198.88	030.1450.10000	030.1550.10000
640	ORTHOPEDIC PEGBOARD	11.54	57.73	69.28	030.1450.10000	030.1550.10000
641	ICE MAKER	12.74	63.70	76.44	030.1450.10000	030.1550.10000
642	CENTRIFUGE 24C	12.34	61.71	74.05	030.1450.10000	030.1550.10000
643	LAB CHEMISTRY 180	47.50	237.50	285.00	030.1450.10000	030.1550.10000
644	DRAGON SOFTWARE	59.75	298.75	358.50	030.1470.10000	030.1570.10000
645	MICROSCOPE BX 43 THREE	148.75	743.75	892.50	030.1450.10000	030.1550.10000
646	GARBAGE DISPOSAL	7.97	39.82	47.78	030.1450.10000	030.1550.10000
647	ACMEWARE SOFTWARE LICENSE	311.84	1,559.17	1,871.00	030.1470.10000	030.1570.10000
648	PHARMACY ONE SOURCE LICENSE	331.90	1,659.50	1,991.40	030.1470.10000	030.1570.10000
649	HEATEK 300 SLIDE STAINER	39.03	195.14	234.17	030.1450.10000	030.1550.10000
650	VERSACARE BED MODEL =3200	36.44	182.22	218.67	030.1450.10000	030.1550.10000
651	ICE APEXPREO TELEMETRY TRANSMITTER	0.00	0.00	0.00	030.1450.10000	030.1550.10000
652	MEDICAL ARMS	18.32	91.58	109.90	030.1450.10000	030.1550.10000
653	MEDICAL ARTS WATER HEATER	9.56	47.78	57.34	030.1450.10000	030.1550.10000
654	OVERBED TABLES (40)	103.94	519.72	623.67	030.1450.10000	030.1550.10000
655	Ortho surgical	151.74	758.68	910.42	030.1450.10000	030.1550.10000
656	Ortho surgical	21.50	107.50	129.00	030.1450.10000	030.1550.10000
657	CARDIOLOGY PACS SYSTEM	1,417.56	7,087.78	8,505.34	030.1450.10000	030.1550.10000
658	Venue 40 Demo Ultrasound	87.61	438.05	525.66	030.1450.10000	030.1550.10000
659	CDIS Infrastructure	16.72	83.61	100.33	030.1450.10000	030.1550.10000
660	SUBRAU COUURIER CAR 2011	65.32	326.58	391.90	030.1450.10000	030.1550.10000
661	ROOFING REPAIR MAINT BLGDS	88.01	440.05	528.06	030.1450.10000	030.1550.10000
662	MRI MONITOR	186.78	933.89	1,120.67	030.1450.10000	030.1550.10000
663	HELO PAD WORK	36.64	183.20	219.84	030.1450.10000	030.1550.10000
664	ACU-DOSE SYSTEM	20.32	101.58	121.90	030.1450.10000	030.1550.10000
665	NUCLEAR MED PACS	141.78	708.89	850.67	030.1450.10000	030.1550.10000
666	CISCO FROM CORPORATE	29.76	148.81	178.57	030.1470.10000	030.1570.10000
667	CISCO FROM CORPORATE	97.62	488.10	585.72	030.1470.10000	030.1570.10000
668	Carpet rplacement Dr. Kirsh	14.34	71.67	86.00	030.1480.10000	030.1580.10000
669	CT Scanner Capital Leae	1,914.87	9,574.33	11,489.20	030.1450.10000	030.1550.10000
670	Laproscopic instruments	10.35	51.76	62.11	030.1450.10000	030.1550.10000
671	12 channel uretero renoscope	92.29	461.46	553.75	030.1450.10000	030.1550.10000
672	ENDOCSOPY INSTRUMENTS	21.51	107.55	129.06	030.1450.10000	030.1550.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
673	TISSUE TEC 5 SYSTEM	46.59	232.96	279.55	030.1450.10000	030.1550.10000
674	COMPUTERS / LAPTOPS	89.59	447.92	537.50	030.1470.10000	030.1570.10000
675	Segami Dell server	0.00	0.00	0.00	030.1470.10000	030.1570.10000
676	Segami Dell server	14.29	71.43	85.72	030.1470.10000	030.1570.10000
677	Chairs (35)	39.43	197.13	236.56	030.1480.10000	030.1580.10000
678	LD304 BedMaternityMM	205.50	1,027.50	1,233.00	030.1450.10000	030.1550.10000
679	GLIDE SCOPE AV;	136.21	681.04	817.25	030.1450.10000	030.1550.10000
680	12 lead ECG	30.27	151.34	181.61	030.1450.10000	030.1550.10000
681	5 ECG Holter Monitors	326.57	1,632.83	1,959.40	030.1470.10000	030.1570.10000
682	Corp Meaningful use	1,861.50	9,307.50	11,169.00	030.1450.10000	030.1550.10000
683	Unit Combo Intelect	13.54	67.69	81.23	030.1450.10000	030.1550.10000
684	Biodex Biostep	17.52	87.59	105.11	030.1450.10000	030.1550.10000
685	Medical Air Dryer	15.93	79.63	95.56	030.1450.10000	030.1550.10000
686	Patient Recliners and guest chairs	132.22	661.11	793.33	030.1450.10000	030.1550.10000
687	Naunce Software	69.31	346.53	415.84	030.1470.10000	030.1570.10000
688	Panda Warmer	58.15	290.74	348.89	030.1450.10000	030.1550.10000
689	Telemtry	9.95	49.77	59.72	030.1450.10000	030.1550.10000
690	Airfit Cycle	8.76	43.80	52.56	030.1450.10000	030.1550.10000
691	Roof Replacement Medical Bldg	0.00	0.00	0.00	030.1420.10000	030.1520.10000
692	Refrigerator and Chilling cart	54.56	272.78	327.34	030.1450.10000	030.1550.10000
693	PC equipment purchase	92.00	460.00	552.00	030.1470.10000	030.1570.10000
694	Patient Controlled Analgesia	164.88	824.38	989.26	030.1450.10000	030.1550.10000
695	Surgical Exam Light	9.56	47.78	57.34	030.1450.10000	030.1550.10000
696	Motorized Micotome	58.94	294.72	353.67	030.1450.10000	030.1550.10000
697	Sound Wizards	6.37	31.85	38.22	030.1450.10000	030.1550.10000
698	Cardio PACS	70.34	351.72	422.06	030.1450.10000	030.1550.10000
699	Cardio PACS Modules	135.41	677.04	812.45	030.1450.10000	030.1550.10000
700	Bedside Cabinets	142.35	711.73	854.08	030.1480.10000	030.1580.10000
701	Eliptical	15.76	78.83	94.60	030.1450.10000	030.1550.10000
702	Ped Renovation	0.00	0.00	0.00	0	0
703	Column Repair	0.00	0.00	0.00	030.1420.10000	030.1520.10000
704	Shoulder Arthroscopy	9.31	46.58	55.90	030.1450.10000	030.1550.10000
705	Refrigerator and Chiller	57.35	286.75	344.10	030.1450.10000	030.1550.10000
706	Sleeper Chairs	35.49	177.42	212.90	030.1480.10000	030.1580.10000
707	Pxyis Meditech Interface	80.40	401.97	482.36	030.1470.10000	030.1570.10000
708	Warming Cabinet	13.98	69.88	83.86	030.1450.10000	030.1550.10000
709	GUS Probe	9.68	48.38	58.06	030.1450.10000	030.1550.10000
710	Waiting Chairs	26.16	130.83	157.00	030.1480.10000	030.1580.10000
711	Chimney Repair	0.00	0.00	0.00	030.1420.10000	030.1520.10000
712	Door Frame Repair	0.00	0.00	0.00	030.1420.10000	030.1520.10000
713	Waiting Chairs	15.41	77.04	92.45	030.1480.10000	030.1580.10000
714	Waiting Chairs	15.41	77.04	92.45	030.1480.10000	030.1580.10000

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	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
715	Window Sills	0.00	0.00	0.00	030.1420.10000	030.1520.10000
716	Patient Beds	362.52	1,812.62	2,175.14	030.1450.10000	030.1550.10000
717	CT Scanner Battery	27.60	138.00	165.60	030.1450.10000	030.1550.10000
718	Ortho Power Tools	246.59	1,232.96	1,479.55	030.1450.10000	030.1550.10000
719	Microfiche Cabinets	15.05	75.25	90.30	030.1450.10000	030.1550.10000
720	Bi-Polar Terp	63.44	317.21	380.65	030.1450.10000	030.1550.10000
721	Patient Lift	18.64	93.21	111.85	030.1450.10000	030.1550.10000
722	Ramp Replacement Oncall House	0.00	0.00	0.00	0	0
723	Bedside Monitor	37.90	189.47	227.36	030.1470.10000	030.1570.10000
724	Exam Table	29.19	145.95	175.14	030.1450.10000	030.1550.10000
725	Centrifuge	16.13	80.63	96.76	030.1450.10000	030.1550.10000
726	EEG Machine	66.66	333.33	400.00	030.1450.10000	030.1550.10000
727	Portable CO2	7.89	39.42	47.30	030.1450.10000	030.1550.10000
728	Stair Repair	0.00	0.00	0.00	030.1420.10000	030.1520.10000
729	Meditech Interfaces	17.91	89.58	107.50	030.1470.10000	030.1570.10000
730	Meditech Interfaces	92.68	463.39	556.07	030.1470.10000	030.1570.10000
731	Boiler Replacement Oncall House	0.00	0.00	0.00	030.1450.10000	030.1550.10000
732	SBH Unit Reno	0.00	0.00	0.00	030.1450.10000	030.1550.10000
733	Roof - CT Scan	0.00	0.00	0.00	030.1420.10000	030.1520.10000
734	equipment	10.04	50.17	60.20	030.1450.10000	030.1550.10000
735	Stretcher	21.86	109.33	131.20	030.1450.10000	030.1550.10000
736	Anethesia Glidescope	128.31	641.58	769.90	030.1450.10000	030.1550.10000
737	OBIX Refresh	84.23	421.15	505.38	030.1450.10000	030.1550.10000
738	Pyxis Interface	17.91	89.58	107.50	030.1470.10000	030.1570.10000
739	Ventilator	47.79	238.94	286.73	030.1450.10000	030.1550.10000
740	CareFusion	5.18	25.88	31.06	030.1450.10000	030.1550.10000
741		0.00	0.00	0.00	#N/A	#N/A
742	Blood Culture	101.79	508.96	610.75	030.1450.10000	030.1550.10000
743	Pxyis Cabinet	10.39	51.96	62.35	030.1450.10000	030.1550.10000
744	Tables / Chairs	32.98	164.88	197.86	030.1480.10000	030.1580.10000
745	Stess Test	77.41	387.08	464.50	030.1450.10000	030.1550.10000
746	Cardiac Cycle	15.76	78.83	94.60	030.1450.10000	030.1550.10000
747	Bargain Barn	333.34	1,666.67	2,000.00	030.1420.10000	030.1520.10000
748	CDW - PO 71085 OBIX HW - Equpipment	22.22	111.11	133.33	030.1470.10000	030.1570.10000
749	Community Health Building	416.66	2,083.33	2,500.00	030.1420.10000	030.1520.10000
750	Community Health Campus	0.00	0.00	0.00	030.1400.10000	0
751	Corporate Apartment Land	0.00	0.00	0.00	030.1400.10000	0
752	Hansen House	250.00	1,250.00	1,500.00	030.1420.10000	030.1520.10000
753	Hansen House Land	0.00	0.00	0.00	030.1400.10000	0
754	House - Corporate Apartments	161.29	806.46	967.75	030.1420.10000	030.1520.10000
755	Main Campus	0.00	0.00	0.00	030.1400.10000	0
756	Main Campus	2,568.69	12,843.47	15,412.17	030.1410.10000	030.1510.10000

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As of May 31, 2016

	Item	Depreciation	Current YTD	Current Accum	Asset Code	Dep Code
757	Maintenance Barn 1	83.34	416.67	500.00	030.1420.10000	030.1520.10000
758	Maintenance Barn 2	83.34	416.67	500.00	030.1420.10000	030.1520.10000
759	Medical Arts Building	1,720.43	8,602.13	10,322.56	030.1420.10000	030.1520.10000
760	Medical Arts Campus	0.00	0.00	0.00	030.1400.10000	0
761	Medical Arts Campus	716.84	3,584.22	4,301.06	030.1410.10000	030.1510.10000
762	MRI Monitors	276.50	1,382.50	1,659.00	030.1470.10000	030.1570.10000
763	Patient Curtains SBH Unit Reno	107.14	535.67	642.80	030.1450.10000	030.1550.10000
764	Philips Healthcare PO 69121 MRI Monitor -	22.22	111.11	133.33	030.1470.10000	030.1570.10000
765	RX Renovations Not in Production - Equipment	70.37	351.85	422.22	030.1450.10000	030.1550.10000
766	SBH/EMR	212.97	1,064.86	1,277.83	030.1450.10000	030.1550.10000
767	Sharon Hospital	46,487.30	232,436.50	278,923.80	030.1420.10000	030.1520.10000
768	Workstation Replacement	212.97	1,064.86	1,277.83	030.1470.10000	030.1570.10000
769	Workstation Replacement	212.99	1,064.93	1,277.92	030.1470.10000	030.1570.10000
770	Loading Dock Door	116.81	584.08	584.08	030.1420.10000	030.1520.10000
771	RX Renovations PH2	490.84	2,454.17	2,454.17	030.1420.10000	030.1520.10000
772	MOB Sink Replacement	64.95	194.84	194.84	030.1420.10000	030.1520.10000
773	RX Renovations PH2	772.92	3,091.67	3,091.67	030.1420.10000	030.1520.10000
774	Ultrasound	394.17	1,182.50	1,182.50	030.1450.10000	030.1550.10000
775	TSW EMR	539.58	2,158.33	2,158.33	030.1470.10000	030.1570.10000
776	OB Door Locks	99.48	298.43	298.43	030.1420.10000	030.1520.10000
777	MRI Monitors	265.83	797.50	797.50	030.1470.10000	030.1570.10000
778	Registration Tablet	61.11	122.22	122.22	030.1470.10000	030.1570.10000
779	On Call House Reno	164.41	328.83	328.83	030.1420.10000	030.1520.10000
780	ED Mag Locks	66.31	132.61	132.61	030.1420.10000	030.1520.10000
781	2N Light Replacement	76.21	152.42	152.42	030.1420.10000	030.1520.10000
782	On Call House Reno	96.62	96.62	96.62	030.1420.10000	030.1520.10000
783	Atrium Window Repair	128.50	128.50	128.50	030.1420.10000	030.1520.10000
784	SBH Renovations	0.00	0.00	0.00	030.1420.10000	030.1520.10000
785	Light Replacement 2N	36.85	36.85	36.85	030.1420.10000	030.1520.10000
786	Atrium Window Repair	0.00	0.00	0.00	030.1420.10000	030.1520.10000
787	Patient Curtains SDS	120.88	120.88	120.88	030.1450.10000	030.1550.10000
788	Exam Table	31.66	31.66	31.66	030.1450.10000	030.1550.10000
789	Biological Cabinet	90.11	90.11	90.11	030.1450.10000	030.1550.10000
790	Biological Cabinet Install	27.64	27.64	27.64	030.1450.10000	030.1550.10000
791	Fixed Asset Purchase - Roth	0.00	0.00	0.00	030.1450.10000	030.1550.10000
792	Screw Replace System	0.00	0.00	0.00	030.1450.10000	030.1550.10000

PP000317
11/03/2016

Schedule 2.1(h)
Tenant Leases

AGREEMENT	TENANT	LANDLORD	ADDRESS/ LOCATION	EFFECTIVE DATE (current term)
Lease Agreement	David R. Kurish, M.D.	Essent Healthcare of Connecticut, Inc.	Suite 1200 Sharon Medical Arts Center 29 Hospital Hill Rd Sharon, CT.	11/1/15
Medical Office Lease	Torrington Winsted Pediatric Associates, P.C.	Essent Healthcare of Connecticut, Inc.	Suite 1600 Sharon Medical Arts Center 29 Hospital Hill Rd Sharon, CT	12/7/15
Lease Agreement	Connecticut GI, P.C., successor in interest to Litchfield County Gastroenterology Associates, LLC	Essent Healthcare, Inc.	Suite 1700 Sharon Medical Arts Center 29 Hospital Hill Rd Sharon, CT	11/1/15
Physician Space Occupancy Agreement	Arthritis & Allergy Associates, P.C.	Essent Healthcare of Connecticut, Inc.	Suite 1800 Sharon Medical Arts Center 29 Hospital Hill Rd Sharon, CT	6/1/15
Physician Space Occupancy Agreement	Westwood Ear Nose & Throat, P.C.	Essent Healthcare of Connecticut, Inc.	Certain space in Suite 1900 Sharon Medical Arts Center 29 Hospital Hill Rd Sharon, CT	10/1/15
Office Lease Agreement	Saint Francis Medical Group, Inc.	Essent Healthcare of Connecticut, Inc.	Space on 2nd Floor 50 Hospital Hill Rd Sharon, CT	4/8/14
Clinical Space Rental Agreement	Hanger Prosthetics & Orthotics, Inc.	Essent Healthcare of CT, Inc. d/b/a Sharon Hospital	Examination Rooms Nos. 5 and 162 50 Hospital Hill Road Sharon, CT	6/1/16
Retail Thrift Store Lease Agreement	Tri-State Communications, LLC	Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital	Space on the 1st Floor "Bargain Barn" 3 Low Road Sharon, CT	1/1/16

Schedule 2.1(i)
Seller Leases

AGREEMENT	TENANT	LANDLORD	ADDRESS/ LOCATION	EFFECTIVE DATE (current term)
Connecticut Residential Lease Agreement	Essent Healthcare of Connecticut, Inc.	Anu Properties Corp.	17 Hospital Hill Road (Residential Unit) Sharon, CT	7/15/2016
Lease Agreement	Regional Healthcare Associates, LLC	Robert J. Orlandi	2 Old Park Lane (1st Floor) New Milford, CT	10/1/2013
Lease Agreement	Regional Healthcare Associates, LLC	Robert J. Orlandi	2 Old Park Lane (2nd Floor) New Milford, CT	5/1/2013
Timeshare Lease Agreement	Tri State Women's Services, LLC	Bruce Janelli, M.D.	75 Church St. Canaan, CT	8/1/2012
Physician Space Lease Occupancy Agreement	Tri State Women's Services, LLC	Orlito Trias, M.D.	9 Aspetuck Ave. New Milford, CT	11/1/2015
Lease Agreement	Tri State Women's Services LLC	Winsted Health Center, Inc.	115 Spencer St. Winsted, CT	9/1/2013
Commercial Lease	Regional Healthcare Associates, LLC	Kenmil Realty, LLC	64 Maple St. Kent, CT	8/1/2016
Lease	Tri State Women's Services LLC	Sharon Medical Office Building LLC	50 Amenia Rd. Sharon, CT	5/30/2012
Medical Office Lease Agreement	Regional Healthcare Associates, LLC	Candlewood Properties, LLC	120 Park Lane Road, New Milford, CT	5/5/2016
Medical Office Lease Agreement	Regional Healthcare Associates, LLC	Anu Properties, LLC	17 Hospital Road (Office Space) Sharon, CT	5/5/2016

Schedule 2.1(k)
Pending Approvals

	Program	Provider No.	Comments
1.	NY Medicaid Provider Number (Hospital)	02255392	NY Medicaid is currently processing the hospital's revalidation application filed in October 2015. Still in process per phone call to NY Medicaid on 6/10/16 (218 days in process). Per 8/19/16 phone call to NY Medicaid, the revalidation is still in process and NY Medicaid has no timeline in place for processing revalidations. Tracking ID: 153090248.

Schedule 2.2
Excluded Assets

1. All monies for Medicare and Medicaid MU incentives related to the period prior to Closing.
2. All monies for the period prior to Closing related to CT State Supplemental Payment program
3. All monies for "Sales / Use Tax Refund", as further described in Schedule 4.16(b).
4. Assignment interest in the Sok life insurance contract. The total assignment interest is $544,278.00.
5. Hospital's ownership of Connecticut Hospital Laboratory Network, LLC, including any payments to the Hospital in connection with a potential dissolution.

Schedule 2.2(e)
Excluded Contracts

1. Services Agreement between Essent Healthcare facilities of Southwest Regional Medical Center, Merrimack Valley Hospital, Nashoba Valley Medical Center and Sharon Hospital and Cardon Healthcare Network, Inc., dated January 1, 2011

Schedule 2.2(i)
Amounts Due to the Sellers

All amounts due to the Sellers from Affiliates of the Sellers as of the Closing Date.

Schedule 2.3(c)
Accrued PTO

Accrued PTO

To be provided immediately prior to the Closing Date.

Unrecorded Extended Illness Benefits

483,000

Schedule 2.4(c)
Excluded Liabilities

1. All liabilities relating to the State of Connecticut's audit of the Hospital's Sales and Use Tax, as further described in Schedule 4.16(b).
2. All liabilities of Connecticut Hospital Laboratory Network, LLC that are attributable to the Hospital's ownership interest.
3. All liabilities relating to the assignment interest in the Sok life insurance contract.

Schedule 4.2(b)
Sellers' Required Consents

1. Connecticut Office of Health Care Access
2. CT Hospital License
3. CT Controlled Substance Registration
4. CDPH Lab Registration
5. CDPH Blood Bank Lab Registration
6. NY State Lab Permit
7. PA Lab Registration Letter
8. CDEEP Certificate of Use
9. CDEEP Certificate of Use
10. CDEEP RAM Registration Confirmation
11. CDEEP RAM Registration Confirmation
12. DEA Registration
13. CLIA Certificate of Accreditation
14. CLIA Certificate of Waiver (RHA 17 Hosp Hill Rd)
15. CLIA Certificate of Waiver (RHA 50 Hosp Hill Rd)
16. CLIA Certificate of PPMP (New Milford OB/GYN)
17. CLIA Certificate of PPMP (RHA 29 Hosp Hill Rd, Ste. 1400)
18. CLIA Waiver (RHA 64 Maple St)
19. CLIA Waiver (RHA 120 Park Lane)
20. CAP Accreditation
21. US Nuclear Regulatory Commission Materials License
22. FDA Mammography Facility Certification
23. ACR Accreditation (Mammographic Imaging)
24. ACR Accreditation (Computed Tomography)
25. ACR Accreditation (MRI Services)
26. ACR Accreditation (SBBI Services)
27. ACR Accreditation (Nuclear Medicine)
28. ACR Accreditation (Ultrasound Services)
29. ACR Accreditation (Breast Ultrasound Imaging)
30. ACR Accreditation (Breast MRI)
31. AIUM Accreditation
32. The Joint Commission
33. FCC Radio Station Authorization
34. FCC Radio Station Authorization
35. FCC Radio Station Authorization
36. Connecticut Property Transfer Form

37. CLIA Certificate of Waiver (TSWS 115 Spencer St.)
38. CLIA Waiver (TSWS 76 Church St.)
39. CLIA Certificate of Compliance (TSWS 50 Amenia Rd.)

Schedule 4.4(a)
Seller Financial Statements; GAAP Exceptions

See attached.

GAAP Exceptions:

1. The Financial Statements do not contain year-end notes as would be required for auditing/issuance in accordance with GAAP.
2. The asset related to a key man life insurance policy for James Sok is not recorded on the Balance Sheet as would be required if material in accordance with GAAP.
3. There is no income tax provision prepared or recorded in the Financial Statements.
4. Certain obligations are accounted for on an intercompany basis with RegionalCare Hospital Partners, Inc. (e.g. certain insurance reserves, executive bonuses, etc.)

Schedule 4.5
Certain Post Balance Sheet Results

None.[1]

[1] Note: May be updated prior to Closing, if applicable.

Schedule 4.6
Licenses

	License Issuer	License No.	Expiration Date
1.	State of Connecticut Department of Public Health License	#0071	Expires: 03/31/2018
2.	State of Connecticut Department of Consumer Protection Controlled Substance Registration for Hospitals	CSP.0000875-HOSP (3367)	Expires: 02/28/2017
3.	CDPH Approved Public Health Laboratory	HP-0317	Expires: 03/31/2018
4.	CDPH Registration and Approval Blood Bank Laboratory	BB-1046	Expires: 03/31/2018
5.	NY State Department of Health Clinical Laboratory Permit	3367	Expires: 06/30/2017
6.	PA Department of Health Lab Registration Letter	31767	Expires: ongoing
7.	CDEEP RMI Confirmation of Registration	0302	Expires: 12/31/2016
8.	CDEEP DTX Confirmation of Registration	4480	Expires: 04/30/2018
9.	Sharon Department of Health	Food Establishment License (Gazebo/Café)	Expires: 07/31/2017
10.	Sharon Department of Health	Food Establishment License (Healthcare/Institutional Food Service/Café)	Expires: 7/31/2017
11.	Controlled Substance Registration Certificate United States Department of Justice Drug Enforcement Administration	BE7740562	Expires: 08/31/2016
12.	CLIA Certificate of Accreditation (Hospital)	07D0644532	Expires: 07/19/2017
13.	CLIA Waiver (RHA 64 Maple St)	07D2027246	Expires: 05/26/2017
14.	CLIA Waiver (RHA 50 Hosp Hill Rd)	07D1099947	Expires: 05/26/2017
15.	CLIA PPMP (New Milford OB/GYN)	07D0868377	Expires: 08/31/2016
16.	CLIA PPMP (RHA 29 Hosp Hill Rd, Ste. 1400)	07D1106899	Expires: 09/08/2016
17.	CLIA Waiver (RHA 17 Hosp Hill Rd)	07D0093351	Expires: 01/23/2018

	License Issuer	License No.	Expiration Date
18.	CLIA Waiver (RHA 120 Park Lane)	07D0100407	Expires: 08/29/2016
19.	The College of American Pathologists Accreditation	1185501	Expires: 01/07/2018
20.	United States Nuclear Regulatory Commission	06-08020-02	Expires: 06/30/2025
21.	Food and Drug Administration Certified Mammography Facility	ID: 149658	Expires: 05/13/2017
22.	American College of Radiology Mammographic Imaging	MAP# 00552-05	Expires: 05/13/2017
23.	American College of Radiology Computed Tomography	CTAP# 00311-02	Expires: 03/29/2019
24.	American College of Radiology Magnetic Resonance Imaging Services	MRAP# 01764-03	Expires: 10/29/2016
25.	American College of Radiology Stereotactic Breast Biopsy Imaging Services	SBBAP# 00984-02	Expires: 12/22/2018
26.	American College of Radiology Nuclear Medicine Services	NMAP# 00296-01	Expires: 09/17/2017
27.	American College of Radiology Ultrasound Services	UAP# 02130	Expires: 11/28/2018
28.	American College of Radiology Breast Ultrasound Imaging Services	BUAP# 00083	Expires: 11/01/2016
29.	American College of Radiology Breast Magnetic Resonance Imaging Services	BMRAP# 50771-01	Expires: 02/10/2019
30.	AIUM Accreditation	New Milford OB/GYN	Expires: 10/15/2018
31.	The Joint Commission	5691	Expires: 01/08/2018
32.	Federal Communications Commission Radio Station Authorization	WPDJ523	Expires: 10/06/2018
33.	Federal Communications Commission Radio Station Authorization	WPRG957	Expires: 09/20/2025
34.	Federal Communications Commission Radio Station Authorization	WQUW310	Expires: 10/29/2024
35.	State of Connecticut Division of Construction Services Boiler Operating Certificate	# 014047	Next Inspection Date: 01/08/2018
36.	State of Connecticut Division of Construction Services Boiler Operating Certificate	# 014048	Next Inspection Date: 10/10/2016

	License Issuer	License No.	Expiration Date
37.	State of Connecticut Division of Construction Services Boiler Operating Certificate	# 014049	Next Inspection Date: 11/07/2016
38.	State of Connecticut Elevator Certificate of Operation	Elevator #125-0001	Expires: 02/01/2018
39.	State of Connecticut Elevator Certificate of Operation	Elevator #125-0005	Expires: 07/21/2018
40.	State of Connecticut Elevator Certificate of Operation	Elevator #125-0004	Expires: 07/21/2018
41.	State of Connecticut Elevator Certificate of Operation	Elevator #125-0010	Expires: 03/30/2018
42.	State of Connecticut Elevator Certificate of Operation	Elevator #125-0013	Expires: 05/07/2018
43.	State of Connecticut Elevator Certificate of Operation	Elevator #125-0014	Expires: 05/07/2018
44.	State of Connecticut Elevator Certificate of Operation	Elevator #125-0009	Expires: 03/30/2018
45.	State of Connecticut Elevator Certificate of Operation	Elevator #125-0002	Expires: 07/21/2018
46.	CDEEP Bureau of Air Management	Registration# 162-0007-FPLPE	Expires: 11/08/2020
47.	CDEEP Underground Storage Tank – Notice of Application	Facility ID: 125-2170 Application No.: 2199113	Expires: 10/08/2016
48.	CT Airport Authority	License No. HR171	Expires: 11/15/2016
49.	CLIA Waiver (TSWS 115 Spencer St.)	07D0950433	Expires: 08/24/2018
50.	CLIA Waiver (TSWS 76 Church St.)	07D0950424	Expires: 11/26/2016
51.	CLIA Compliance (TSWS 50 Amenia Rd.)	07D0674765	Expires: 03/10/2017

Schedule 4.7
Applications

Certificate of Need:

State Health Agency	Determination No.	Comments
State of Connecticut Department of Health	Determination # 11-31720-DTR	Certificate of Need not required for merger between Essent Health and RegionalCare Hospital Partners, Inc. 09/09/2011

Schedule 4.8
Medicare Participation; Accreditation

	Program	Provider No.	Comments
1.	Medicare Part A CCN (Hospital)	07-0004	
2.	Medicare Part A CCN (Psych Unit)	07-S004	
3.	Medicare Part B PTAN (Regional Healthcare Associates LLC)	C03779	
4.	Medicare Part B PTAN (Tri State Women's Services LLC)	D100070627	
5.	Railroad Medicare PTAN (Regional Healthcare Associates LLC)	DO7964	
6.	Railroad Medicare PTAN (Tri State Women's Services LLC)	DT3319	
7.	CT Medicaid Provider Number (Hospital)	004221800; 004221818	
8.	CT Medicaid Provider Number (Regional Healthcare Associates LLC)	008024284; 008016129; 008008233; 008024296; 008024286; 008062872; 008064785; 008024424	
9.	CT Medicaid Provider Number (Tri State Women's Services LLC)	1285903526	
10.	NY Medicaid Provider Number (Hospital)	02255392	NY Medicaid is currently processing the hospital's revalidation application filed in October 2015. Still in process per phone call to NY Medicaid on 6/10/16 (218 days in process). Per 8/19/16 phone call to NY Medicaid, the revalidation is still in process and NY Medicaid has no timeline in place for processing revalidations. Tracking ID: 153090248.
11.	NY Medicaid Provider Number (Regional Healthcare Associates LLC)	03597211	
12.	NY Medicaid Provider Number (Tri State Women's Services LLC)	03461832	

	Program	Provider No.	Comments
13.	NPI (Hospital)	1235131442	
14.	NPI (Psych Unit)	1306960596	
15.	NPI (RHA)	1043390156	
16.	NPI (Tri State Women's Services)	1285903526	

Schedule 4.9
Regulatory Compliance

None.

Schedule 4.10
Equipment

See attached.

Schedule 4.11
Permitted Encumbrances

1. The Connecticut Department of Public Health/Centers for Medicare and Medicaid Services determined that renovations performed at Pharmacy USP 797 took place without formal authorization. An action plan was submitted and subsequently accepted. The Hospital is awaiting certain engineering approvals to finalize the pharmacy renovations.

2. Real estate taxes to Town of Sharon for the year 2016 and subsequent years.

3. As to Parcel 1: Matters shown ALTA/ACSM Land Title Survey; located at Hospital Hill Road and King Hill Road; Sharon, Connecticut; prepared for Sharon Corporation dated October 5, 2001, prepared by Martin and Martin Engineering and Land Surveyors, and recorded as Map 1860B in the Sharon Town Clerk's office:

   a. Note regarding non-conforming building side yard on easterly property line;
   b. Underground sanitary sewer lines along Hospital Hill Road;
   c. Notes regarding zoning;
   d. Utility poles and lines along King Hill Road;
   e. Telephone line and electric lines along southerly boundary;
   f. Front, rear and sideyard setback lines.

4. As to Parcel 2: Easement dated August 5, 1895 from Albert J. Bostwick to Sharon Water Company recorded in Volume 40, Page 112 of the Sharon Land Records.

5. As to Parcel 2: Rights described in a Warranty Deed dated March 26, 1964 from Ronald B. Wike and Mary Jane Paavola to Iva N. Stine recorded in Volume 76, Page 249 of the Sharon Land Records. Reference is made to Map 628.

6. As to Parcel 2: Release of rights as described in a Quit Claim Deed dated May 27, 1966 from Ronald B. Wike and Mary Jane Paavola to Patricia P. Gillette recorded in Volume 78, Page 478 of the Sharon Land Records.

7. As to Parcel 2: Riparian rights of others in and to Beardsley Park Brook.

8. As to Parcel 2: The following matters shown on a map entitled ALTA/ACSM Land Title Survey; located at Low Road, Lovers Lane, and Gay Street; Sharon Connecticut; prepared for Sharon Corporation dated October 5, 2001, prepared by Martin and Martin Engineering and Land Surveyors, and on file as Map No. 1861 in the Sharon Town Clerk's Office:

   a. Water Service lines;
   b. Variance between property lines and lines of fencing
   c. Setback lines;
   d. ROW of New Posts over Property Line.

9. As to Parcels 3, 4 and 5: Easement dated July 6, 1966 from Frank Lovallo and Phyllis K. Lovallo to The Hartford Electric Light Company recorded in Volume 78, Page 517 of the Sharon Land Records. Reference is made to Map 691.

10. As to Parcels 3, 4 and 5: Easement dated April 20, 1989 from West Sharon Corporation to Roger W. Elwood and Jane M. Elwood recorded in Volume 111, Page 607 of the Sharon Land Records.

11. As to Parcels 3, 4 and 5: Right of way set forth in a Quit Claim Deed dated April 30, 1990 from West Sharon Corporation to Sharon Corporation recorded in Volume 113, Page 331; as modified, extended and affected by terms set forth in a Statutory Form Warranty Deed dated May 31, 2001 from Sharon Health Care, Inc. to United Methodist Home of Sharon, Inc. recorded in Volume 141, Page 256 of the Sharon Land Records. Reference is made to Map 1611 and Map 1693.

12. As to Parcels 3, 4 and 5: Rights of way as set forth in a Quit Claim Deed dated September 30, 1991 from West Sharon Corporation to Sharon Corporation recorded in Volume 115, Page 491. Reference is made to Map 1640.

13. As to Parcels 3, 4 and 5: Reciprocal Easement Agreement dated as of July 30, 2002 recorded in Volume 148, Page 47 of the Sharon Land Records.

14. As to Parcels 3, 4 and 5: The following matters shown on Sheet 3 of maps entitled ALTA/ACSM Land Title Survey; located at Hospital Hill Road and Amenia Road; Sharon, Connecticut; prepared for Sharon Corporation dated October 5, 2001, prepared by Martin and Martin Engineering and Land Surveyors, and recorded as Map 1860C in the Sharon Town Clerk's office:

    a. Building setback lines;
    b. Parking Limits over Subdivision Lot Line;
    c. Drainage flow onto east side;
    d. Sanitary sewer line;
    e. Underground electric and telephone lines.

15. As to Parcel 4: A condition set forth in a Warranty Deed dated December 30, 1969 that no part of the (premises) shall be used as a "drive-in" type of restaurant and containing a reversion for any breach of said condition; from Laura Hamlin to Frank Lovallo and Phyllis K. Lovallo recorded in Volume 82, Page 590 of the Sharon Land Records.

16. As to Parcel 4: Easement dated September 29, 1970 from Frank Lovallo and Phyllis K. Lovallo to The Hartford Electric Light Company recorded in Volume 83, Page 493 of the Sharon Land Records. Reference is made to Map 813.

17. As to Parcel 4: Easement dated January 12, 1984 from Frank Lovallo and Phyllis K. Lovallo to The Connecticut Light and Power Company recorded in Volume 101, Page 324 of the Sharon Land Records. Reference is made to Map 1359.

18. As to Parcel 4: Grant of Easement dated September 30, 1991 from West Sharon Corporation to First Church of Christ (Congregational) recorded in Volume 115, Page 496 of the Sharon Land Records. Reference is made to Map 1640.

19. As to Parcel 4: Easement dated August 7, 1992 from West Sharon Corporation to Sharon Medical Office Building Limited Partnership recorded in Volume 117, Page 715 of the Sharon Land Records. Reference is made to Map 1657.

20. As to Parcel 4: Easement dated April 18, 1994 from West Sharon Corporation to Sharon Health Care, Inc. recorded in Volume 122, Page 810 of the Sharon Land Records. Reference is made to Map 1693.

Schedule 4.11(a)
Property Violations

1. The Connecticut Department of Public Health/Centers for Medicare and Medicaid Services determined that renovations performed at Pharmacy USP 797 took place without formal authorization. An action plan was submitted and subsequently accepted. The Hospital is awaiting certain architectural approvals to finalize the pharmacy renovations. The Hospital's architect met with a State of Connecticut representative the week of August 8, 2016. The State's representative stated that a follow up appointment with T. Bruno from the Connecticut Department of Public Health was necessary for approval. The Hospital is awaiting the scheduling of that appointment from the Connecticut Department of Public Health.

Schedule 4.11(b)
Zoning

None.

Schedule 4.11(d)
Real Property Actions

None.

Schedule 4.11(g)
Rent Roll

TENANT	LANDLORD	PREMISES (ADDRESS)	EFFECTIVE DATE	TERM & RENEWALS	RENT/ CHARGES / SEC DEP	EXPIRES	ARREARS/ PREPD
David R. Kurish, M.D.	Essent Healthcare of Connecticut, Inc.	Suite 1200 Sharon Medical Arts Center 29 Hospital Hill Rd. Sharon, CT	11/1/15	1 year Automatic 1-year renewal terms	$1,270.00 per month No security deposit	10/31/16	None as of July 26, 2016
Torrington Winsted Pediatric Associates, P.C.	Essent Healthcare of Connecticut, Inc.	Suite 1600 Sharon Medical Arts Center 29 Hospital Hill Rd. Sharon, CT	12/7/15	1 year May renew for one 1-year term	$4,584.67 per month No security deposit	12/31/16	None as of July 26, 2016
Connecticut GI, P.C.	Essent Healthcare of Connecticut, Inc.	Suite 1700 Sharon Medical Arts Center 29 Hospital Hill Rd. Sharon, CT	11/1/15	1 year Automatic 1-year renewal terms	$1,704.56 per month No security deposit	10/31/16	None as of July 26, 2016
Arthritis & Allergy Associates, P.C.	Essent Healthcare of Connecticut, Inc.	Suite 1800 Sharon Medical Arts Center 29 Hospital Hill Rd. Sharon, CT	6/1/15	1 year No renewal options	$541.67 per month No security deposit	5/31/16	None as of July 26, 2016
Westwood Ear Nose & Throat, P.C.	Essent Healthcare of Connecticut, Inc.	Certain space in Suite 1900 Sharon Medical Arts Center 29 Hospital Hill Rd. Sharon, CT	10/1/15	1 year No renewal options	$1,083.33 per month No security deposit	9/30/16	$6,270.79 balance as of August 15, 2016 consisting of: current and past months' rent and retroactive rent payments still due
Saint Francis Medical Group, Inc.	Essent Healthcare of Connecticut, Inc.	Space on 1st Floor 50 Hospital Hill Rd. Sharon, CT	4/18/14	3 year No renewal options	$5,968.63 per month No security deposit	4/17/17	None as of July 26, 2016
Hanger Prosthetics & Orthotics, Inc.	Essent Healthcare of CT, Inc. d/b/a Sharon Hospital	Examination Rooms Nos. 5 and 162 50 Hospital Hill Road Sharon, CT	6/1/11	1 year Automatic 1 year renewal terms	$263.00 per month No security deposit	6/1/17	None as of July 26, 2016
Tri-State Communicati	Essent Healthcare of	Space on the 1st Floor ("Bargain	1/1/16	3 years	$1,129.06 per month	12/31/18	None as of July 26, 2016

TENANT	LANDLORD	PREMISES (ADDRESS)	EFFECTIVE DATE	TERM & RENEWALS	RENT/ CHARGES / SEC DEP	EXPIRES	ARREARS/ PREPD
ons, LLC	Connecticut, Inc. d/b/a Sharon Hospital	Barn") 3 Low Road Sharon, CT		Tenant has option to renew for 1 additional 3 year term	No security deposit		

Schedule 4.11(h)
Notice of Modification

None.

Schedule 4.11(i)
Encroachments

1. Encroachment of 2 story wood frame building over building setback line on Parcel IV.

2. Encroachment of 1 story wood frame building over building setback line on Parcel I.

3. Encroachment of 1 story masonry building over building setback line on Parcel II.

Schedule 4.11(j)
Third Party Rights

None.

Schedule 4.11(k)
Construction

1. The Connecticut Department of Public Health/Centers for Medicare and Medicaid Services determined that renovations performed at Pharmacy USP 797 took place without formal authorization. An action plan was submitted and subsequently accepted. The Hospital is awaiting certain architectural approvals to finalize the pharmacy renovations, but the physical construction is substantially complete. The Hospital's architect met with a State of Connecticut representative the week of August 8, 2016. The State's representative stated that a follow up appointment with T. Bruno from the Connecticut Department of Public Health was necessary for approval. The Hospital is awaiting the scheduling of that appointment from the Connecticut Department of Public Health.

Schedule 4.11(l)
Tenant Improvement

None.

Schedule 4.12
Condition of the Assets

1. The 20,000 gallon underground storage tank, as further described in Schedule 4.27(f), is nearing its "end-of-life" and must be replaced by 2018.

Schedule 4.13(a)
Benefit Plans

1. Essent Healthcare Health and Welfare Plan. This particular plan covers the following types of benefits:
    a. Medical and Dental
    b. Life and Accidental Death and Dismemberment Plan
    c. Short-Term Disability Plan
    d. Long-Term Disability Plan
    e. Voluntary Vision
2. RegionalCare Hospital Partners Welfare Benefit Plan. This particular plan covers the following types of benefits:
    a. Medical and Dental
    b. Flexible Benefits (health flexible spending arrangement)
    c. Life and Accidental Death and Dismemberment Plan
    d. Short-Term Disability Plan
    e. Long-Term Disability Plan
    f. Health Reimbursement Account
    g. Health Savings Account
    h. Voluntary Vision
3. RegionalCare Hospital Partners Supplemental Executive Retirement Plan
4. Paid Time Off (Vacation)
5. RegionalCare Hospital Partners Retirement Savings Plan
6. Tuition Reimbursement Program
7. Sharon Hospital Retiree Plan

Schedule 4.13(c)
ERISA

None.

Schedule 4.14
Litigation

Orders

1. Final Decision, Docket No. 01-486-01, by the State of Connecticut Office of the Attorney General, dated November 26, 2001, as amended by the Order, dated January 9, 2002, of the State of Connecticut Office of the Attorney General.

2. Final Decision, Docket No. 01-486-01, by the Office Of Health Care Access ("OHCA"), dated October 17, 2001, as amended by the Revised Final Decision, Docket No. 01-486-01R, by OHCA, dated December 14, 2001.

Potential/Threatened Litigation

Name	Claim Filed	Attorney	Progress/Status
Dr. Ari Namon	N/A	Jackson Lewis P.C.	Unfiled dispute regarding discourse between Dr. Namon and previous Hospital CEO. Settlement discussions in progress.
Nannette R. Pizzoni, Conservator of the Estate of Nicole R. Pizzoni	Connecticut Superior Court (Litchfield)	Deakin, Edwards & Clark LLP	Compliant filed August 11, 2016 regarding a medical malpractice claim against Dr. David Kurish, Essent Healthcare of Connecticut, Inc. and RegionalCare Hospital Partners, Inc.

Schedule 4.16
Tax Returns

1. Regional Healthcare Associates, LLC has not filed its federal or state income tax returns, or paid any corresponding income taxes, for the last two fiscal years ending September 30, 2014 and 2015.

Schedule 4.16(a)
Tax Extensions

The tax extensions below relate to Essent Healthcare of Connecticut, Inc. and to Sharon Hospital Holding Company.

1. Tax Year January 1, 2015 through December 3, 2015

    (a) Federal Form 1120, U.S. Corporation Income Tax Return
        (i) Extended to September 15, 2016

    (b) Connecticut Form CT-1120, Connecticut Business Tax Return
        (i) Extended to October 1, 2016

2. Tax Year December 4, 2015 through December 31, 2015

    (a) Federal Form 1120, U.S. Corporation Income Tax Return
        (i) Extended to September 15, 2016

    (b) Connecticut Form CT-1120, Connecticut Business Tax Return
        (i) Extended to October 1, 2016

Schedule 4.16(b)
Tax Audits

State of Connecticut:

1. Essent Healthcare of Connecticut, Inc. - Sales Tax Refund Claim, April 1, 2011 through June 30, 2014. A third party consulting firm was engaged to pursue a refund claim on overpayments of sales tax. The State of Connecticut is currently reviewing this claim.

Schedule 4.16(c)
Tax Partnerships

1. Essent Healthcare of Connecticut, Inc. holds the following ownership interest in Connecticut Hospital Laboratory Network, LLC. Ownership Percentage (as of September 30, 2015): 4.7619047%

2. Regional Healthcare Associates, LLC is treated as a partnership for federal and applicable state income tax purposes.

2. Tri State Women's Services, LLC is treated as a partnership for federal and applicable state income tax purposes.

Schedule 4.17(a)
Employees

Independent Contractor Physician/Physician Group Agreements

1. Hospital Professional Services Agreement (Diagnostic Test Interpretation Services) by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and David Kurish, M.D., dated 08/01/2005
2. Professional Services Agreement (General Surgery) by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Peter Reyelt, M.D., dated 08/18/2008
3. Professional Services Agreement for Travel Clinic Services by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Douglas A. Finch, M.D., LLC, dated 01/01/2010
4. Medical Director Agreement by and between Essent Healthcare, Inc. d/b/a Sharon Hospital and Douglas A. Finch, M.D., dated 01/01/2010 (and Amendment to Medical Director Agreement and Release of Claims, dated 09/04/2012)
5. Hospital Professional Services Agreement (Diagnostic Test Interpretation Services) by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Michael Parker, M.D., dated 08/01/2005
6. Medical Director Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Michael Parker, M.D., dated 02/01/2012
7. Medical Director Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Howard G. Mortman, M.D., dated 01/01/2011
8. Medical Director Agreement by and between Essent Healthcare of CT, Inc. d/b/a Sharon Hospital and Evan Rashkoff, M.D., dated 01/01/2011
9. Medical Director Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Saint Francis Medical Group, Inc., dated 05/05/2014
10. Professional Services Agreement (Supplemental Call Coverage) by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and New Milford Orthopedics, dated 01/01/2011
11. Comprehensive Gastroenterology Call Coverage Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Connecticut GI, P.C., dated 09/25/2015
12. Anesthesiology Services Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Milford Anesthesia Associates, P.C., dated 11/01/2003
13. Agreement for Radiology Department Coverage [Group Coverage] by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Hudson Valley Radiologists, P.C., dated 06/18/2015
14. Telestroke Services Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Yale-New Haven Health System, dated 01/01/2014
15. Services Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and EmCare, Inc., dated 10/09/2014
16. Nurse Midwife Lease Agreement by and between Essent Healthcare of CT, Inc. d/b/a Sharon Hospital and Physicians for Women's Health, LLC d/b/a Sharon Obstetrics & Gynecological Associates, dated 10/01/2006

17. Professional Services Agreement for On Call Coverage for Individual Physician by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Abdulmasih Zarif, M.D., dated 05/12/2016
18. Professional Services Agreement by and between Essent Healthcare of Connecticut, Inc d/b/a Sharon Hospital, Regional Healthcare Associates, LLC and Onsite Neonatal, P.C., dated 06/01/2016
19. Physician Recruitment Agreement by and between Essent Healthcare of Connecticut, Inc., d/b/a Sharon Hospital, Tri-State, a division of Physicians for Women's Health and Bhavana Daruvuri, DO, dated 07/31/2015
20. Pathology Services Agreement by and between RCHP d/b/a Sharon Hospital and Consultants in Pathology, P.C., dated 01/01/2012
21. Lithotripsy Services Agreement by and between UMS Connecticut Lithotripsy, LP and Essent Healthcare of Connecticut d/b/a Sharon Hospital, dated 06/08/2006
22. Professional Services Agreement for Physician Group by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Associated Northwest Urology, PC, dated 05/02/2016
23. Professional Services Agreement by and between Regional Healthcare Associates, LLC and Saint Francis Medical Group, Inc., dated 05/01/2014.
24. Professional Services Agreement by and between Tri State Women's Services LLC and Physicians for Women's Health, dated 05/01/2012
25. Professional Services Agreement for On Call Coverage by and between Tri State Women's Services LLC and Physicians for Women's Health, dated 01/01/2012, as assigned to Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital
26. Billing and Collection Services Agreement by and between Women's Health Connecticut and Tri State Women's Services, dated 05/01/2012

Other Clinical Agreements

1. Memorandum of Agreement for Organ/Tissue/Eye Procurement by and between Sharon Hospital and LifeChoice Donor Services, Inc., dated May 1, 2012.
2. American Red Cross Blood Services Agreement by and between Sharon Hospital and The American National Red Cross, Connecticut Blood Services Region, dated October 1, 2014
3. Clinical Wound Care with Hyperbaric Oxygen Therapy Management and Support Services Agreement by and between Essent Healthcare of CT Inc. dba Sharon Hospital and Diversified Clinical Services, Inc., dated October 27, 2010

Other Agreements

1. The Chief Executive Officer, Chief Financial Officer and the Chief Nursing Officer of the Hospital are employed by RCHP Management Company, Inc.
2. Contractor Services Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Silloo Peters-Marshall, dated 4/28/2016

Supplies Agreements

1. Instrument Service Agreement by and between Trinity Biotech and Sharon Hospital, dated May 27, 2016
2. Agreement by and between Unitex Textile Rental Services and Sharon Hospital, dated May 8, 2008
3. Local Service Agreement by and between Unitex Textile Rental Services and Sharon Hospital, dated May 27, 2015
4. Equipment Lease Agreement by and between Tri State Women's Services and Physician's for Women's Health, dated 05/01/2012

Facilities Services

1. Transaction Schedule by and between Sharon Hospital and General Electronic Company, dated May 1, 2009
2. Contract Agreement by and between Connecticut Peer Review Organization d/b/a Qualidigm and Essent Healthcare of Connecticut d/b/a Sharon Hospital, dated February 1, 2016
3. Medicaid Eligibility Services Agreement by and between The Collection Bureau of Hudson Valley, Inc., Healthcare Billing Services, NY, Inc. and Sharon Hospital-RegionalCare Hospital Partners, dated January 6, 2012
4. Peak Performance Service Agreement No. PM114 by and between D & E Technologies and Sharon Hospital, dated January 1, 2016
5. Engagement Letter Agreement by and between Sharon Hospital and Updike, Kelly & Spellacy, PC, dated November 19, 2015
6. Services Agreement by and between Haytel Cardiac Services d/b/a Remote Cardiac Services and Essent Healthcare of Connecticut d/b/a Sharon Hospital, dated April 20, 2015
7. Rental Customer Order and Support Customer Order by and between CareFusion Solutions, LLC and Essent Healthcare of Connecticut d/b/a Sharon Hospital, dated January 11, 2016
8. Maintenance Contract by and between Sharon Hospital and Otis Elevator Company, dated May 1, 2013
9. Lease Agreement # 234103 by and between Sharon Hospital and Johnson & Johnson Finance Corporation, dated July 12, 2012
10. Pharmacy Agreement by and between Essent Healthcare of Connecticut d/b/a Sharon Hospital and Cardinal Health Solutions, Inc., dated October 1, 2007
11. Cyracom International Service Agreement by and between Sharon Hospital and CyraCom International, Inc., dated February 19, 2007
12. Proposal by and between Sharon Hospital and Upcountry Services of Sharon, Inc., dated April 1, 2014
13. Proposal by and between Sharon Hospital and Upcountry Services of Sharon, Inc., dated November 1, 2014
14. Proposal by and between Sharon Hospital and Upcountry Services of Sharon, Inc., dated November 1, 2014
15. Product Sale Agreement by and between Sharon Hospital and Airgas East, Inc., dated July 13, 2011

16. Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Horizon Mental Health Management, Inc., dated April 12, 2002
17. Print Management Agreement by and between Sharon Hospital and Konica Minolta Business Solutions U.S.A., Inc., dated January 31, 2011
18. Service Solution Proposal by and between Tyco SimplexGrinnell and Sharon Hospital, dated 06/01/2014
19. Healthcare Management Services Agreement by and between Sharon Hospital and Aramark Healthcare Support Services, Inc., dated October 1, 2004
20. Agreement by and between Essent Healthcare of Connecticut, Inc. dba Sharon Hospital and Agile Consulting Group, Inc., dated July 19, 2013
21. Masimo Pulse Oximetry Supply Agreement Deferred Equipment Purchase Plan by and between Masimo Americas, Inc. and Essent Healthcare of Connecticut d/b/a Sharon Hospital, dated May 9, 2014
22. Business Electricity Authorization Connecticut Large Commercial Sales Standard Product Agreement by and between Essent Healthcare of CT dba Sharon Hospital and NextEra Energy Services, dated June 2, 2016
23. 2016 Environmental Compliance Master Services Agreement by and between Fuss & O'Neill and Sharon Hospital, dated January 15, 2016
24. Security Service Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Apollo Security International, Inc., dated May 1, 2016
25. Charge Description Master Maintenance Services by and between Essent Healthcare and The Wellington Group, LLC, dated September 1, 2006
26. Medical Record Custodial Agreement by and between Regional Healthcare Associates, LLC and Torrington-Winsted Pediatric Associates, P.C., dated January 13, 2016

IT Agreements

1. Support and Maintenance Agreement by and between Sharon Hospital and Merge Healthcare, dated July 15, 2012
2. Order Form and Terms and Conditions by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and ChimeNet, Inc., dated April 14, 2015
3. Grant Consulting Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and SpectraCorp Technologies Group Inc., dated July 8, 2013
4. Dell Cloud Clinical Archive Services Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Dell Marketing, L.P., dated July 9, 2013
5. Support Agreement by and between Clinical Computer Systems, Inc. and Essent Healthcare of Connecticut d/b/a Sharon Hospital, dated September 1, 2010
6. Master Agreement and Customer Order by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and CareFusion Solutions, LLC, dated March 30, 2015
7. EMR Agreement by and between Tri State Women's Services LLC and Women's Health Connecticut, Inc., dated May 1, 2012
8. Merchant Processing Application and Agreement by and between Tri State Women's Services LLC and First Data Merchant Services, dated _____, 2012, with Addendum
9. meridianEMR, EMR Software License, Hardware Purchase and Business Services Agreement by and between Associated Northwest Urology and IntrinsiQ Specialty Solutions, Inc. d/b/a IntrinsiQ Software, dated August 20, 2008 as assigned by that certain

Assignment and Assumption Agreement by and between IntrinsiQ Specialty Solutions, Inc. d/b/a IntrinsiQ Software, Associated Northwest Urology and Regional Healthcare Associates, LLC, dated August 23, 2016

10. Agreement by and between Essent Healthcare d/b/a Sharon Hospital and UpToDate, Inc., dated July 7, 2016
11. Amicas Limited Sublicense Agreement by and between Imaging On Call, LLC and Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, undated
12. Application Service Provider Agreement by and between Standing Stone Inc. and Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, dated May 31, 2011
13. Maintenance Agreement and Service Agreement Terms and Conditions by and between Hologic, Inc. and Sharon Hospital, dated July 3, 2013

Miscellaneous

1. Services Agreement by and between Sharon Hospital Holding Company and Regional Healthcare Associates, LLC, dated February 25, 2014
2. Services Agreement by and between Sharon Hospital Holding Company and Tri State Women's Services, LLC, dated October 1, 2014
3. There are no employees of Tri State Women's Services, LLC. All non-provider employees are employees of Sharon OBGYN or Physicians for Women's Health. All physicians are employees or independent contractors of Sharon OBGYN or Physicians for Women's Health

Schedule 4.17(b)
Employment Claims

None.

Schedule 4.17(c)(i)
Employment Contracts

1. Each of the Agreements listed in Schedule 4.17(a) is incorporated herein, except those Employment Agreements between RCHP Management Company, Inc. and individuals.
2. Agreement for Hospice General Inpatient Level Care in a Hospital by and between Essent Healthcare of Connecticut d/b/a Sharon Hospital and Salisbury Visiting Nurse Association, Inc., dated July 1, 2016
3. Non-Exclusive Professional Services Agreement by and between Sharon Hospital and Sharon Healthcare, dated April 1, 2012
4. Non-Exclusive Professional Services Agreement by and between Sharon Hospital and Geer Nursing and Rehabilitation, dated April 1, 2012
5. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and Joseph Catania, M.D., dated 10/17/2008, as amended
6. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and A. Martin Clark, Jr., M.D., dated 09/24/2012
7. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and Kristin Newton, M.D., dated 07/06/2015
8. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and Leonard Astrauskas, M.D., dated 10/08/2015
9. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and Michelle Apiado, M.D., dated 07/22/2015
10. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and John Sussman, M.D., dated 04/01/2013
11. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and Suzanne Lefebvre, M.D., dated July 5, 2011
12. Mid-Level Practitioner Employment Agreement by and between Regional Healthcare Associates, LLC and Tracey Sheedy, PA, dated 02/09/2016

Schedule 4.17(c)(ii)
Employment Loss

None.

Schedule 4.18
Material Contracts

(a)

Employment Agreements

1. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and Joseph Catania, M.D., dated 10/17/2008, as amended
2. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and A. Martin Clark, Jr., M.D., dated 09/24/2012
3. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and Kristin Newton, M.D., dated 07/06/2015
4. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and Leonard Astrauskas, M.D., dated 10/08/2015
5. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and Michelle Apiado, M.D., dated 07/22/2015
6. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and Josh Sussman, M.D., dated 04/01/2013
7. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and Suzanne Lefebvre, M.D., dated July 5, 2011
8. Mid-Level Practitioner Employment Agreement by and between Regional Healthcare Associates, LLC and Tracey Sheedy, PA, dated 02/09/2016

Independent Contractor Agreements

1. Hospital Professional Services Agreement (Diagnostic Test Interpretation Services) by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and David Kurish, M.D., dated 08/01/2005
2. Professional Services Agreement (General Surgery) by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Peter Reyelt, M.D., dated 08/18/2008
3. Professional Services Agreement for Travel Clinic Services by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Douglas A. Finch, M.D., LLC, dated 01/01/2010
4. Hospital Professional Services Agreement (Diagnostic Test Interpretation Services) by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Michael Parker, M.D., dated 08/01/2005
5. Medical Director Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Howard G. Mortman, M.D., dated 01/01/2011
6. Medical Director Agreement by and between Essent Healthcare of CT, Inc. d/b/a Sharon Hospital and Evan Rashkoff, M.D., dated 01/01/2011
7. Medical Director Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Saint Francis Medical Group, Inc., dated 05/05/2014
8. Medical Director Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Michael Parker, M.D., dated 02/01/2012

9. Medical Director Agreement by and between Essent Healthcare, Inc. d/b/a Sharon Hospital and Douglas A. Finch, M.D., dated 01/01/2010 (and Amendment to Medical Director Agreement and Release of Claims, dated 09/04/2012)
10. Professional Services Agreement (Supplemental Call Coverage) by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and New Milford Orthopedics, dated 01/01/2011
11. Comprehensive Gastroenterology Call Coverage Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Connecticut GI, P.C., dated 09/25/2015
12. Anesthesiology Services Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Milford Anesthesia Associates, P.C., dated 11/01/2003
13. Agreement for Radiology Department Coverage [Group Coverage] by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Hudson Valley Radiologists, P.C., dated 06/18/2015
14. Telestroke Services Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Yale-New Haven Health System, dated 01/01/2014
15. Services Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and EmCare, Inc., dated October 9, 2014
16. Nurse Midwife Lease Agreement by and between Essent Healthcare of CT, Inc. d/b/a Sharon Hospital and Physicians for Women's Health, LLC d/b/a Sharon Obstetrics & Gynecological Associates, dated October 1, 2006
17. Professional Services Agreement for On Call Coverage for Individual Physician by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Abdulmasih Zarif, M.D., dated 5/12/2016
18. Professional Services Agreement by and between Essent Healthcare of Connecticut, Inc d/b/a Sharon Hospital, Regional Healthcare Associates, LLC and Onsite Neonatal, P.C., dated June 1, 2016
19. Non-Exclusive Professional Services Agreement for Interpretations of Diagnostic Tests by and between Mountainside Treatment Center and Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, dated May 8, 2016
20. Physician Recruitment Agreement by and between Essent Healthcare of Connecticut, Inc., d/b/a Sharon Hospital, Tri-State, a division of Physicians for Women's Health and Bhavana Daruvuri, DO, dated July 31, 2015
21. Pathology Services Agreement by and between RCHP d/b/a Sharon Hospital and Consultants in Pathology, P.C., dated 01/01/2012
22. Lithotripsy Services Agreement by and between UMS Connecticut Lithotripsy, LP and Essent Healthcare of Connecticut d/b/a Sharon Hospital, dated 06/08/2006
23. Professional Services Agreement for Physician Group by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Associated Northwest Urology, PC, dated May 2, 2016
24. Professional Services Agreement by and between Regional Healthcare Associates, LLC and Saint Francis Medical Group, Inc., dated 05/05/2014
25. Professional Services Agreement by and between Tri State Women's Services LLC and Physicians for Women's Health, dated 05/01/2012

26. Professional Services Agreement for On Call Coverage by and between Tri State Women's Services LLC and Physicians for Women's Health, dated January 1, 2012, as assigned to Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital
27. Billing and Collection Services Agreement by and between Women's Health Connecticut and Tri State Women's Services, dated 05/01/2012
28. EMR Agreement by and between Tri State Women's Services LLC and Women's Health Connecticut, Inc., dated May 1, 2012
29. Medical Record Custodial Agreement by and between Regional Healthcare Associates, LLC and Torrington-Winsted Pediatric Associates, P.C., dated January 13, 2016
30. meridianEMR, EMR Software License, Hardware Purchase and Business Services Agreement by and between Associated Northwest Urology and IntrinsiQ Specialty Solutions, Inc. d/b/a IntrinsiQ Software, dated August 20, 2008 as assigned by that certain Assignment and Assumption Agreement by and between IntrinsiQ Specialty Solutions, Inc. d/b/a IntrinsiQ Software, Associated Northwest Urology and Regional Healthcare Associates, LLC, dated August 23, 2016
31. Agreement for Hospice General Inpatient Level Care in a Hospital by and between Essent Healthcare of Connecticut d/b/a Sharon Hospital and Salisbury Visiting Nurse Association, Inc., dated July 1, 2016

Lease Agreements

1. Office Lease Agreement by and between Essent Healthcare of Connecticut d/b/a Sharon Hospital and Saint Francis Medical Group, Inc., dated 04/18/2014
2. Medical Office Lease Agreement by and between Essent Healthcare of Connecticut d/b/a Sharon Hospital and Torrington Winsted Pediatric Associates, P.C., dated 12/07/2015
3. Lease Agreement between Essent Healthcare of Connecticut d/b/a Sharon Hospital and David R. Kurish, M.D., dated 1/28/2009
4. Physician Space Occupancy Agreement (Suite 1900) by and between Essent Healthcare of Connecticut d/b/a Sharon Hospital and Westwood Ear Nose & Throat, P.C., dated 10/02/2013
5. Lease Agreement by and between Essent Healthcare of Connecticut and Litchfield County Gastroenterology Associates, LLC, dated 11/01/2008, as assigned to Connecticut GI, P.C.
6. Connecticut Residential Lease Agreement by and between Essent Healthcare of Connecticut and Anu Properties, dated 10/27/2008
7. Physician Space Occupancy Agreement by and between Essent Healthcare of Connecticut d/b/a Sharon Hospital and Arthritis and Allergy Associates P.C., dated 06/01/2013
8. Lease Agreement by and between Regional Healthcare Associates, LLC and Robert J. Orlandi, dated 04/22/2013
9. Lease Agreement by and between Regional Healthcare Associates, LLC and Robert J. Orlandi, dated 04/30/2013, as amended.
10. Timeshare Lease Agreement by and between Tri State Women's Services, LLC and Bruce Janelli, M.D., dated 08/01/2012
11. Physician Space Lease Occupancy Agreement by and between Tri State Women's Services, LLC and Orlito Trias, M.D., dated 11/01/2015
12. Lease Agreement by and between Winsted Health Center, Inc. and Tri State Women's Services, LLC, dated 9/1/2013

13. Equipment Lease Agreement by and between Tri State Women's Services and Physician's for Women's Health, dated 05/01/2012
14. Medical Office Lease Agreement by and between Regional Healthcare Associates, LLC and Candlewood Properties, LLC dated 05/05/2016
15. Medical Office Lease Agreement by and between Regional Healthcare Associates, LLC and ANU Properties, LLC dated 05/05/2016
16. Lease by and between Tri State Women's Services and Sharon Medical Office Building, dated 05/31/2012
17. Commercial Lease by and between Regional Health Care Associates, LLC and Kenmil Realty LLC, dated 08/01/2016

(b)

1. Contract by and between Sharon Hospital and Torrington Area Health District, dated July 14, 2015
2. Support and Maintenance Agreement by and between Sharon Hospital and Merge Healthcare, dated July 15, 2012
3. Proposal by and between Sharon Hospital and Upcountry Services of Sharon, Inc., dated November 1, 2014
4. American Red Cross Blood Services Agreement by and between Sharon Hospital and The American National Red Cross, Connecticut Blood Services Region, dated October 1, 2014
5. Maintenance Contract by and between Sharon Hospital and Otis Elevator Company, dated May 1, 2013
6. Lease Agreement # 234103 by and between Sharon Hospital and Johnson & Johnson Finance Corporation, dated July 12, 2012
7. Pharmacy Agreement by and between Essent Healthcare of Connecticut d/b/a Sharon Hospital and Cardinal Health Solutions, Inc., dated October 1, 2007
8. Cyracom International Service Agreement by and between Sharon Hospital and CyraCom International, Inc., dated February 19, 2007
9. Proposal by and between Sharon Hospital and Upcountry Services of Sharon, Inc., dated April 1, 2014
10. Proposal by and between Sharon Hospital and Upcountry Services of Sharon, Inc., dated November 1, 2014
11. Product Sale Agreement by and between Sharon Hospital and Airgas East, Inc., dated July 13, 2011
12. Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Horizon Mental Health Management, Inc., dated April 12, 2002
13. Master Lease Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Insight Financial Corporation, dated October 23, 2006
14. Master Lease Agreement (Quasi) by and between Essent Healthcare of Connecticut, Inc. and General Electric Capital Corporation, dated January 29, 2013, including all related schedules
15. Master Lease Agreement by and between Essent Healthcare of Connecticut, Inc. and Konica Minolta Business Solutions U.S.A., Inc., dated January 31, 2011
16. Print Management Agreement by and between Sharon Hospital and Konica Minolta Business Solutions U.S.A., Inc., dated January 31, 2011

17. Order Form and Terms and Conditions by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and ChimeNet, Inc., dated April 14, 2015
18. Grant Consulting Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and SpectraCorp Technologies Group Inc., dated July 8, 2013
19. Dell Cloud Clinical Archive Services Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Dell Marketing, L.P., dated July 9, 2013
20. Clinical Wound Care with Hyperbaric Oxygen Therapy Management and Support Services Agreement by and between Essent Healthcare of CT Inc. dba Sharon Hospital and Diversified Clinical Services, Inc., dated October 27, 2010
21. Physician Recruitment Agreement by and between Essent Healthcare of Connecticut d/b/a Sharon Hospital and Bhavana Daruvuri, D.O., dated October 1, 2015
22. Local Service Agreement by and between Unitex Textile Rental Services and Sharon Hospital, dated May 27, 2015
23. Support Agreement by and between Clinical Computer Systems, Inc. and Essent Healthcare of Connecticut d/b/a Sharon Hospital, dated September 1, 2010
24. Service Solution Proposal by and between Tyco SimplexGrinnell and Sharon Hospital, dated 06/01/2014

(c)

Managed Care Agreements

1. Hospital Services Agreement by and between Aetna Health Inc. and Essent Healthcare of Connecticut d/b/a Sharon Hospital, dated April 1, 2014, as amended.
2. Facility Agreement by and between Anthem Health Plans, Inc. d/b/a Anthem Blue Cross and Blue Shield and Sharon Hospital Inc., dated August 1, 2013, as amended.
3. Hospital Managed Care Agreement by and between CIGNA Healthcare of Connecticut, Inc. and Sharon Hospital, dated September 1, 1999, as amended.
4. Hospital Agreement by and between ConnectiCare Inc. and Essent-Sharon Hospital, dated April 1, 2008, as amended.
5. Facility Agreement by and between Empire HealthChoice HMO, Inc. d/b/a Empire BlueCross BlueShield HMO and Empire HealthChoice Assurance, Inc. d/b/a Empire BlueCross BlueShield and Sharon Hospital, dated November 1, 2014, as amended.
6. Standard Hospital Provider Agreement 2.0 by and between New York State Catholic Health Plan, Inc. d/b/a Fidelis Care New York and Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, dated December 17, 2012, as amended.
7. Hospital Agreement by and between MVP Health Plan, Inc., MVP Health Services Corp., MVPHP PA, Inc. and MVP Select Care, Inc. and Sharon Hospital, dated January 1, 1999, as amended.
8. Facility Participation Agreement by and between UnitedHealthcare Insurance Company and Essent Healthcare of Connecticut Inc., dba Sharon Hospital, dated June 1, 2009, as amended.

(d)

1. Master Agreement and Customer Order by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and CareFusion Solutions, LLC, dated March 30, 2015
2. Healthcare Management Services Agreement by and between Sharon Hospital and Aramark Healthcare Support Services, Inc., dated October 1, 2004
3. Services Agreement by and between Sharon Hospital Holding Company and Regional Healthcare Associates, LLC, dated February 25, 2014
4. Services Agreement by and between Sharon Hospital Holding Company and Tri State Women's Services, LLC, dated October 1, 2014
5. Charge Description Master Maintenance Services by and between Essent Healthcare and The Wellington Group, LLC, dated September 1, 2006
6. Security Service Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Apollo Security International, Inc., dated May 1, 2016
7. 2016 Environmental Compliance Master Services Agreement by and between Fuss & O'Neill and Sharon Hospital, dated January 15, 2016
8. Business Electricity Authorization Connecticut Large Commercial Sales Standard Product Agreement by and between Essent Healthcare of CT dba Sharon Hospital and NextEra Energy Services, dated June 2, 2016
9. Product Sale Agreement by and between Sharon Hospital and Airgas East, Inc., dated July 13, 2011
10. Agreement by and between Essent Healthcare of Connecticut, Inc. dba Sharon Hospital and Agile Consulting Group, Inc., dated July 19, 2013
11. Masimo Pulse Oximetry Supply Agreement Deferred Equipment Purchase Plan by and between Masimo Americas, Inc. and Essent Healthcare of Connecticut d/b/a Sharon Hospital, dated May 9, 2014
12. Engagement Letter Agreement by and between Sharon Hospital and Updike, Kelly & Spellacy, PC, dated November 19, 2015
13. Medicaid Eligibility Services Agreement by and between Sharon Hospital - RegionalCare Hospital Partners and The Collection Bureau Hudson Valley and Healthcare Billing Services, NY, Inc., dated January 6, 2012
14. Agreement by and between Essent Healthcare d/b/a Sharon Hospital and UpToDate, Inc., dated July 7, 2016
15. Amicas Limited Sublicense Agreement by and between Imaging On Call, LLC and Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, undated
16. Application Service Provider Agreement by and between Standing Stone Inc. and Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, dated May 31, 2011
17. Maintenance Agreement and Service Agreement Terms and Conditions by and between Hologic, Inc. and Sharon Hospital, dated July 3, 2013

Schedule 4.19(d)
Assumed Contract Consents

Real Estate Leases:

1. Connecticut Residential Lease Agreement by and between Essent Healthcare of Connecticut, Inc. and Anu Properties Corp., dated July 15, 2012, as amended by First Amendment dated April 21, 2014, and further amended by Second Amendment dated June 29, 2015
2. Commercial Lease by and between Regional Healthcare Associates, LLC and Kenmil Realty LLC, dated 08/01/2016
3. Lease Agreement by and between Regional Healthcare Associates LLC and Robert J. Orlandi, dated 04/22/2013
4. Lease Agreement by and between Regional Healthcare Associates LLC and Robert J. Orlandi, dated 04/30/2013, as amended.
5. Lease Agreement by and between Winsted Health Center, Inc. and Tri State Women's Services, LLC, dated 09/1/2013
6. Medical Office Lease Agreement by and between Regional Healthcare Associates, LLC and Candlewood Properties, LLC dated 05/05/2016
7. Medical Office Lease Agreement by and between Regional Healthcare Associates, LLC and ANU Properties, LLC dated 05/05/2016

Material Contracts:

1. Healthcare Management Services Agreement by and between Sharon Hospital and Aramark Healthcare Support Services, Inc., dated October 1, 2004
2. Support and Maintenance Agreement by and between Sharon Hospital and Merge Healthcare, dated July 15, 2012
3. Maintenance Contract by and between Sharon Hospital and Otis Elevator Company, dated May 1, 2013, as amended by that certain Addendum to Contract by and between Sharon Hospital and Otis Elevator Company, dated July 1, 2015
4. Lease Agreement # 234103 by and between Sharon Hospital and Johnson & Johnson Finance Corporation, dated July 12, 2012
5. American Red Cross Blood Services Agreement by and between Essent Healthcare of Connecticut, Inc. dba Sharon Hospital and The American National Red Cross, Connecticut Blood Services Region, dated October 1, 2014
6. Pharmacy Agreement by and between Essent Healthcare of Connecticut d/b/a Sharon Hospital and Cardinal Health Solutions, Inc., dated October 1, 2007 as amended Proposal by and between Sharon Hospital and SimplexGrinnell LP, dated June 1, 2014
7. CyraCom International Service Agreement by and between Sharon Hospital and CyraCom International, Inc., dated February 19, 2007
8. Services Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Haytel Cardiac Services, Inc., d/b/a Remote Cardiac Services, dated 4/9/15
9. Nurse Midwife Lease Agreement by and between Essent Healthcare of CT, Inc. d/b/a Sharon Hospital and Physicians for Women's Health, LLC d/b/a Sharon Obstetrics & Gynecological Associates, dated October 1, 2006

10. Master Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and CareFusion Solutions, LLC, dated March 30, 2015
11. Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Horizon Mental Health Management, Inc., dated April 12, 2002
12. Master Lease Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Insight Financial Corporation, dated October 23, 2006
13. Master Lease Agreement by and between Essent Healthcare of Connecticut, Inc. and Konica Minolta Business Solutions U.S.A., Inc., dated January 31, 2011
14. Print Management Agreement by and between Sharon Hospital and Konica Minolta Business Solutions U.S.A., Inc., dated January 31, 2011
15. Order Form and Terms and Conditions by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and ChimeNet, Inc., dated April 14, 2015
16. Amendment to the Support Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Clinical Computer Systems, Inc., dated September 1, 2014
17. Dell Cloud Clinical Archive Services Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Dell Marketing, L.P., dated July 9, 2013
18. Services Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and EmCare, Inc., dated October 9, 2014
19. Master Lease Agreement (Quasi) by and between Essent Healthcare of Connecticut, Inc. and General Electric Capital Corporation, dated January 29, 2013, including all related schedules
20. Clinical Wound Care with Hyperbaric Oxygen Therapy Management and Support Services Agreement by and between Essent Healthcare of CT Inc. dba Sharon Hospital and Diversified Clinical Services, Inc., dated October 27, 2010
21. Charge Description Master Maintenance Services by and between Essent Healthcare and The Wellington Group, LLC, dated September 1, 2006
22. Professional Services Agreement (Supplemental Call Coverage) by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and New Milford Orthopedics, dated 01/01/2011
23. Comprehensive Gastroenterology Call Coverage Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Connecticut GI, P.C., dated 09/25/2015
24. Professional Services Agreement for Travel Clinic Services by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Douglas A. Finch, M.D., LLC, dated 01/01/2010
25. Telestroke Services Agreement by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Yale-New Haven Health System, dated 01/01/2014
26. Physician Recruitment Agreement by and between Essent Healthcare of Connecticut, Inc., d/b/a Sharon Hospital, Tri-State, a division of Physicians for Women's Health and Bhavana Daruvuri, DO, dated July 31, 2015
27. Memorandum of Agreement for Organ/Tissue/Eye Procurement by and between Sharon Hospital and LifeChioce Donor Services, Inc., dated 05/01/2012
28. Professional Services Agreement by and between Tri State Women's Services, LLC and Physicians for Women's Health, dated 05/30/2012
29. Physician Employment Agreement by and between Regional Healthcare Associates, LLC and Joseph Catania, M.D., dated 10/17/2008, as amended

30. Each of the Managed Care Contracts listed on Schedule 4.18(c) is incorporated herein.
31. Professional Services Agreement by and between Essent Healthcare of Connecticut, Inc d/b/a Sharon Hospital, Regional Healthcare Associates, LLC and Onsite Neonatal, P.C., dated June 1, 2016
32. Non-Exclusive Professional Services Agreement for Interpretations of Diagnostic Tests by and between Mountainside Treatment Center and Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, dated May 8, 2016
33. meridianEMR, EMR Software License, Hardware Purchase and Business Services Agreement by and between Associated Northwest Urology and IntrinsiQ Specialty Solutions, Inc. d/b/a IntrinsiQ Software, dated August 20, 2008 as assigned by that certain Assignment and Assumption Agreement by and between IntrinsiQ Specialty Solutions, Inc. d/b/a IntrinsiQ Software, Associated Northwest Urology and Regional Healthcare Associates, LLC, dated August 23, 2016
34. Medical Record Custodial Agreement by and between Regional Healthcare Associates, LLC and Torrington-Winsted Pediatric Associates, P.C., dated January 13, 2016
35. Agreement by and between Essent Healthcare d/b/a Sharon Hospital and UpToDate, Inc., dated July 7, 2016
36. Amicas Limited Sublicense Agreement by and between Imaging On Call, LLC and Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, undated
37. Application Service Provider Agreement by and between Standing Stone Inc. and Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, dated May 31, 2011
38. Maintenance Agreement and Service Agreement Terms and Conditions by and between Hologic, Inc. and Sharon Hospital, dated July 3, 2013

Schedule 4.19(e)
Assignment Penalties

None.

Schedule 4.21
Insurance

Description; Policy No.	Term	Limits	Deductible	Insurance Company	Agency
Combined Specialty; 02-825-28-57	12/3/2015-12/3/2016	$32,000,000	D&O: $150,000 Employment Practices: $150,000 Fiduciary: $0 Employed Lawyers: $10,000 All Crimes: $50,000	National Union Fire Ins. Co. of Pittsburg	AON
Excess D&O; SISIXFL21245015	12/3/2015-12/3/2016	$10,000,000; excess of $10,000,000	N/A	Starr Indemnity & Liability Company	AON
Excess D&O; G25543440 001	4/29/2016-12/3/2016	$10,000,000; excess of $20,000,000	N/A	ACE America Insurance Company	AON
Excess D&O; DOX10009086400	4/29/2016-12/3/2016	$10,000,000; excess of $30,000,000	N/A	Endurance Risk Solutions Assurance Co.	AON
D&O - Excess Side A; EPG0016937	12/3/2015-12/3/2016	$10,000,000; excess of $40,000,000	N/A	RLI Insurance Company	AON
Excess Crime; BCCR-45002131-20	12/3/2015-12/3/2016	$5,000,000; in excess of $5,000,000	N/A	Berkley Regional Insurance Company	AON
Special Crime; UKA3009239.15	12/3/2015-12/3/2016	Control Risks Fees and Expenses: Unlimited Per Insured Event: $1,250,000 Ransom, Transit, Additional Expenses, Legal Liability: $1,000,000 Personal Accident-Per Person: $250,000	N/A	Hiscox Insurance Company	AON
Automobile;	10/1/2015-	$1,000,000 per Accident	$1,000	Zurich American	Willis

Description; Policy No.	Term	Limits	Deductible	Insurance Company	Agency
BAP582254403	10/1/2016		Comprehensive $1,000 Collision	Insurance Co.	
Non-Owned Aircraft Liability; BA-15-10-0073	10/1/2015-10/1/2016	$10,000,000 Combined Single Limit Bodily Injury and Property Damage Liability $10,000,000 Personal Injury Liability Each Offense and in the Aggregate $25,000 Medical Expense Any One Person	N/A	StarNet Insurance Co.	Willis
Healthcare Umbrella Liability; HPC583350503	10/1/2015-10/1/2016	$25,000,000 Specific Loss Unit $25,000,000 Aggregate $25,000,000 Professional Liability Aggregate Limit	Professional Liability - $2,000,000 Each Medical Incident SIR General Liability - $2,000,000 Occurrence SIR Abusive Acts Liability - $2,000,000 Rach Abusive Act Retained Limit all other coverages - $100,000	Zurich/Steadfast Insurance Co.	Willis
Excess Healthcare Liability; 001475703	10/1/2015-10/1/2016	$25,000,000 Per Claim/Aggregate Excess of $25,000,000 $2,000,000 SIR	N/A	Ironshore Specialty Insurance Co.	Willis
Pollution Liability; PLC13246672	10/1/2015-10/1/2016	$20,000,000 Each Incident $20,000,000 Aggregate	$25,000 Each Incident $50,000 Applies to 4 USTs	AIG Speciality Insurance Co.	Willis
Property;	10/1/2015-10/1/2016	$500,000,000 - Buildings, Personal Property,	$100,000 Deductible All	Zurich/American Guarantee and Liability	Willis

Description; Policy No.	Term	Limits	Deductible	Insurance Company	Agency
ZMD583360703		Business Income Limit	other Perils Other deductibles apply for Flood, EQ and Named Storm	Ins. Co.	
Workers Compensation; WC583354503	10/1/2015-10/1/2016	Workers Compensation - Statutory Bodily Injury by Accident: $1,000,000 per accident Each Employee Bolidy Injury by Disease: $1.,000,000 Policy Limit, Bodily Injury by Disease: $1,000,000	$250,000 Per Occurrence $3,550,000 Estimated Annual Deductible Aggregate	American Zurich Insurance Co.	Willis
Privacy and Network Liability (Cyber); 0310-1202	4/29/2016-4/29/2017	$10,000,000 Privacy, Network Security or Media Wrongful Acts $10,000,000 Breach Consultant Services $10,000,000 Breach Response Services Coverage $10,000,000 Supplemental Privacy Coverage $10,000,000 Policy Aggregate	$250,000 N/A Breach Consultant Services	Allied World Assurance Company (U.S.), Inc.	Willis
1st Excess Privacy and Network Liability (Cyber); MTE 9033485	4/29/2016-4/29/2017	$10,000,000 Aggregate Limit of Liability Excess of $10,000,000	$250,000 SIR	Indian Harbor Ins. Co.	Willis
2nd Excess Privacy and Network Liability (Cyber);	4/29/2016-4/29/2017	$10,000,000 Aggregate Limit of Liability Excess of $25,000,000	$250,000 SIR	Liberty Surplus Insurance Corp.	Willis

Description; Policy No.	Term	Limits	Deductible	Insurance Company	Agency
EO5NABAX8P001					

Schedule 4.22
Cost Reports

	FYE		Status	NOPR Date	Filed	Finalized	Reopening NOPR Date	Reopening Settlement
Medicare								
	9/30/2013		Audited	6/16/2015	2/28/2014	6/16/2015	N/A	N/A
	9/30/2014		Tent. Settlement	N/A	2/28/2015	N/A	N/A	N/A
	9/30/2015		Filed	N/A	2/29/2016	N/A	N/A	N/A
Medicaid								
	9/30/2013		Audited	7/2/2015	2/28/2014	N/A	N/A	N/A
	9/30/2014		Audited	2/28/2015	N/A	N/A	N/A	N/A
	9/30/2015		Filed	N/A	6/30/2016	N/A	N/A	N/A

Schedule 4.23
Medical Staff Matters

None.

Schedule 4.25
Compliance Program

(a) None.

(b) None.

(c) None.

(d) None.

Schedule 4.26
Environmental Matters

The specific matters set forth below in Schedules 4.26(a) through 4.26(j) as more fully described in the following reports.

1. *Phase I Environmental Site Assessment, Sharon Hospital, 50 Hospital Hill Road, Sharon, Connecticut*, prepared by RPS GaiaTech, dated July 2016 (including all reports contained or referenced therein) ("Document 1"). (Provided by Buyer.)

2. *Phase I Environmental Site Assessment, 1 and 3 Low Road, Sharon, Connecticut*, prepared by RPS GaiaTech, dated July 2016 (including all reports contained or referenced therein) ("Document 2"). (Provided by Buyer.)

3. *Limited Environmental Compliance Review, Sharon Hospital, 50 Hospital Hill Road, Sharon, Connecticut*, prepared by RPS GaiaTech, dated July 20, 2016 (including all reports contained or referenced therein) ("Document 3"). (Provided by Buyer.)

4. *Limited Environmental Compliance Review, Sharon Hospital, 50 Hospital Hill Road, Sharon, Connecticut*, prepared by RPS GaiaTech, dated August 10, 2016 (including all reports contained or referenced therein) ("Document 4"). (Provided by Buyer.)

5. *Asbestos Sampling Report, Sharon Hospital, 50 Hospital Hill Road, Sharon, Connecticut*, prepared by The Paratus Group, LLC, dated May 10, 2012 (including all reports contained or referenced therein) ("Document 5"). (Provided in Data Room.)

6. *Phase I Environmental Site Assessment, Sharon Hospital, 50 Hospital Hill Road, Sharon, Connecticut*, prepared by The Paratus Group, LLC, dated July 22, 2011 (including all reports contained or referenced therein) ("Document 6"). (Provided in Data Room; Included in Document 1.)

7. *Interim Remedial Action Report, Sharon Hospital, 50 Hospital Hill Road, Sharon, Connecticut*, prepared by Berkshire Environmental Services & Technology, LLC, dated June 19, 2009 (including all reports contained or referenced therein) ("Document 7"). (Included in Document 1.)

8. *Phase I Environmental Site Assessment, Sharon Hospital, 50 Hospital Hill Road, Sharon, Connecticut*, prepared by The Paratus Group, LLC, dated December 7, 2006 (including all reports contained or referenced therein) ("Document 8"). (Provided in Data Room; Included in Document 1.)

9. *Quarterly Groundwater Monitoring Report, Sharon Hospital, 50 Hospital Hill Road, Sharon, Connecticut*, prepared by ATC Associates, Inc. for The Paratus Group, LLC, dated June 5, 2006 (Paratus cover letter dated June 7, 2006) (including all reports

contained or referenced therein) ("Document 9"). (Provided in Data Room; Included in Document 1.)

10. *Environmental Review of Four Hospitals of Essent Healthcare, Inc.* (relating to Sharon Hospital, Sharon, Connecticut), prepared by Environ International Corporation, dated October 2004 (including all reports contained or referenced therein) ("Document 10"). (Provided in Data Room; Included in Document 1.)

11. *Groundwater Monitoring Well Installation and Sampling Report, Sharon Hospital, 50 Hospital Hill Road, Sharon, Connecticut,* prepared by The Nicks Group, Inc., dated March 15, 2004 (including all reports contained or referenced therein) ("Document 11"). (Included in Document 1.)

(a) Noncompliance; Permits and Governmental Authorizations

1. The specific interior and exterior spills and releases involving petroleum and chemicals described in Document 1, pages ii, iii, iv, 8, 9, 11, 13, 14, 15, 16-17, 18, 19, 20, 21, 22, 24, 25, 31, 32, 36, 37 and Document 10, page II-2.
2. The specific historical on-site UST related release incidents described in Document 1, pages iii, 17, 18, 19, 20, 21, 22, 24, 25, 36; Document 9, pages 1-4, figures, table, and appendix; Document 10, pages II-2, V-3, V-5, V-7, V-8, V-9; and Document 11, pages 1-13.
3. Potential for impact to on-site stormwater pathways specifically described in Document 1, pages iv, 9, 17, 31, 36-37 and Document 10, pages II-4
4. Historical on-site waste incinerator. (*See* Document 1, pages iv, 9, 12, 33, 35, 37.)
5. A minor quantity of petroleum contaminated soil was left in place at 50 Hospital Hill Road, Sharon, Connecticut after removal of an underground storage tank due to proximity to a building foundation. (*See* Document 6, pages 4, 32, 36; Document 7, pages 1-14, figures, tables, and appendices; Document 8, pages 3, 24, 27, 28; Document 10, pages II-2, V-3, V-8; and Document 11, pages 1-13 for more details.)

(b) Materials of Environmental Concern on the Properties

1. A minor quantity of petroleum contaminated soil was left in place at 50 Hospital Hill Road, Sharon, Connecticut after removal of an underground storage tank due to its proximity to a building foundation. (*See* Document 6, pages 4, 32, 36; Document 7, pages 1-14, figures, tables, and appendices; Document 8, pages 3, 24, 27, 28; Document 10, pages II-2, V-3, V-8; and Document 11, pages 1-13 for more details.)

(c) Pending or Threatened Environmental Claims

None.

(d) Materials of Environmental Concern at Off-Site Locations

1. In 1999, Sharon was identified as a potentially responsible party for the Amenia Town Landfill. In 2002, Sharon paid $340,000 and entered into a settlement agreement to resolve its liability for this matter. (*See* Document 4, page 8; Document 10, pages II-5, VII-7.)

(e) Liability or Obligations of Third Parties

None.

(f)(i) Underground Storage Tanks

The following underground storage tanks are present on the property at 50 Hospital Hill Road, Sharon Connecticut:

1. Location: Sharon Hospital
    - Address: 50 Hospital Hill Road, P.O. Box 789, Sharon, CT 06069
    - Tank ID #: UG-1
    - Tank Size: 20,000
    - Tank Type: UST
    - Construction: Steel
    - Contents: Fuel Oil
    - Install Date: 1988
    - Retro Date: N/A
    - Leak Detection: CPIC
    - Overfill Protection: None
    - Spill Containment: None
    - AST Diking: N/A
    - AST Base Const.: N/A
    - Piping Const.: DW
    - Piping Leak Det.: None

2. Location: Sharon Hospital
    - Address: 50 Hospital Hill Road, P.O. Box 789, Sharon, CT 06069
    - Tank ID #: UG-2
    - Tank Size: 10,000
    - Tank Type: UST
    - Construction: Fiberglass
    - Contents: Kerosene/Diesel
    - Install Date: 1994
    - Retro Date: N/A
    - Leak Detection: IM
    - Overfill Protection: AL
    - Spill Containment: None
    - AST Diking: N/A
    - AST Base Const.: N/A

- Piping Const.: DW
- Piping Leak Det.: None

3. Location: Sharon Hospital
    - Address: 50 Hospital Hill Road, P.O. Box 789, Sharon, CT 06069
    - Tank ID #: Not Issued
    - Tank Size: 1,950
    - Tank Type: UST
    - Construction: Steel
    - Contents: Propane
    - Install Date: 2006
    - Retro Date: N/A
    - Leak Detection: None
    - Overfill Protection: None
    - Spill Containment: None
    - AST Diking: N/A
    - AST Base Const.: N/A
    - Piping Const.: N/A
    - Piping Leak Det.: N/A

4. Location: Sharon Hospital
    - Address: 50 Hospital Hill Road, P.O. Box 789, Sharon, CT 06069
    - Tank ID #: Not Issued
    - Tank Size: 1,000
    - Tank Type: UST
    - Construction: Steel
    - Contents: Propane
    - Install Date: 1994
    - Retro Date: N/A
    - Leak Detection: None
    - Overfill Protection: None
    - Spill Containment: None
    - AST Diking: N/A
    - AST Base Const.: N/A
    - Piping Const.: N/A
    - Piping Leak Det.: N/A

(f)(ii) Asbestos-Containing Materials

1. Potential asbestos in buildings on site. (*See* Document 1, page 21; Document 2, pages ii, 3, 14, 15; Document 3, pages 3, 14-15; Document 4, pages 2, 13-14; Document 5, pages 1-8, appendices A - D; Document 6, pages 4, 33, 36; Document 8, pages 3, 25, 27, 28; Document 10, pages II-6, VII-11, VII-34.)

(f)(iii) Polychlorinated Biphenyls (PCBs)

1. Hazardous wastes generated at the site have included PCB-containing wastes. (*See* Document 1, page 15; Document 10, pages V-3, VII-11, VII-12.)
2. Pad-mounted or other transformers. (*See* Document 1, page 35; Document 2, page 14; Document 3, page 15; Document 4, page 14; Document 6, pages 31, 35; Document 8, pages 23, 27; Document 10, page VII-35.)

(g) Properties Encumbered Under Environmental Laws

None.

(h) Noncompliance with Medical Waste Laws

None.

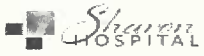
(i) Environmental Reports Not Provided

1. *Phase I Environmental Site Assessment*, prepared by The Nicks Group, Inc., August 2002. (Referred to in Document 1, page 17; Document 10, pages I-3, V-2, but not in the possession, custody or control of Sellers.)
2. *Groundwater* Monitoring Reports, beginning after March 15, 2004. (Referred to in Document 1, page 17; Document 10, page 13, but not in the possession, custody or control of Sellers.)

(j) Connecticut Transfer Act

1. To the extent applicable to the transaction covered by the Agreement, Sharon shall file the appropriate Property Transfer Form (with all applicable accompanying forms) with the Connecticut Department of Energy & Environmental Protection following Closing in accordance with the Connecticut Transfer Act.

Schedule 4.27(a)
Owned Intellectual Property

Mark	Goods/Services	Registration Number & Registration Date
	Healthcare	Registration No. 4981620; Registration Date: June 21, 2016

Trade Names

Sharon Hospital (Town of Sharon, Connecticut)

Domain Names

http://sharonhospital.com/

Schedule 4.27(b)
Other Intellectual Property

No.	Solution/Application	Service Provided
1.	3M	Clinical Documentation Improvement
		CPT Lookup
		ICD-9 Lookup
		MS-DRG Lookup & Grouping
		OP Coding
		RCS Medicare
2.	Abbott	Lab POC
3.	Acmeware, Inc	Meaningful Use Metrics
		Report Writing
4.	ADP HRB	HR - Benefits
5.	Agilum	ERP Reporting
6.	Animas Corporation	Lab POC
7.	AthenaHealth	Practice Management & EHR
8.	Cadwell	EEG
		Sleep Study
9.	CCSI	Fetal Monitoring System/Perinatal Documentation
10.	Clinicalpharmacology.com	Pharmacy Drug Interactions
11.	Datacard Corporation	Employee Badge ID System
12.	DCS Global - AuditLogix	Insurance Eligibility Verification
		Insurance Verification/Medical Necessity
13.	Dell	Offsite Image Archive
14.	DigitalTechnology LLC	Pathology dictation/transcription
15.	EVS Guard	Maternity Security - video cameras
16.	Forward Advantage	Meditech Outbound Interface
17.	GE	Cardiology ECG
		Holter Monitor system
		Stress Test monitor
18.	HealthLine Systems, Inc	Credentialing
19.	HealthStream	Employee Education & Certification
20.	Hologic	Mammography Diagnostic Viewing Station
21.	HUGS	Infant Security
22.	Intelligent Medical Objects	Nomenclature Mapping
23.	Interbit Data	Faxing Software
24.	Johnson Controls	Temperature/AC Controls
25.	KRONOS	HR - Time and Attendance
26.	Maintenance Connection	Work Order & Maintenance Management System
27.	McKesson	Case Management
		Nurse Scheduling
28.	MedAllies	Practice Management & EHR

No.	Solution/Application	Service Provided
		Transition of Care
29.	Meditech	Accounts Payable
		Admission/Registration
		Billing Accounts Receivable
		Budgeting & Forecasting
		Case Mix Abstracting
		Data Repository
		EDIS
		Executive Support System
		General Ledger
		HRIS - HR & Payroll
		Lab (LIS)
		Lab Anatomic Pathology
		Lab Blood Bank
		Lab Microbiology
		Materials Management
		Medical Records
		Nursing Documentation
		Order Entry
		Pharmacy
		Pharmacy-Bedside Med Admin
		Physician Care Manager
		Physician Documentation
		Radiology (RIS)
		Scheduling & Referral Management
30.	Meditech/paper	Surgery Documentation
		Surgery Scheduling
31.	Merge (AMICAS)	PACS
32.	Micromedex	ED Discharge Instructions
		Patient Education
33.	Milt	Medication packaging system
		Pharmacy Labeling system
34.	Morgan Scientific	Pulmonary Function Testing
35.	MRS	Mammography Reporting System
36.	Nuance	Dictation/Transcription
37.	Occurrence Insight	Incident Reporting system
38.	Optum LYNX (ePoint)	ED Coding/Leveling
39.	Perceptive Lexmark (ImageNow)	Patient Scanning & Archiving System
40.	PrecisionWeb	QC for Abbott POC
41.	Press Ganey	Patient Satisfaction
42.	Provation Medical	Evidence-Based Order Sets
43.	Provider Trust	Background checking website
44.	Pyxis	Pharmacy Dispense

No.	Solution/Application	Service Provided
45.	Quest	Lab Reference Lab
46.	RelayHealth	Patient Portal
47.	RepTrax	Vendor Credentialing & Badge Printing
48.	Sage	Fixed Assets
49.	SAI Global	Contract Management
50.	Sentri7	Clinical Surveillance, RPH documentation
		Infection Control
		Pharmacy Decision Support and Surveillance
51.	Sonic Wall	Guest wireless content filtering and support
52.	Sorna	Imaging CD Burner
		Radiology CD burner
53.	SpaceLabs	Automatic BP cuff
54.	Standing Stone	Coumadin clinic
55.	Symantec	A/V & Malware Protection
56.	The Advisory Board	Crimson Quality Management
57.	The SSI Group	Claim Scrubbing
58.	TrackVia	Investigation Tracking system
59.	Truven Health Analytics	Core Measures
60.	Uptodate	Clinical Decision Support
61.	Vitrea	CT 3D Reconstruction
62.	Whitecloud	Analytics Solution
63.	Wolters Kluwer	Pharmacy Formulary Content
64.	Women's Health	Practice Management & EHR
65.	Xeleris	Stress Test - nuclear medicine

Schedule 4.27(d)
Patents, Copyrights and Trademarks

None.

Schedule 4.29
Sellers' Brokers

None.

Schedule 4.30
Sellers' Knowledge

Name	Organization	Title
Peter Cordeau	Sharon Hospital	Chief Executive Officer
Christian Bergeron	Sharon Hospital	Chief Financial Officer
Cliff Hedges	Sharon Hospital	Ethics and Compliance Officer
Lori Puff	Sharon Hospital	Chief Nursing Officer
Martin Rash	RegionalCare Hospital Partners, Inc.	Chairman and Chief Executive Officer
Michael Browder	RegionalCare Hospital Partners, Inc.	Executive Vice President, Chief Financial Officer
Rob Jay	RegionalCare Hospital Partners, Inc.	Executive Vice President, Chief Operating Officer
Howard Wall	RegionalCare Hospital Partners, Inc.	Executive Vice President, Chief Administrative Officer, General Counsel and Secretary

Schedule 5.2(b)
Buyer Required Consents

Refer to matters set forth on Schedule 8.1(a).

Schedule 5.5
Buyer's Brokers

1. Cain Brothers.

Schedule 6.4(j)
Sellers' Negative Covenants

Peter Cordeau	Sharon Hospital	Chief Executive Officer
Christian Bergeron	Sharon Hospital	Chief Financial Officer
Cliff Hedges	Sharon Hospital	Ethics and Compliance Officer
Lori Puff	Sharon Hospital	Chief Nursing Officer

Schedule 8.1
Governmental Approvals

(a)

1. Certificate of Need Review/Hospital Transfer of Ownership – Office of Health Care Access (Conn. Gen. Stat. § 19a-630 et seq.)

2. Certificate of Need Review/Large Group Practice Transfer of Ownership – Office of Health Care Access (Conn. Gen. Stat. § 19a-630 et seq.)

3. Acute Care General Hospital Licensure – Department of Public Health (Conn. Gen. Stat. § 19a-493)

4. Public Health Laboratory License(s) – Department of Public Health (Conn. Gen. Stat. §19a-30)

5. Blood Collection Facility License(s) – Department of Public Health (Conn. Gen. Stat.§19a-30)

6. Office of Attorney General and Department of Public Health Group Practice Notifications (Conn. Gen. Stat. § 19a-486i).

7. Office of Attorney General Hospital System Affiliation Notification (Conn. Gen. Stat. § 19a-486i).

(b)

1. Acute Care General Hospital Licensure – Department of Public Health (Conn. Gen. Stat. § 19a-493)

Schedule 8.6
Material Contract Consents

None.

MANAGEMENT AGREEMENT

THIS HOSPITAL MANAGEMENT AGREEMENT (this "Agreement") is made and entered into as of the 13th day of September, 2016, by and between Vassar Health Connecticut, Inc., (the "Manager"), and Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital (the "Company"), which presently owns and operates Sharon Hospital, a 78-bed medical surgical hospital located in Sharon, Connecticut (the "Hospital"). Health Quest Systems, Inc., a New York non-profit corporation ("Health Quest") joins this Agreement solely for the purposes of Article XIV herein.

W I T N E S S E T H:

WHEREAS, the Company, Manager and certain of their affiliates have entered into that certain asset purchase agreement dated as of the date hereof (the "Purchase Agreement"), pursuant to which Manager shall acquire certain of the assets and assume certain of the liabilities of the Hospital upon the satisfaction of the terms and conditions set forth therein (the "Transaction").

WHEREAS, the Company, Manager and such affiliates will be filing a certificate of need application with the State of Connecticut Department of Public Health, Office of Healthcare Access Division ("OHCA") to seek the approval of OHCA for the Transaction.

WHEREAS, the Company desires to retain the Manager for the purpose of rendering management, administration, consulting and purchasing services and support, and all other support needed for the operation of the Hospital on the terms and conditions hereinafter set forth, subject to the policies established by the Company and the general direction and control of the Board of Directors of the Company (the "Board"); and

WHEREAS, the Manager desires to provide those management services that are set forth in more detail in this Agreement for the account of the Company.

NOW, THEREFORE, in consideration of the foregoing, of the mutual premises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, hereby agree as follows. Capitalized terms not defined herein shall have the meanings ascribed to them in the Purchase Agreement.

ARTICLE I. ENGAGEMENT OF MANAGEMENT SERVICES

1.1. The Company hereby engages the Manager, and the Manager agrees to provide the management services set forth in this Agreement (collectively, the "Management Services") upon the terms and conditions hereinafter set forth. Each of the Manager and the Company agree to work cooperatively to manage the Hospital as provided for herein and in accordance with the terms and provisions of the Purchase Agreement and neither party shall take, or fail to take, any action that will cause any breach of the representations and warranties and covenants of the other party in the Purchase Agreement. The Hospital and the businesses conducted at or in connection with the operation of the Hospital shall be collectively referred to herein as the "Business".

1.2. In carrying out its duties hereunder, Manager shall comply in all material respects with the charity care policy adopted by the Company.

ARTICLE II. RETENTION OF CONTROL

2.1. The Company shall retain all powers incident to ownership of the Hospital including, without limitation, the following: (a) approving the appointment of Key Personnel (as hereinafter defined), (b) appointing and dismissing members to the medical staff, (c) establishing policies regarding the admission of patients, (d) determining the general and fiscal policies of the Hospital, (e) making or filing any notification of non-compliance or self-disclosure, including self-disclosure made pursuant to the CMS Self-Referral Disclosure Protocol, with any governmental body or third-party payor, and (f) establishing the scope of services to be provided at the Hospital. During the Term (as defined herein), neither the Board nor the Advisory Board of Trustees (the "Advisory Board") of the Hospital shall change and the Company shall be and shall remain the owner and holder of all licenses, contracts, certificates and accreditations, shall maintain such control over the assets and operations of the Hospital that is required by applicable licensing, certification, accreditation and other applicable laws and shall be the "provider of services" within the meaning of any third party contracts for services. The Manager shall follow the policies and procedures of the Company in performing its obligations hereunder. The Company shall also have certain approval and notification rights as described herein. All matters requiring the professional medical judgment of a provider shall remain the responsibility of the Hospital's medical staff and other health professionals. The Manager shall have no responsibility whatsoever to exercise any professional medical judgment, whether reserved by applicable law to licensed physicians or other healthcare professionals on the Hospital's medical staff or otherwise. The parties acknowledge that by entering into this Agreement, the Company does not delegate to Manager any of the powers, duties and responsibilities vested in the Board by law or the Hospital's Bylaws.

2.2. The Manager shall ensure that any new relationships with providers that it authorizes or enters into during the term of this Agreement pursuant to Section 2.3 below, including the Hospital's medical staff and other healthcare professionals, are in full compliance with all applicable laws, regulations and orders of governmental bodies and agencies. The Manager covenants and agrees that prior to presenting a new member to the medical staff for admission, contracting with a health professional on behalf of the Company, or entering into a new agreement with a contractor on behalf of the Company, the Manager will conduct appropriate credentialing of those providers, including, but not limited to, taking reasonable steps to determine whether those providers have ever been included on the Office of Inspector General's "exclusion list" of providers sanctioned, suspended or excluded from participation in a federal or state health care program. Manager's actions in this regard shall be consistent with industry standards. Throughout the Term, to the extent its participation is necessary or appropriate, the Manager will follow the Medical Staff Bylaws and Peer Review procedures of the Company governing the Hospital as of the Effective Time.

2.3. Manager will carry out its duties and responsibilities under this Agreement subject to the ultimate authority of the Company and nothing in this Agreement is intended to alter, weaken, displace or modify the ultimate authority of the Company's Board. The Manager shall not terminate or reduce any inpatient or outpatient services offered by the Hospital as of the

Effective Date, except with the prior written consent of the Company and in compliance with all applicable laws, regulations and orders. Company shall consult with the Hospital's Advisory Board, prior to the termination or reduction of any inpatient or outpatient service.

2.3.1 Manager acknowledges and agrees that certain authority of the Manager and its authorization to act on behalf of the Company is expressly conditioned on the consent and approval of the Board as set forth in this Agreement and, if applicable, its prior consultation with the Advisory Board.

2.3.2 Notwithstanding anything to the contrary in this Agreement, the parties agree and acknowledge that the Manager is authorized on behalf of and without any further approval from the Board (except as otherwise noted in this Section 2.3.2) (a) to take any action that is contemplated in any then current operating or capital budgets for the Hospital or other budget approved by the Board, including without limitation the physician recruitment budget, if any; (b) to enter into, make, perform and carry out all types of contracts, leases and other agreements, and amend, extend or modify any contract, lease or agreement at any time entered into by the Company, provided that each such contract, lease or agreement obligates the Company to pay, or to provide goods or services valued at, less than $10,000 per year; (c) after written notice to the Company (including a copy of such proposed contract) to enter into, make, perform and carry out all types of contracts, leases and other agreements, and amend, extend or modify any contract, lease or agreement at any time entered into by the Company, provided that each such contract, lease or agreement obligates the Company to pay, or to provide goods or services valued at, between $10,000 and $24,999 per year; and (d) after written notice to the Company (including a copy of such proposed contract) and consent of the Company, to enter into, make, perform and carry out all types of contracts, leases and other agreements, and amend, extend or modify any contract, lease or agreement at any time entered into by the Company, provided that each such contract, lease or agreement obligates the Company to pay, or to provide goods or services valued at, over $25,000 per year. Manager shall be authorized to execute, amend or terminate any contract with affiliates of Manager without the prior approval of the Board provided such contract is on fair market value terms and at rates equal to, or less than, those amounts being paid by the Company to third party(ies) for the same services. Upon consummation of the Transaction, Manager shall be obligated to assume all agreements entered into on behalf of the Company during the Term. Notwithstanding the foregoing, Manager shall not have authority to enter into, make, amend, extend or modify any managed care contract.

2.3.3 Subject to and in accordance with the terms, conditions and limitations of this Agreement and applicable law, regulations and orders, and the general direction and control of the Board, it is the intention and understanding of the parties that the Manager is delegated the complete authority to manage the operations of the Hospital for the account of the Company.

2.3.4 Manager shall deliver to the Company monthly (and, if requested by the Company, more frequent) status reports as to the business and financial operations of the Hospital and the performance of Manager's duties and services under this Agreement. Furthermore, from the date hereof until the Closing Date, Manager shall in a timely manner provide the Company with such information that it obtains in its role as Manager regarding the operations of the Hospital necessary for the Company and its affiliates to comply with all

reporting and information requirements set forth in the Purchase Agreement, the Hospital's Bylaws or as required by law.

2.4. Manager shall manage the operations of the Hospital in accordance with all applicable laws, regulations and orders. Manager shall promptly notify the Company, and the Company shall promptly notify Manager, of any investigation or inquiry, instituted by any third party (including those relating to any federal health care program) in respect of the Hospital or the Business or of any event, circumstance or fact that the notifying party believes is a violation of law.

ARTICLE III. MANAGEMENT SERVICES

3.1. Subject to the provisions of this Agreement, the Manager or its Affiliates will be responsible for overseeing all services necessary for the Hospital to operate on a daily basis. Prior to the Effective Date, the Board shall present Manager with the 2016 operating and capital budgets for the Hospital. During the Term, Manager shall manage the operations of the Hospital within and in accordance with such budgets (including any amendments or revisions thereto), provided that (1) the capital budget for 2017 shall be pro-rated on a monthly basis in accordance with the 2016 capital budget for the Hospital and (2) the operating budget for 2017 shall be modified as follows:

(a) No later than October 31st of each year during the Term, Manager shall prepare an operating budget (the "Revised Budget") to be presented to the Board. Upon the Board's approval, the Manager shall provide the Management Services in a manner consistent with the Revised Budget, subject to the terms of this Agreement.

3.2. Notwithstanding the foregoing, in the event a circumstance exists at the Hospital that poses an imminent life safety risk to patients or employees, the Manager shall be empowered to take reasonable steps to remedy such situation at the expense of the Company. Manager shall inform the Company as soon as practicable of the situation and the Manager's remediation efforts.

ARTICLE IV. ACCOUNTING AND BOOKKEEPING SERVICES

4.1. The Company shall be responsible for providing the following accounting and bookkeeping systems with respect to the operation of the Hospital:

(a) record keeping, billing and accounts payable accounting systems;

(b) accounting systems and data processing systems at the Hospital that are utilized to perform the functions necessary to efficiently and effectively operate the Hospital, including, without limitation, such accounting systems as are necessary and appropriate to enable the Hospital to allocate its costs and revenues to designated cost centers, and in connection therewith, providing and maintaining all equipment necessary to provide the Management Services; and

(c) payroll systems.

4.2. The Manager shall be responsible for overseeing the accounting and bookkeeping functions under the systems provided by the Company and described in Section 4.1. In furtherance of the foregoing, the Manager will:

(a) not make any material changes in the accounting, financial or bookkeeping practices or systems of the Hospital without the consent of the Company;

(b) implement and administer policies and procedures for the management and control of purchases, accounts payable, cash disbursements and all business related transactions, including the maintenance of books of account and financial records;

(c) provide Management Services in accordance with the Company's policies and procedures for the management and control of patient billing, claims filing, accounts receivable, credit collection and receivables activities and all necessary patient account transactions;

(d) cooperate in periodic audits of the Hospital by state and/or federal agencies and the preparation and submission of all financial and other reports required to be submitted to OHCA, the Department of Public Health and the Office of the Attorney General;

(e) cooperate in the preparation of periodic financial statements, including those as required by the Company's organizational documents (if any);

(f) cooperate, when required, with the Company's internal audit and compliance requirements;

(g) deposit in the bank accounts for the Hospital all funds generated from the operation of the Hospital and supervise the disbursement of such funds for the operation of the Hospital subject to the budgets approved by the Company and the limitations agreed to by the parties; and

(h) prepare, or provide for the preparation of, information necessary for Company to process payroll.

ARTICLE V. OTHER MANAGEMENT SERVICES

Subject to the prior approval of the Company, the Manager and the Company may agree in writing to modify the Management Services to be provided pursuant to this Agreement.

ARTICLE VI. EMPLOYEES

During the term of this Agreement, the Manager will provide the Company with the services of a Chief Executive Officer, the Chief Financial Officer and the Chief Nursing Officer of the Hospital (the "Key Personnel"), each of whom shall be subject to the prior approval of the Board, provided, however, that if Manager offers employment to the Hospital's existing Chief Executive Officer, Chief Financial Officer or Chief Nursing Officer, such individuals shall be deemed to be approved by the Board. In addition to the Key Personnel,

certain other employees of the Manager and its affiliates may assist Manager in performing the Management Services (the "Other Employees").

All Key Personnel, and Other Employees when assisting Manager in performing Management Services, shall be responsible to the Board or the Chief Executive Officer as required by applicable law or regulations. All other employees of the Company providing services at the Hospital shall remain employees of the Company until the Closing of the Transaction. During the Term, the Manager shall have, in accordance with and subject to the Company's policies and procedures and any applicable state and federal employment laws, the right to control and direct the employees as to the performance of duties and as to the means by which such duties are performed. The Manager shall comply with the Company's human resources policies and procedures in sanctioning any employee of the Company, and shall not terminate any such employee without consulting with and obtaining the consent of the Company's Director of Human Resources. Any replacement or substitution of any Key Personnel during the term of this Agreement shall be subject to the prior approval of the Board. In the event that this Agreement terminates for any reason other than expiration at Closing, the Manager shall terminate the Key Personnel and Company shall be required to offer employment to the Key Personnel on the terms and conditions that it offered to such personnel prior to the Effective Date.

ARTICLE VII. LEGAL ACTIONS

The Manager shall advise and assist the Company in instituting or defending, as the case may be, in the name of the Company and/or the Manager, all actions arising out of the operation of the Hospital and any and all legal actions or proceedings relating to the Hospital and operations therefrom to which either the Company or the Manager is a named or threatened party. The Manager also shall assist the Company in taking such actions as are necessary to protest, arbitrate or litigate to a final decision in any appropriate court or forum any violation, penalty, sanction, order, rule or regulation affecting the Hospital. Upon request of the Company, Manager shall assist the Company with the filing of any notification of non-compliance or self-disclosure, including self-disclosure made pursuant to the CMS Self-Referral Disclosure Protocol, with any governmental body or third-party payor. Ultimately the Company shall determine when to engage outside legal counsel for a specific issue or matter and how to defend any such action.

ARTICLE VIII. TERM

The term of this Agreement shall commence on October 1, 2016 (the "Effective Date"), and shall remain in place and effective until the Closing, unless sooner terminated as provided herein.

ARTICLE IX. DEFAULT AND TERMINATION

9.1. It shall be an event of default ("Event of Default") hereunder:

9.1.1. If the Company shall fail to make or cause to be made any payment to the Manager required to be made hereunder and such failure shall continue for thirty (30) days after notice thereof shall have been given to the Company.

9.1.2. If either party fails in any material respect to comply with its obligations under this Agreement, including a failure by the Manager in any material respect to make available to the Company any material portion of the Management Services required by this Agreement, and such failure shall not be cured: (a) within thirty (30) days after notice thereof by the non-breaching party to the breaching party if such failure is capable of cure within such period; or (b) within a reasonable period of time for cure if such failure cannot reasonably be cured within such thirty (30) day period, provided the breaching party commences its curative actions within such thirty (30) day period and proceeds diligently to cure thereafter (in which event, the breaching party shall have a reasonable time beyond such thirty (30) day period to complete its cure of the alleged basis for the non-breaching party's election to terminate).

9.1.3 If either the Company or Manager is excluded from participation in any federal or state healthcare program, including Medicare and Medicaid, for any reason, or if either is convicted of violating a federal or state healthcare law that is material to the business or operations of such party in which case the excluded or convicted party, as applicable, shall promptly notify the other party in writing.

9.1.4. If either the Company or the Manager shall apply for or consent to the appointment of a receiver, trustee or liquidator of such party or of all or a substantial part of its assets, file a voluntary petition in bankruptcy, make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or arrangements with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

9.1.5. If any Event of Default by the Company shall occur and be continuing, or if any Event of Default by Manager shall occur and be continuing, the non-defaulting party may forthwith terminate this Agreement, and neither party shall have any further obligations pursuant to this Agreement, except those provided pursuant to the provisions of Articles IX, X, XII, and XIII hereof. If any Event of Default by the Company or Manager listed in Section 9.1.4 shall occur, the term of this Agreement shall terminate, at the option of the non-defaulting party, upon written notice to the bankrupt party.

9.1.6 If the Purchase Agreement expires or is terminated for any reason, this Agreement shall terminate.

9.2. Upon termination hereof, the Manager's obligations to perform services hereunder shall completely cease; provided, however, that the Company and the Manager shall perform such matters as are necessary to wind up their activities pursuant to this Agreement in an orderly manner. In the event of termination of this Agreement, the Manager also shall turn over to the Company as soon as possible any and all information related to the Company's

receivables, ledgers and other business records which are then in the Manager's possession. The Manager shall be entitled upon termination of this Agreement to receive payment of all amounts theretofore unpaid which have been earned and are due to the Manager through the date of termination.

ARTICLE X. MANAGEMENT FEES

10.1. In exchange for the Manager's provision of the Management Services, the Company shall pay the Manager a fair market value fee that, at a minimum, is equal to the Manager's direct costs in providing the Management Services (the "Management Fee"). Notwithstanding the above, any costs incurred by the Manager relating to the compensation of its employees, other than the Key Personnel, shall be excluded from the Management Fee.

10.2. The Management Fee will be Manager's sole compensation for the Management Services. The Manager acknowledges that the Management Fee is intended to be exempt from the Connecticut sales and use tax pursuant to Section 12-412 (5) of the Connecticut General Statutes through June 30, 2017 and that the Management Fee may be subject to the sales and use tax for periods arising after such date.

10.3. Upon the written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, the Manager and any of its affiliates providing services with a value or cost of $10,000 or more over a twelve (12) month period shall make available to the Secretary the contract, books, documents and records that are necessary to verify the nature and extent of the cost of providing such services. Such inspection shall be available up to four years after the rendering of such services. The parties agree that any applicable attorney-client, account-client or other legal privilege shall not be deemed waived by virtue of this Agreement.

ARTICLE XI. NO PARTNERSHIP

The Manager and the Company affirmatively state that they do not have the intention to form a joint venture or partnership for tax or any other purposes, nor have they done so, by entering this Agreement. If, however, a joint venture or partnership is found to exist for federal income tax purposes (a) capital accounts will be maintained for the Manager and the Company on a tax accounting basis; (b) net income will be allocated to the Manager in the amount of the payments due the Manager pursuant to Article XI hereof; (c) all remaining net taxable income or loss will be allocated to the Company; and (d) upon termination, distributions will be in accordance with the Manager's and the Company's capital account balances.

ARTICLE XII. OWNERSHIP OF ASSETS; CONFIDENTIALITY

12.1. Systems Ownership. The Company retains all ownership and other rights in all the Assets, including but not limited to all systems, manuals, computer software, materials and other information, in whatever form (collectively referred to as the "Systems") and nothing contained in this Agreement shall be construed as a license or transfer of such Systems or any portion thereof, either during the Term or thereafter. Upon the termination or expiration of this

Agreement, the Company shall retain all of the Systems except as set forth in the Purchase Agreement.

12.2. Systems Confidentiality. The Manager acknowledges that the Company has invested a significant amount of its resources in developing and maintaining the Systems and that the value to the Company of the Systems may be diminished or destroyed if the Manager discloses the Systems or any portion thereof to a third party. Accordingly, the Manager shall maintain the confidentiality of the Systems. The Manager shall not duplicate or permit the duplication of any portion of the Systems and shall not permit access to the Systems by the Manager's personnel or any third party other than as reasonably necessary or appropriate to provide Management Services in the ordinary course of business. The Manager shall take at least those commercially reasonable steps to protect the Company's information that it would take to protect its own confidential information. The provisions of this Article XIV shall survive any termination or expiration of this Agreement, except as set forth in the Purchase Agreement.

12.3. Treatment of Confidential Information. Each party and its affiliates shall treat all non-public information regarding the other party or its affiliates that is obtained as part of this engagement as confidential and proprietary and shall not release or share such information with any third party, except as may be required by law or as authorized by the party to which the information pertains or as reasonably necessary in connection with the performance of its duties hereunder. Certain non-public information relating to Company, including but not limited to managed care contracts, managed care reimbursement rates, strategic and business plans, operating and capital budgets, physician recruitment plans, and employee compensation, may be considered competitively sensitive ("Competitively Sensitive Information") under federal and state antitrust laws. Company shall only disclose Competitively Sensitive Information to: (a) Key Employees; and (b) other employees of Manager as required to oversee and to maintain the operations of Company. Company shall not disclose, and Manager shall institute policies and procedures to prevent disclosure of, Competitively Sensitive Information to employees of Manager who also have direct responsibilities for the operations of Manager's other hospitals and employed physician groups. Summaries of Competitively Sensitive Information that are aggregated or blinded as to specific managed care organizations, vendors, or employees shall not be Competitively Sensitive Information hereunder. This restriction on sharing Competitively Sensitive Information shall only expire upon Closing of the Transaction and shall continue indefinitely in the event of a termination of this Agreement for any other reason.

12.4. Covenant Not to Solicit. During the Term, and for a period of one (1) year following the early termination or expiration of the Term for any reason other than the Closing, Manager shall not, through an affiliate or separate employee leasing or staffing company or otherwise, specifically solicit for employment, any employee or independent contractor of Company (collectively referred to herein as the "Employees" or individually as the "Employee"), unless Company gives its written consent thereto. As liquidated damages for any breach of this Section 12.4 by Manager, Manager agrees that, if it breaches this Section 12.4 of the Agreement, Manager will pay Company an amount equal to two times (2x) the then current salary of such Employee within 30 (thirty) days of the employment as reasonable compensation to Company for damages incurred by such actions on the part of Manager. The Parties acknowledge and agree that this amount (a) a constitutes a fair, reasonable and appropriate resolution of a violation of this Section and the resulting damages incurred by Company, and (b) does not constitute a

penalty. Manager's failure to pay this amount on or before the date due shall create an immediate right on the part of Company to pursue collection of this amount with interest. Manager agrees to reimburse Company for any and all reasonable attorney's fees, other costs, fees and expenses as may be incurred by Company in order to enforce its rights set forth in this Section 13.4. In the event that Manager fails to uphold its obligations hereunder, the Parties confirm that Company may seek any and all remedies in law or equity, including injunctive relief as applicable, relating to any violation of this Section or of any other provisions of this Agreement. By way of clarification, the Parties agree that Manager may generally advertise and post job openings and may hire an Employee who responds to such general solicitation.

ARTICLE XIII. INDEMNIFICATION

13.1. Indemnification by the Company. The Company agrees to indemnify and hold harmless the Manager, its affiliates and shareholders, and their respective shareholders, directors, officers, employees and agents (collectively, a "Manager Indemnified Party") from and against any and all losses, claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses related to the defense of any claims) (a "Loss"), which may be asserted against any of the Manager Indemnified Parties arising in connection with performance of its duties or obligations hereunder, including without limitation matters relating to: (a) the breach of this Agreement by the Company; (b) any pending or threatened malpractice or other tort claims asserted against the Manager relating to the Hospital; (c) any action against the Manager brought by any current or former medical staff members or employees, and (d) any act or omission by any medical staff member, or employee, or other personnel who were under the supervision of a member of the medical staff as a result of providing medical services to such medical staff member's patient; provided that such Loss has not been caused by the breach of this Agreement by Manager or by the gross negligence or willful misconduct of or a knowing violation of law by, the Manager Indemnified Party seeking indemnification pursuant to this Agreement.

13.2. Indemnification by the Manager. The Manager agrees to indemnify and hold harmless the Company and its members, partners, or shareholders (as appropriate), its directors, and its officers, employees and agents (collectively, a "Company Indemnified Party") from and against any Loss, which is caused by: (a) the breach of this Agreement by the Manager; or (b) a violation of law by the Manager; provided that such Loss has not been caused by the gross negligence or willful misconduct of or a knowing violation of law by, the Company Indemnified Party seeking indemnification pursuant to this Agreement.

13.3. Sole Remedy. This Article XIII shall constitute the sole remedy of the parties hereto with respect to any Loss resulting from a third party claim.

ARTICLE XIV. GUARANTEE

14.1. HealthQuest Guarantee. HealthQuest hereby unconditionally and irrevocably guarantees, as a primary obligor and not only a surety (the "**HealthQuest Guarantee**"), the prompt and complete payment and performance (not just collection) of any and all of the Manager's obligations to the Company under this Agreement (the "**Obligations**"), if, as, when and to the extent that such Obligations are required to be performed pursuant to such

agreements. If Manager does not perform an Obligation, HealthQuest shall promptly perform the Obligation. The obligations of HealthQuest under the HealthQuest Guarantee are independent of the obligations of the Manager under the Agreement and a separate action or actions may be brought against HealthQuest, whether action is brought against the Manager or whether the Manager is joined in any such action or actions; provided, however, as a condition precedent to the commencement of any action against HealthQuest, (i) Manager shall have first failed to satisfy an Obligation in the time specified in the Agreement, taking into account any notice and cure periods, and (ii) Company shall have an ongoing duty to provide to Manager any notices required under this Agreement. Except as set forth in this Article XIV, HealthQuest hereby waives all rights and defenses of a surety under applicable law. Notwithstanding the foregoing, HealthQuest shall be entitled to assert as a defense to any claim under this Article XIV, (i) that the Obligations in respect of which a demand has been made are not yet due under the terms of this Agreement, (ii) that such Obligations have been previously performed in full, and (iii) any claims, defenses, counter claims, setoffs or circumstances excusing payment or performance which the Manager would be entitled to assert under this Agreement. Except as specifically set forth in this Article XIV, the HealthQuest Guarantee is an absolute, irrevocable, primary, continuing, unconditional, and unlimited guaranty of performance and payment subject to and within the limitations of this Agreement. The HealthQuest Guarantee shall remain in full force and effect (and shall remain in effect notwithstanding any amendment to this Agreement) for HealthQuest until all of the obligations of the Managers have been paid, observed, performed, or discharged in full.

ARTICLE XV. MISCELLANEOUS

15.1. Business Associate. Manager acknowledges that the services it provides hereunder may make it a business associate of the Hospital. Manager agrees to execute a HIPAA business associate agreement, in substantially the form attached hereto as Exhibit A, separately outlining its obligations as a business associate with respect to the privacy and security of individually identifiable health information it may acquire in the course of its duties hereunder.

15.2. Referral Disclaimer. The amounts to be paid hereunder represent the fair market value of the services to be provided as established by arm's length negotiations by the parties and have not been determined in any manner that takes into account the volume or value of any potential referrals between the parties. No amount paid hereunder is intended to be, nor shall it be construed to be, an inducement or payment for referral of patients by any party to any other party. In addition, the amounts charged hereunder do not include any discount, rebate, kickback or other reduction in charges, and the amount charged is not intended to be, nor shall it be construed to be, and inducement or payment for referral of patients by any party to any other party. Further, it is agreed that none of the parties shall refer or attempt to influence the referrals of any patients to any particular program.

15.3. Material Change in Law. In the event any material change in any federal or state law or regulation creates a significant likelihood of sanction or penalty based on the terms of this Agreement or would prohibit either party from billing for or receiving payment for any services provided by the parties, then upon request of either party, the parties hereto shall enter into good faith negotiations to renegotiate the affected provision or provisions of the

Agreement to remedy such term or condition. In the event the parties are unable to reach agreement on the affected provision or provisions, so as to bring such provision or provisions into compliance with the law or regulation within thirty (30) days of the initial request for renegotiation, this Agreement shall terminate upon ten (10) days' written notice or the effective date of such change (whichever is earlier). Each party hereto expressly recognizes that upon request for renegotiation, each party has a duty and obligation to the other only to renegotiate the affected term(s) in good faith.

15.4. Notices. All notices, demands and other communications to be given or delivered pursuant to or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) when personally delivered; (ii) on the business day sent (or the next business day if sent on a non-business day) if delivered by facsimile with receipt confirmation; (iii) one day after deposit with Fed Ex, UPS or similar reputable overnight courier service; or (iv) three days after being mailed by first class mail, return receipt requested. Notices, demands and communications to the Manager and the Company shall, unless another address is specified in writing, be sent to the addresses indicated below:

If to the Company:

Essent Healthcare of Connecticut, Inc.
103 Continental Place
Suite 200
Brentwood TN 37027
Attn: General Counsel

with a copy to:

RegionalCare Hospital Partners, Inc.
103 Continental Place
Suite 200
Brentwood TN 37027
Attn: General Counsel

Waller Lansden Dortch & Davis, LLP
Nashville City Center
511 Union Street, Suite 2700
Nashville, Tennessee 37219
Fax No. 615-244-6804
Attn: MaryEllen S. Pickrell

If to the Manager:

Health Quest Systems, Inc.
1351 Route 55, Suite 200
Lagrangeville, NY 12540
Attention: Michael Holzhueter, Senior Vice President and General Counsel

Email: mholzhue@health-quest.org

with a copy to:

McDermott Will & Emery
28 State Street
Boston, MA 02109-1775
Attn: Charles Buck Esq.

15.5. Section Captions. Section and other captions contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

15.6. Assignment. Manager shall have the right to assign this Agreement without prior written consent of the Company if such assignment is to an affiliate of Manager. The Company shall not assign this Agreement without the prior written consent of Manager. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and permitted assigns. This Agreement is intended solely for the benefit of the parties hereto and is not intended to, and shall not, create any enforceable third party beneficiary rights.

15.7. Severability. Every provision of this Agreement is intended to be severable. If any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

15.8. Amendment. No changes in, additions or amendments to this Agreement shall be effective unless and until made in writing and signed by both parties hereto.

15.9. Counterpart Execution. This Agreement may be executed in one or more counterparts all of which together shall constitute one and the same Agreement.

15.10. Integrated Agreement. This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof, and there are no agreements, understandings, restrictions, representations or warranties among the parties other than those set forth herein or herein provided for.

15.11. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Connecticut without regard to its principles of conflicts of laws.

15.12. Waiver. Failure by any party to enforce any of the provisions hereof for any length of time shall not be deemed a waiver of its rights set forth in this Agreement. Such a waiver may be made only by an instrument in writing signed by the party sought to be charged with the waiver. No waiver of any condition or covenant of this Agreement shall be deemed to imply or constitute a further waiver of the same or any other condition or covenant, and nothing contained in this Agreement shall be construed to be a waiver on the part of the parties of any right or remedy at law or in equity or otherwise.

15.13. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE INCLUDING, BUT NOT LIMITED TO, THE CONSTITUTION OF THE UNITED STATES OR ANY STATE THEREIN, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATIONS. EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHT TO DEMAND TRIAL BY JURY.

15.14. Gender and Number. Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine and neuter, and the number of all words herein shall include the singular and plural.

15.15. Force Majeure. Neither party shall be liable for any failure, inability or delay to perform hereunder, if such failure, inability or delay is due to any cause beyond the reasonable control of the party so failing, and due diligence is used in curing such cause and in resuming performance.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement by and through their duly authorized representatives effective as of the date and year first above written.

ESSENT HEALTHCARE OF CONNECTICUT, INC.

By: _____
Name: Michael W. Browder
Title: Executive Vice President and Chief Financial Officer

VASSAR HEALTH CONNECTICUT, INC.

By: _____
Name: _____
Title: _____

EXECUTED AND DELIVERED SOLELY FOR PURPOSES OF ARTICLE XIV OF THIS AGREEMENT:

HEALTH QUEST SYSTEMS, INC.

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have executed this Agreement by and through their duly authorized representatives effective as of the date and year first above written.

ESSENT HEALTHCARE OF CONNECTICUT, INC.

By: _____
Name: _____
Title: _____

VASSAR HEALTH CONNECTICUT, INC.

By: _____
Name: _____
Title: President

EXECUTED AND DELIVERED SOLELY FOR
PURPOSES OF ARTICLE XIV OF THIS AGREEMENT:

HEALTH QUEST SYSTEMS, INC.

By: _____
Name: _____
Title: _____

[Signature Page to Management Agreement]

EXHIBIT A

HIPAA BUSINESS ASSOCIATE AGREEMENT

[SEE ATTACHED]

HIPAA BUSINESS ASSOCIATE AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this 13th day of September, 2016, by and between Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, a Connecticut corporation (the "Company"), and Vassar Health Connecticut, Inc., (the "Manager"), a Connecticut non-profit corporation ("Business Associate").

1. Purpose. The Company and Business Associate hereby enter into this Agreement because Business Associate provides services for the Company which may involve the use and/or disclosure of individually identifiable health information relating to the Company's patients ("Protected Health Information" or "PHI"). In accordance with the federal privacy and security regulations set forth at 45 CFR Part 160 and Part 164 (the "HIPAA Regulations"), which require the Company to have a written contract with each of its business associates, the parties wish to incorporate satisfactory assurances that the Business Associate will appropriately safeguard the privacy and security of Protected Health Information.

2. Effective Date. The effective date of this Agreement shall be October 1, 2016 (the "Effective Date").

3. Permitted Uses and Disclosures. Business Associate shall not use or disclose any Protected Health Information other than as permitted by this Agreement or the Hospital Management Agreement by and between the Company and Business Associate dated September 9, 2016 (the "Underlying Agreement") in order to perform Business Associate's obligations hereunder or as required by law. Business Associate shall not use or disclose the PHI in any way that would be prohibited if used or disclosed in such a way by Company. Business Associate may also use or disclose PHI as required for Business Associate's proper management and administration, provided that if Business Associate discloses any PHI to a third party for such a purpose, Business Associate shall enter into a written agreement with such third party requiring that party (i) to hold the PHI confidentially and not to use or further disclose the PHI except as required by law, and (ii) to notify Business Associate immediately of any instances of which it becomes aware in which the confidentiality of the PHI is breached.

4. Minimum Necessary Information. Business Associate shall only request from Company, and shall only use and disclose, and the Company shall only provide to Business Associate, the minimum amount of PHI necessary to carry out the Business Associate's responsibilities under this Agreement and the Underlying Agreement.

5. Reporting. If Business Associate becomes aware of any use or disclosure of PHI in violation of this Agreement, Business Associate shall immediately report such information to Company. Business Associate shall also require its employees, agents, and subcontractors to immediately report any use or disclosure of PHI in violation of this Agreement. Business Associate shall cooperate with, and take any action reasonably required by, the Company to mitigate any harm caused by such improper disclosure.

6. Agents and Subcontractors. Business Associate shall require its employees, agents, and subcontractors to agree not to use or disclose PHI in any manner except as specifically allowed herein, and shall take appropriate disciplinary action against any

employee or other agent who uses or discloses PHI in violation of this Agreement or the Underlying Agreement. Business Associate shall require any agent or subcontractor that carries out any duties for Business Associate involving the use, custody, disclosure, creation of, or access to PHI to enter into a written contract with Business Associate containing provisions no less restrictive than the restrictions and conditions set forth in this Agreement.

7. Company Policies, Privacy Practices, and Restrictions. The Company shall provide Business Associate with access to the Company's notices, policies, and procedures, including updates thereto provided from time to time by the Company, and Business Associate shall comply with all such notices, policies, and procedures. Business Associate shall assure that each of employees has received appropriate training regarding HIPAA confidentiality and patient privacy compliance issues.

8. Patient Rights. Business Associate acknowledges that the HIPAA Regulations require the Company to provide patients with a number of privacy rights, including (a) the right to inspect PHI within the possession or control of the Company, its business associates, and their subcontractors, (b) the right to amend such PHI, and (c) the right to obtain an accounting of certain disclosures of their PHI to third parties. Business Associate shall establish and maintain adequate internal controls and procedures allowing it to readily assist the Company in complying with patient requests to exercise any patient rights granted by the Privacy Regulations, and shall comply with all Company requests to amend, provide access to, or create an accounting of disclosures of the PHI in the possession of Business Associate or its agents and subcontractors. If Business Associate receives a request directly from a patient to exercise any patient rights granted by the Privacy Regulations, Business Associate shall immediately forward the request to the Company.

9. Safeguards. Business Associate shall use appropriate physical, technical, and administrative safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement and by the Company's privacy and security policies. Upon Company's reasonable request, Business Associate shall allow the Company to review such safeguards; provided, however, that any such review that requires access to Business Associate's facilities shall occur during normal business hours and shall be conducted in a manner that does not disrupt Business Associate's operations.

10. Security.

a. If Business Associate creates, receives, maintains, or transmits electronic PHI (as defined under HIPAA) on behalf of the Company, the Business Associate shall comply with the HIPAA Security Rule and shall:

i. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI;

ii. Ensure that any agent, including a subcontractor, to whom it provides electronic PHI, agrees to implement reasonable and appropriate safeguards to protect the electronic PHI; and

iii. Report to the Company any security incident of which Business Associate becomes aware. The term "security incident" shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system (the parties acknowledge and agree that this section constitutes notice by Business Associate to Company of the ongoing existence and occurrence or attempts of unsuccessful security incidents for which no additional notice to Company shall be required).

b. For purposes of this section of this Agreement, "electronic PHI" shall mean PHI that is transmitted by electronic media or maintained in any electronic media. As used herein, "electronic media" shall mean:

i. Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or

ii. Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.

11. Audits and Inspections. Business Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI available to the Company for inspection upon request, and to the Secretary of Health and Human Services to the extent required for determining the Company's compliance with the Privacy Regulations. Notwithstanding the above, no attorney-client, accountant-client, or other legal privilege shall be deemed waived by the Company or Business Associate by virtue of this provision.

12. Termination and Return of PHI. Notwithstanding anything to the contrary in the Underlying Agreement, the Company may terminate this Agreement immediately if, in the Company's reasonable opinion, Business Associate has breached any provision of this Agreement and has not cured such breach within thirty (30) days of Business Associate's receipt of written notice of such breach from the Company. Upon termination of this Agreement for any reason, Business Associate shall, if feasible, return or destroy all PHI received from the Company or created by Business Associate on behalf of the Company. If such return or destruction is not feasible, the parties agree that the requirements of this Agreement shall survive termination and that Business Associate shall limit all further uses and disclosures of PHI to those purposes that make the return or destruction of such information infeasible.

13. Interpretation; Change in Law. Any ambiguity in this Agreement shall be resolved to permit the Company to comply with the HIPAA Regulations. In the event of any inconsistencies between the terms of the Underlying Agreement and this Agreement, the terms of this Agreement shall prevail. The parties acknowledge that the American Recovery and

Reinvestment Act of 2009 ("ARRA") requires the Secretary of Health and Human Services to promulgate regulations and interpretative guidance that is not available at the time of executing this Agreement. In the event Company determines in good faith that any such regulation or guidance adopted or amended after the execution of this Agreement shall cause any paragraph or provision of this Agreement to be invalid, void or in any manner unlawful or subject either party to penalty, then the parties agree to renegotiate in good faith to amend this Agreement to comply with the change in law, regulation or interpretative guidance.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereby indicate their acceptance of this Agreement.

ESSENT HEALTHCARE OF CONNECTICUT, INC. d/b/a Sharon Hospital, a Connecticut corporation

By: _____
Name: Michael W. Browder
Title: Executive Vice President and Chief Financial Officer

VASSAR HEALTH CONNECTICUT, INC.

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereby indicate their acceptance of this Agreement.

ESSENT HEALTHCARE OF CONNECTICUT, INC. d/b/a Sharon Hospital, a Connecticut corporation

By: _____
Name: _____
Title: _____

VASSAR HEALTH CONNECTICUT, INC.

By: _____
Name: Russell Treasury
Title: President

[Signature Page to HIPAA Business Associate Agreement]

EXHIBIT G

Demographics Expert 2.7

2016 Demographic Snapshot

Area: RHA TWS Practices

Level of Geography: ZIP Code

DEMOGRAPHIC CHARACTERISTICS

	Selected Area	USA
2010 Total Population	118,012	308,745,538
2016 Total Population	114,598	322,431,073
2021 Total Population	112,750	334,341,965
% Change 2016 - 2021	-1.6%	3.7%
Average Household Income	$86,142	$77,135

	2016	2021	% Change
Total Male Population	56,547	55,628	-1.6%
Total Female Population	58,051	57,122	-1.6%
Females, Child Bearing Ag	18,821	18,340	-2.6%

POPULATION DISTRIBUTION

	Age Distribution				
Age Group	2016	% of Total	2021	% of Total	USA 2016 % of Total
0-14	17,972	15.7%	16,333	14.5%	19.0%
15-17	4,417	3.9%	4,202	3.7%	4.0%
18-24	9,090	7.9%	9,471	8.4%	9.8%
25-34	12,104	10.6%	12,159	10.8%	13.3%
35-54	30,936	27.0%	26,698	23.7%	26.0%
55-64	18,535	16.2%	19,832	17.6%	12.8%
65+	21,544	18.8%	24,055	21.3%	15.1%
Total	**114,598**	**100.0%**	**112,750**	**100.0%**	**100.0%**

HOUSEHOLD INCOME DISTRIBUTION

	Income Distribution		
2016 Household Income	HH Count	% of Total	USA % of Total
<$15K	3,783	8.0%	12.3%
$15-25K	4,075	8.6%	10.4%
$25-50K	9,895	20.9%	23.4%
$50-75K	9,109	19.2%	17.6%
$75-100K	6,810	14.3%	12.0%
Over $100K	13,786	29.0%	24.3%
Total	**47,458**	**100.0%**	**100.0%**

EDUCATION LEVEL

	Education Level Distribution		
2016 Adult Education Level	Pop Age 25+	% of Total	USA % of Total
Less than High School	3,424	4.1%	5.8%
Some High School	5,959	7.2%	7.8%
High School Degree	25,433	30.6%	27.9%
Some College/Assoc. Degree	23,446	28.2%	29.2%
Bachelor's Degree or Greater	24,857	29.9%	29.4%
Total	**83,119**	**100.0%**	**100.0%**

RACE/ETHNICITY

	Race/Ethnicity Distribution		
Race/Ethnicity	2016 Pop	% of Total	USA % of Total
White Non-Hispanic	96,848	84.5%	61.3%
Black Non-Hispanic	2,685	2.3%	12.3%
Hispanic	10,346	9.0%	17.8%
Asian & Pacific Is. Non-His	2,417	2.1%	5.4%
All Others	2,302	2.0%	3.1%
Total	**114,598**	**100.0%**	**100.0%**

PP000425
11/03/2016

EXHIBIT H

FOUNDATION for COMMUNITY HEALTH

Prevention, Access, Collaboration

A Study of Community Health Needs Conducted for the Foundation for Community Health

October 2014

Prepared by:
Karen Horsch, M.Ed.
Karen Horsch Consulting, LLC
Manchester, New Hampshire

TABLE OF CONTENTS

ACRONYMS

ACA	Affordable Care Act
ACS	American Community Survey
BRFSS	Behavioral Risk Factor Surveillance Survey
CHIME	Connecticut Hospital Information Management Exchange
CHNA	Community Health Needs Assessment
CHW	Community Health Worker
CT	Connecticut
CAPE	Council on Addiction and Prevention Education
DARE	Drug Abuse Resistance Education
EBT	Electronic Benefit Transfer
EMS	Emergency Medical Services
EMT	Emergency Medical Technician
ESL	English as a Second Language
FCH	Foundation for Community Health
HHS	Health and Human Services
HPSA	Health Professional Shortage Area
HRSA	Health Resources and Services Administration
HP2020	Healthy People 2020
ICA	Integrated County Assessment
NAMI	National Alliance on Mental Illness
NECC	North East Community Center
ND	No date
NY	New York
NYC	New York City
NYS	New York State
NYSDOH	New York State Department of Health
OASAS	Office of Alcoholism and Substance Abuse Services
PCS	Patient Characteristics Survey
SPARCS	Statewide Planning and Research Cooperative System
STI	Sexually Transmitted Infection
SWSCR	Student Weight Status Reporting System
US	United States
USDA	United States Department of Agriculture
VNA	Visiting Nurse Association

INTRODUCTION

The Foundation for Community Health (FCH), founded in 2003[1], is a private, not-for-profit foundation dedicated to maintaining and improving the physical and mental health of the residents of the greater Harlem Valley in New York and the northern Litchfield Hills of Connecticut, with an emphasis on serving those most vulnerable.[2]

Since its inception, FCH has awarded nearly $8 million in grants to a variety of nonprofit organizations in the region. In addition to its direct funding of health projects, the Foundation initiates forums, research, conferences, workshops, and other educational programs aimed at improving access to healthcare for people living in the FCH community. For the first ten years of its work, FCH focused its efforts in three priority areas: oral health, mental health, and access to healthcare. These priorities were identified based on a health needs assessment commissioned by the Foundation in 2004.

In 2014, FCH's Board of Directors was interested in reassessing the Foundation's strategy to determine where it could best serve community needs. This needs assessment was commissioned to help inform those decisions. Community health needs assessments (CHNAs) had recently been conducted in each of the three counties with towns in FCH's service area; these assessments described social, economic and health conditions in the counties and identified priorities for addressing health needs. This needs assessment focuses more specifically on the health conditions and health needs of those living in the 17 communities FCH serves. The Foundation's Board was also very interested in learning what community residents and providers serving the community see as the key health needs in the region. Thus, in addition to secondary data about health and health care needs, the data collected for this needs assessment includes the results of a survey of community stakeholders and focus groups with residents and providers. It is important to note that the Foundation takes a population/public health approach to fulfilling its mission; the focus of this needs assessment is on exploring broadly the trends and factors affecting the health and well-being of community residents rather than examining specific health care systems or interventions.

The report has four sections. The first describes the data collection methodology for the study. The second section draws on existing secondary data from county, state, and national sources to provide an overview of FCH communities and residents' health status. This is followed by a discussion of health and healthcare needs based on information gathered through an online survey and focus groups with residents, service providers, and community leaders. The report concludes with a summary of findings.

DATA COLLECTION METHODS

This report presents quantitative and qualitative data that come from the following sources:

- *Secondary Data.* This report compiles data from the U.S. Census and state agencies (labor, education, and public health) as well as data collected by community-based agencies and researchers. In addition, over the past two years, health departments and community

[1] FCH was initially funded with assets from the sale and conversion of Sharon Hospital to a for-profit organization.
[2] The communities served are: Amenia, Ancram, Copake, Dover, Northeast, Pine Plains, Stanford, and Washington (NY) and Canaan (Falls Village), Cornwall, Goshen, Kent, Norfolk, North Canaan, Salisbury, Sharon, and Warren (CT).

organizations in the region have conducted CHNAs and these have also informed this report. These assessments include the *Columbia County Community Health Assessment and Community Health Improvement Plan, 2014-2017,* the *Dutchess County Community Health Assessment 2013-2017,* and the *2012 Community Health Needs Assessment. Litchfield County.* A complete list of data sources is provided at the end of this report.

It is important to note that because the region covered in this assessment includes two states, obtaining the same data for some socio-economic and health indicators is difficult. Each state has different data collection systems, may not report data for the same years, and may use different definitions of measures. In this report, every attempt was made to find data that were comparable across the region. In a few cases, equivalent data were not found and in this case, different measures or definitions are presented here. These are noted where relevant.

- *Community Stakeholder Survey*. To better understand community-level health concerns and challenges, a brief, anonymous survey was conducted for this project. The survey was conducted using SurveyMonkey, a web-based survey tool. The survey asked about health concerns in and needed health services in the communities. Because recent CHNAs had identified priority health needs in the three counties that comprise FCH's service area, the survey questions focused more specifically on gathering deeper feedback about these specific issues. An email link to the anonymous survey was sent to approximately 450 stakeholders in or serving the 17 communities, including health care providers, social service professionals, the faith community, government representatives, business people, and community residents. Respondents were initially identified through FCH's database of key contacts to which additional medical, mental, and oral health providers were added, including all medical providers at Sharon Hospital. In total, 194 individuals responded to the survey, yielding an approximate response rate of 43%, a typical response rate for this type of survey. Descriptive statistics were used to analyze survey results. The survey instrument is provided in Appendix A.

- *Focus Groups*. Ten focus groups with 82 community stakeholders were conducted to gather a more in-depth perspective on health and health care status and needs in the communities served by the Foundation. Focus groups were held with local business leaders, seniors, youth, patients of a local health center, clients of social service organizations, social service provider staff, and community leaders. Groups included 15 Spanish speakers and 67 English speakers. Because the Foundation's mission emphasizes meeting the needs of the region's most vulnerable populations, focus groups were specifically organized to include these perspectives. The number of focus group participants ranged from five to twelve and each group was between 60 and 90 minutes in duration. Parental permission was obtained from all youth focus group members. Standard qualitative data analysis techniques of coding and characterizing were used to analyze the data collected through focus groups. The focus group protocol is provided in Appendix B.

It is important to note that there are several limitations to the data collected for this study. As described above, the sample size for the Community Stakeholder Survey represents a "convenience sample;" as such, there is little ability to generalize results to the larger population in FCH communities. Focus group members as well were a sample of individuals selected because they received services from local agencies and/or played leadership roles in the community. However, they shared their own opinions and perceptions and were not asked to speak on behalf of particular agencies, constituencies, or the general population. Focus groups are typically utilized in CHNA

processes as they provide an in-depth perspective on community issues or experiences and allow for insights and discussion that cannot be obtained through quantitative approaches. Although these limitations create challenges, the reliability of the results and findings in this report is grounded in the Foundation's intent to gather perceptions of a diverse group of stakeholders and then triangulate emergent themes with existing regional, state, and national secondary source data.

COMMUNITY BACKGROUND AND HEALTH STATUS

This section provides an overview of the factors affecting health and the health status of residents in the 17 communities served by FCH.

Factors Affecting Health

One's health status is affected by more than one's personal health behaviors or access to health care. As noted by Grantmakers in Health, *"decades of research and practical experience in the United States and other countries have shown that a number of economic and social factors – education, income, occupation, wealth, housing, neighborhood environment, race and ethnicity – have a powerful influence on health."*[3] Generally referred to as the "social determinants of health" these factors positively and negatively affect health in a community. This section describes the 17 communities comprising FCH's service area from a social determinants of health perspective.

The data shared below come from the American Community Survey (ACS), unless otherwise noted. The ACS is an ongoing survey conducted by the U.S. Census to obtain demographic, economic and social data that is used to guide decision making at the national, state, and local levels. The FCH data are presented for three geographic regions, FCH towns that are located in Columbia County (FCH/Columbia), those located in Dutchess County (FCH/Dutchess), and those located in Litchfield County (FCH/Litchfield). The data are reported by the ACS at the 5-digit zip code level and in some cases, data for more than one zip code were aggregated to obtain the data for the town. It is important to note that, due to small sample sizes in the towns, results should be interpreted with caution. For comparative purposes, data for Connecticut and New York are also included.

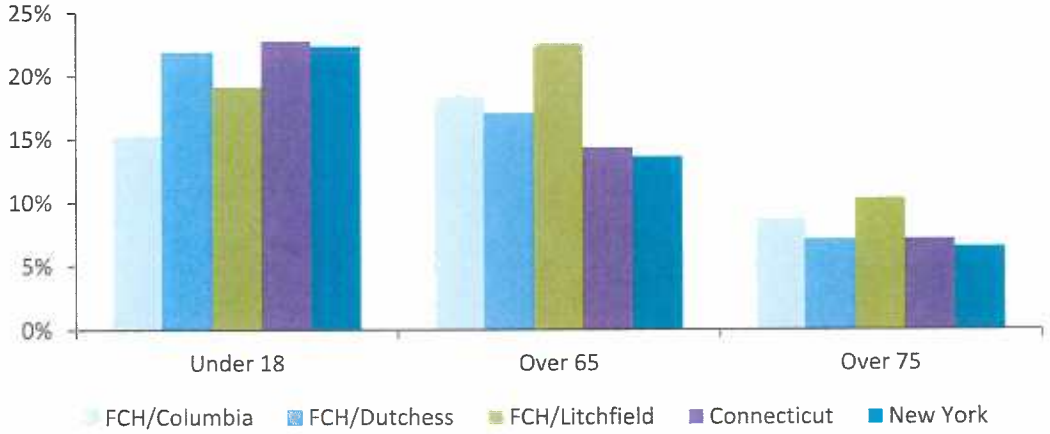
Demographics

According to the most recent ACS population estimates, the population of the 17 communities comprising the FCH service region is estimated to be about 51,410. Data indicate a regional population that is older than that in the states of New York and Connecticut. (Figure 1) In total, about 19% of the region's population is over age 65, compared to 14% for both Connecticut and New York. Further, approximately 9% of the region's population is over age 75, compared to 7% for Connecticut and about 7% for New York. By contrast, 20% of the region's population is under the age of 18, a smaller proportion than the two states (22%).

Data by FCH service region show that, overall, the communities in Litchfield County served by the Foundation are older than those served in Dutchess and Columbia although there is some variation across towns. In some Litchfield communities (Kent, North Canaan, and Salisbury), over one quarter of the population is over age 65. FCH communities in Dutchess, by contrast, have a comparatively younger population; notably over one quarter of Amenia's population and about 23% of the populations in Dover and Northeast are under age 18.

[3] http://www.gih.org/Focus/FocusOnIssues.cfm?MetadataID=24

Figure 1: Population by Age, FCH Regions, Connecticut, and New York, 2008-2012



Source: 2008-2012 American Community Survey 5-Year Estimates.

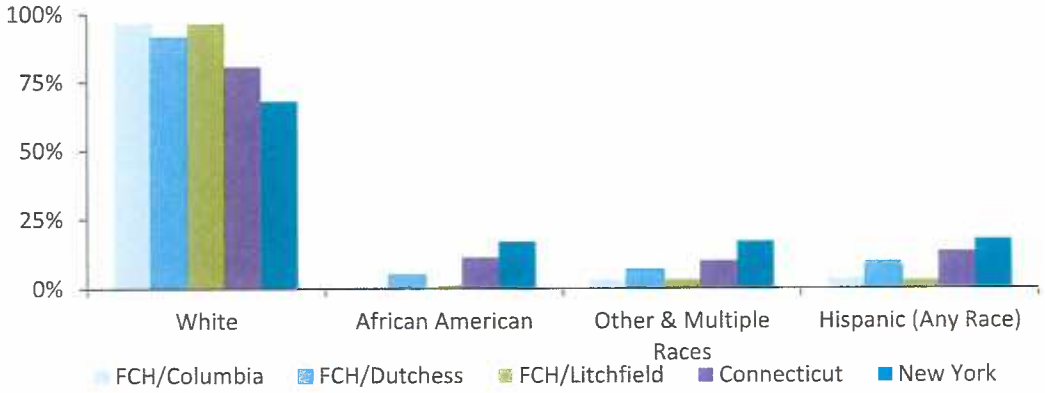
The FCH service area is predominantly White. (Figure 2) About 94% of the region's population is White, compared to 81% for the state of Connecticut and 68% for the state of New York. Hispanics of any race comprise 6% of the region's population. African Americans/Blacks make up 3% of the region's population and those of other races comprise about 4%.[4] The growing racial and ethnic diversification of the counties in the region has been documented in recent community health assessments. Both the Dutchess County and Litchfield County CHNAs reported a substantial increase in Hispanic populations in those counties between the 2000 and 2010 censuses.[5]

Data by FCH service region show that the most diverse towns in the region (Dover, Northeast, and Amenia) are located in Dutchess County. In Amenia, about 16% of the population is Hispanic while Dover's Hispanic population is nearly 10%. By contrast, a number of towns in the service area, notably Cornwall, Kent, Warren, and Goshen, have far less racial and ethnic diversity.

[4] Other races includes those who reported their race as Asian, American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, or some other race.

[5] Dutchess County Department of Health. (April 2013). *Dutchess County Community Health Needs Assessment 2013-2017.* Litchfield County Community Transformation Grant Coalition. (ND) *2012 Community Health Needs Assessment.*

Figure 2: Population by Race & Ethnicity, FCH Regions, Connecticut, and New York, 2008-2012



Source: 2008-2012 American Community Survey 5-Year Estimates.

Income and Poverty

The median household income in the FCH region varies by town, although it is important to note that data sources across the two states and timeframes for the data differ. (Figure 3) All FCH towns in New York had a median household income higher than the state of New York overall according to 2007-2011 ACS estimates. With the exception of North Canaan, FCH towns in Connecticut had higher median household income levels than the state according to the 2010 Census.

Figure 3: Median Household Income, FCH Towns, FCH Counties, Connecticut, and New York

NEW YORK	$56,951	**CONNECTICUT**	$64,321
Dutchess County	$71,125	Litchfield County	$70,291
Columbia County	$56,185	Canaan	$68,150
Amenia	$57,832	Cornwall	$77,243
Ancram	$59,550	Goshen	$78,571
Copake	$58,692	Kent	$71,008
Dover	$67,462	Norfolk	$73,426
Northeast	$61,823	North Canaan	$44,817
Pine Plains	$65,539	Salisbury	$64,758
Stanford	$68,168	Sharon	$69,258
Washington	$67,673	Warren	$76,122

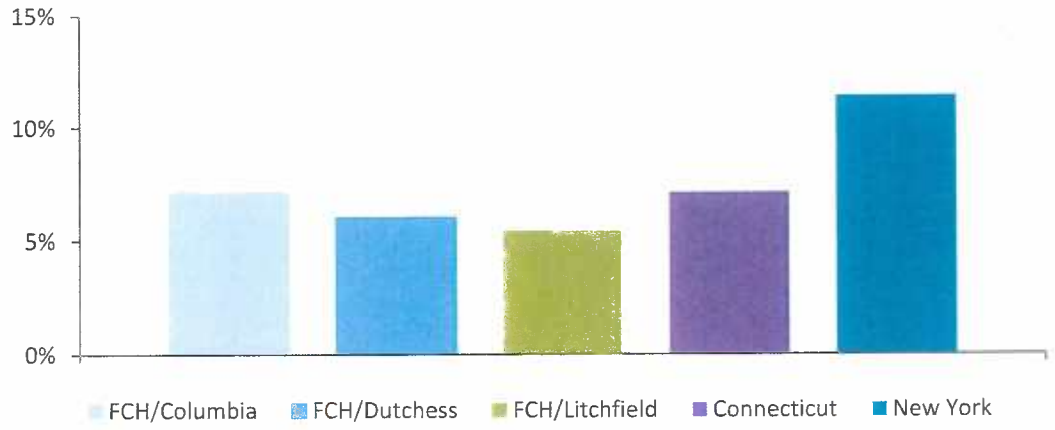
Source: NY: 2007-2011 American Community Survey as cited in County Profiles developed by Cornell Program on Applied Demographics. CT: 2010 US Census as cited in 2012 Litchfield County CHNA.

According to the 2008-2012 ACS, a smaller proportion of families in FCH regions are in poverty than in Connecticut and New York. (Figure 4) The poverty rate varies across the FCH towns, from a low of 1% in Salisbury and Cornwall to a high of 10% in Amenia. School lunch data provide another picture on poverty. Between the 2006-2007 and 2010-2011 school years, the proportion of students eligible for free or reduced lunch in Litchfield County increased from 15.3% to 23.1%.[6] In

[6] Connecticut State Department of Education as cited in 2013 Connecticut KIDS COUNT Data Book.

Dutchess County, the proportion of children receiving free or reduced price lunches rose from 25.8% to 31.9% over the same time period; in Columbia, the rate rose from 35.7% to 40.6%.[7]

Figure 4: Proportion of Families Below the Poverty Line in Prior 12 Months, FCH Regions, Connecticut, and New York, 2008-2012



Source: 2008-2012 American Community Survey 5-Year Estimates.

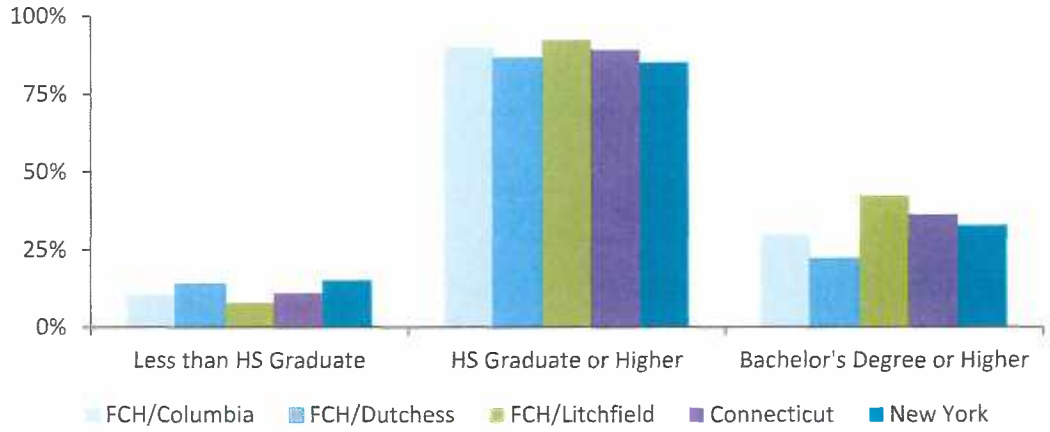
Education

ACS data show that about 89% of the FCH region's residents over the age of 25 are high school graduates or higher, a rate similar to the state of Connecticut and higher than the state of New York. (Figure 5) About 31% have a Bachelor's degree or higher.

Educational attainment rates vary substantially across FCH towns, however. Residents of FCH towns in Litchfield County have higher rates of education than those in either Dutchess or Columbia: 42% of residents in these towns over age 25 have a Bachelor's degree or higher compared to about 30% of those in Columbia and 22% of those in Dutchess. In many FCH communities in Dutchess and in Canaan (Falls Village) in Litchfield, over 10% of residents over age 25 have not completed high school or high school equivalency. By contrast, over half of residents over age 25 in Cornwall and Salisbury have a Bachelor's degree or higher.

[7] Kids Well-Being Indicators Clearinghouse. http://www.nyskwic.org/data_tools/custom_query.cfm

Figure 5: Educational Attainment (persons age 25 or older), FCH Regions, Connecticut, and New York, 2008-2012[8]



Source: 2008-2012 American Community Survey 5-Year Estimates.

Health Status

The following section examines existing quantitative data related to mortality and disease prevalence in the region. These data come from sources including vital statistics, the Behavioral Risk Factor Surveillance Survey (BRFSS), and hospitals.[9] Where available, targets established through the Healthy People 2020 (HP2020) Initiative have also been provided. Healthy People 2020 is a national initiative led by a variety of federal agencies that each decade sets out a 10-year agenda for improving the nation's health.[10] One aspect of this is identifying targeted measurable change in key health and health care indicators. These targets can be useful when examining community health.

Two limitations to these data should be noted. First, many health data points are either not available at the community level or comprise such small numbers that they cannot be meaningfully interpreted. Thus, county-level data are largely reported here. Additionally, because data sources, definitions of measures, and analysis timeframes sometimes differ between the two states, the ability to compare across the counties in the two states is limited. This is noted where relevant.

Self-Reported Health Status

According to the BRFSS, a lower proportion of Litchfield County residents reported poor or fair health than residents of Dutchess or Columbia counties. (Figure 6) The number of poor physical health days reported was similar across FCH counties and similar to Connecticut and New York. A higher number of poor mental health days were reported by residents in Columbia County than in Litchfield County, Dutchess County, and the states.

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[8] High school graduate rates include those who have completed equivalency tests.
[9] The Behavioral Risk Factor Surveillance Survey (BRFSS) is a national phone survey conducted by the Centers for Disease Control to gather information about population-level health. The survey is conducted annually although some questions are rotated over several years.
[10] http://www.healthypeople.gov/2020/about/default.aspx

Figure 6: Age-Adjusted Adult Health Status, FCH Counties, Connecticut, and New York, 2008-2012

	Poor or Fair Health	Poor physical health days in last 30 days	Poor mental health days in last 30 days
Columbia	13%	3.5	4.1
Dutchess	12%	3.0	3.2
Litchfield	9%	3.1	3.0
New York	15%	3.5	3.4
Connecticut	11%	3.0	3.1

Source: Behavioral Risk Factor Surveillance System, 2008-2012 as cited in 2014 County Health Rankings.

County Health Ranking data also provide a window on health status in counties. According to the 2014 County Health Rankings, Litchfield County ranked 4th out of eight Connecticut counties for health outcomes and for health factors.[11] Dutchess County ranked 11th of 62 New York counties for health outcomes and 9th for health factors in 2014. Columbia County ranked 46th of 62 New York counties for health outcomes and 13th for health factors in 2014.

Mortality Rates

Vital records data about age-adjusted mortality rates indicate that mortality rates in the FCH counties varies when compared to the two states. Note that due to different years of the data, rates cannot be compared across the two states. Rates of death due to heart disease, chronic lower respiratory diseases, accidents, and pneumonia and influenza were higher for Litchfield than Connecticut. (Figure 7) Rates of death due to diabetes and cancer were lower than for the state.

Figure 7: Age-Adjusted Mortality Rates, per 100,000 population, Litchfield County and Connecticut, 2005-2009

	Connecticut	Litchfield
All causes	687.7	689.8
Major Cardiovascular Disease	217.4	230.5
Cancer[12]	170.1	164.3
Chronic Lower Respiratory Diseases	34.5	40.3
Diabetes	16.7	13.6
Pneumonia and Influenza	17.2	19.7
Liver Disease/Cirrhosis	7.2	7.0
Accidents	32.9	35.0
Alcohol Induced	5.1	5.7
Drug Induced	11.1	11.8

Source: Connecticut Department of Public Health Vital Records, Mortality Files, 2005-2009 (five year average) as cited in Litchfield County CHNA.

[11] County Health Rankings are a collaboration of the University of Wisconsin's Population Health Institute and the Robert Wood Johnson Foundation. The Project assigns each county a Health Outcome rank based on mortality and morbidity and a Health Factor rank based on health behaviors, clinical care, social-economic factors, and the physical environment. http://www.countyhealthrankings.org Health outcome measures examine mortality and morbidity. Health factors measures include those related to health behaviors, clinical care, social and economic factors, and the physical environment.

[12] Healthy People 2020 target is 161.4 deaths per 100,000.

Data about mortality for New York show that rates of mortality due to all causes, heart disease, coronary heart disease, stroke, lung and colorectal cancer, chronic lower respiratory disease, and motor vehicle accidents were higher for residents of Columbia County than for Dutchess County and for the rest of the state. (Figure 8) Overall, death rates due to most diseases were lower in Dutchess County when compared to Columbia County. Death rates due to congestive heart failure, chronic lower respiratory diseases, lung and colorectal cancers, unintentional injuries, and motor vehicle accidents were higher for both Columbia and Dutchess counties compared to New York state. Diabetes mortality rates in the two counties were lower than for the state during the reporting period.

Figure 8: Age-Adjusted Mortality Rates, per 100,000 population, Columbia County, Dutchess County, and New York, 2009-2011

	New York	Columbia	Dutchess
All causes	658.1	735.1	687.7
Diseases of the Heart	198.6	216.2	185.9
Coronary Heart Disease	160.4	165.5	131.7
Congestive Heart Failure	11.2	15.3	16.1
Stroke[13]	26.9	32.2	27.1
Lung Cancer	63.6	73.3	65.2
Colorectal Cancer	15.4	18.6	16.7
Female Breast Cancer	21.6	14.9	24.1
Chronic Lower Respiratory Diseases	31.0	49.9	39.4
Diabetes	17.0	13.0	12.8
Unintentional injuries	22.7	26.5	28.9
Motor Vehicle Accidents	6.0	11.1	7.3

Source: New York State Department of Health, Health Indicators, 2009-2011.

Morbidity Rates

Vital records data about age-adjusted morbidity rates indicate that morbidity rates in the FCH counties also varied compared to those for Connecticut and New York State. Again, due to different years of the data and also due to different rate calculations, rates cannot be compared across the two states.

A review of age-adjusted hospitalization rates by County reveals that hospitalization rates in Litchfield are lower than for Connecticut for all causes reported with the exception of alcohol and drug abuse. (Figure 9)

[13] Healthy People 2020 target is 34.8 deaths per 100,000.

Figure 9: Age-Adjusted Hospitalization Rates, per 100,000 population, Litchfield County and Connecticut, 2005-2009

	Connecticut	Litchfield
All causes	10,036.5	8,845.3
Cancer, all sites	377.1	351.0
Diabetes	132.9	86.7
Alcohol & Drug Abuse	139.3	165.5
Major Cardiovascular Disease	1,401.8	1,177.0
Coronary Heart Disease	406.5	336.8
Acute Heart Attack	163.0	146.2
Congestive Heart Failure	172.8	115.6
Stroke	183.8	166.0
Chronic Obstructive Pulmonary Disease	277.8	207.2
Asthma	136.9	69.5
Liver Disease & Cirrhosis	27.4	21.1

Source: Connecticut Department of Public Health Connecticut Hospital Information Management Exchange (CHIME) Hospital Discharge Data Set, 2005-2009 (five year average) as cited in Litchfield County CHNA.

In New York, Columbia County had lower rates of hospitalization than both the state and Dutchess County for all causes reported. (Figure 10) Dutchess County hospitalization rates were lower than the state for many causes with the exception of unintentional injuries and drug-related causes.

Figure 10: Age-Adjusted Hospitalization Rates, per 10,000 population, Columbia County, Dutchess County, and New York, 2009-2011

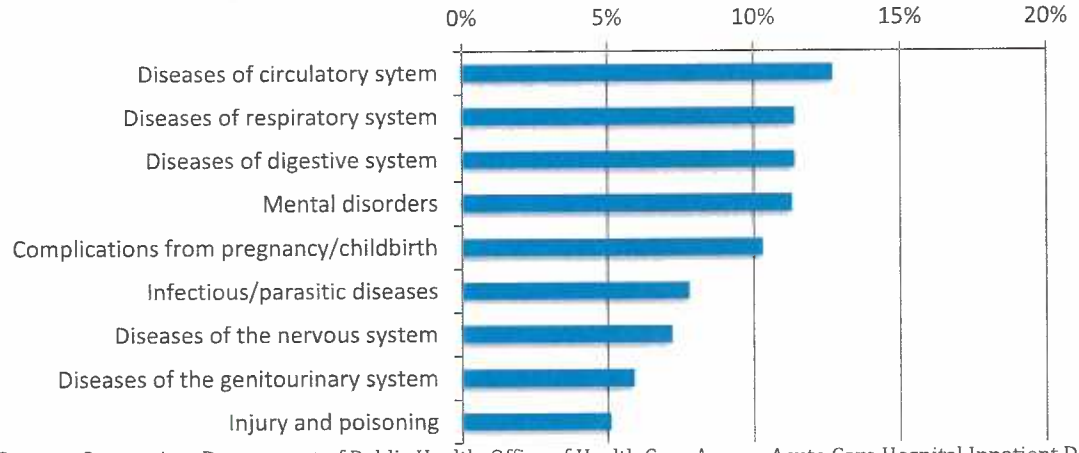
	New York	Columbia	Dutchess
Diabetes (primary diagnosis)	18.8	12.6	13.4
Diabetes (any diagnosis)	226.0	168.0	194.0
Disease of the Heart	107.9	79.0	85.8
Coronary Heart Disease	43.0	27.6	29.3
Congestive Heart Failure	27.6	19.8	24.9
Stroke	24.9	20.6	25.2
Chronic Lower Respiratory Disease	37.0	26.6	29.4
Asthma (all ages)	19.9	8.5	11.9
Unintentional injury	64.0	57.7	70.3
Poisoning	10.4	8.8	9.6
Drug-related	26.1	21.1	28.3
Falls (age 65+)	200.1	173.2	198.3

Source: New York State Department of Health, Health Indicators, 2009-2011.

Data from the Connecticut Inpatient Discharge Database provide a more specific picture of causes for emergency room and inpatient visits to local hospitals. At Sharon Hospital in 2013, there were 2,841 hospitalizations. (Figure 11) Hospitalization for diseases of the circulatory system comprised

the largest number of these hospitalizations, about 13%. This was followed by diseases of the respiratory system, diseases of the digestive system, and mental disorders. Data about hospitalization in any Connecticut hospital from residents of the FCH service area show a similar pattern. Hospitalization for diseases of the circulatory system comprised the largest proportion of hospitalizations (17%) followed by respiratory disease (12%), and digestive disease (11%).

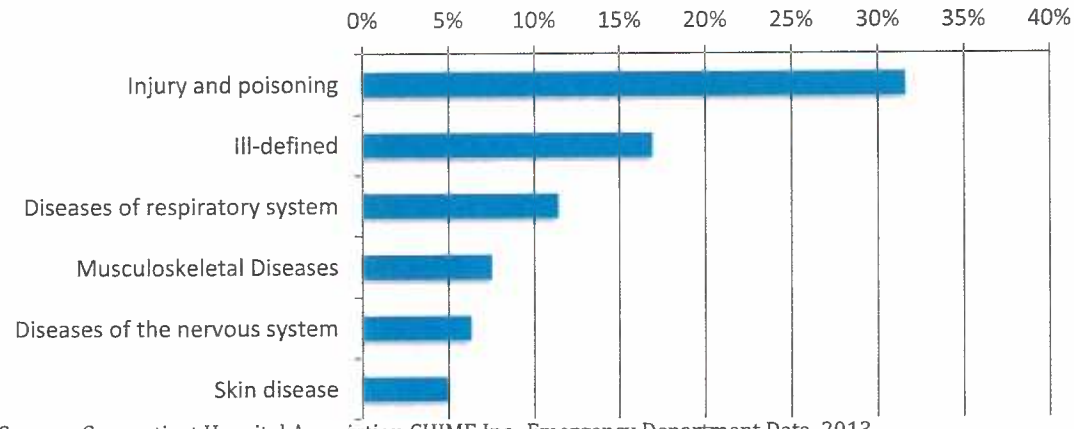
Figure 11: In-Patient Hospitalizations, Sharon Hospital, 2013



Source: Connecticut Department of Public Health, Office of Health Care Access, Acute Care Hospital Inpatient Discharge Database, 2013. Excludes newborns.

In 2013, there were 13,412 emergency room visits to Sharon Hospital. The largest proportion of visits was due to injury and poisoning (32%) followed by ill-defined conditions (17%). (Figure 12) Respiratory diseases accounted for the third highest number of visits to the emergency room at Sharon in 2013 (11%). Data about emergency room visits in any Connecticut hospital from residents of the FCH service area show a similar pattern.

Figure 12: Emergency Room Visits, Sharon Hospital, 2013



Source: Connecticut Hospital Association CHIME Inc., Emergency Department Data, 2013.

HEALTH AND HEALTH CARE NEEDS

The section summarizes health and health care needs in the region FCH serves. It begins with a discussion of top health needs identified by survey respondents and focus group members and then explores each of these (access to health care, mental health, substance use, obesity and chronic disease, and oral health) separately focusing on the nature and extent of the need, existing services to meet needs, and service gaps. The section concludes with a presentation of data, primarily from secondary sources, related to other community health concerns.

Data come from secondary sources, the community stakeholder survey, and focus groups conducted with residents of the FCH service area. Secondary data for this analysis come from various sources including the Behavioral Risk Factor Surveillance Survey (BRFSS), other surveys of community members, and data collected by state and local data systems as well as local community service providers. In addition, where relevant, findings from other recent studies and recent community health needs assessments (CHNAs) conducted in the region have been included. It is important to note that many of the data are collected at the county level and these are reported here where sub-county data are unavailable.

Community stakeholder survey results are presented for the overall region and for FCH counties. Respondents were asked in the survey to identify the counties served by their organizations from among the three counties FCH reaches—Columbia, Dutchess, and Litchfield. Respondents in many cases identified more than one county. Survey respondents were asked to specifically think about the FCH towns within the counties (rather than the whole county) when answering the questions. Respondents were also asked to identify their organizational affiliation and results were analyzed between health (including medical, mental, oral and home-based health) and non-health providers. It is important to note that survey respondents were asked separately about different community health needs and were limited to identifying three top needs and top three needed services in each category. This was done in an effort to identify those issues and priorities respondents saw as most important.

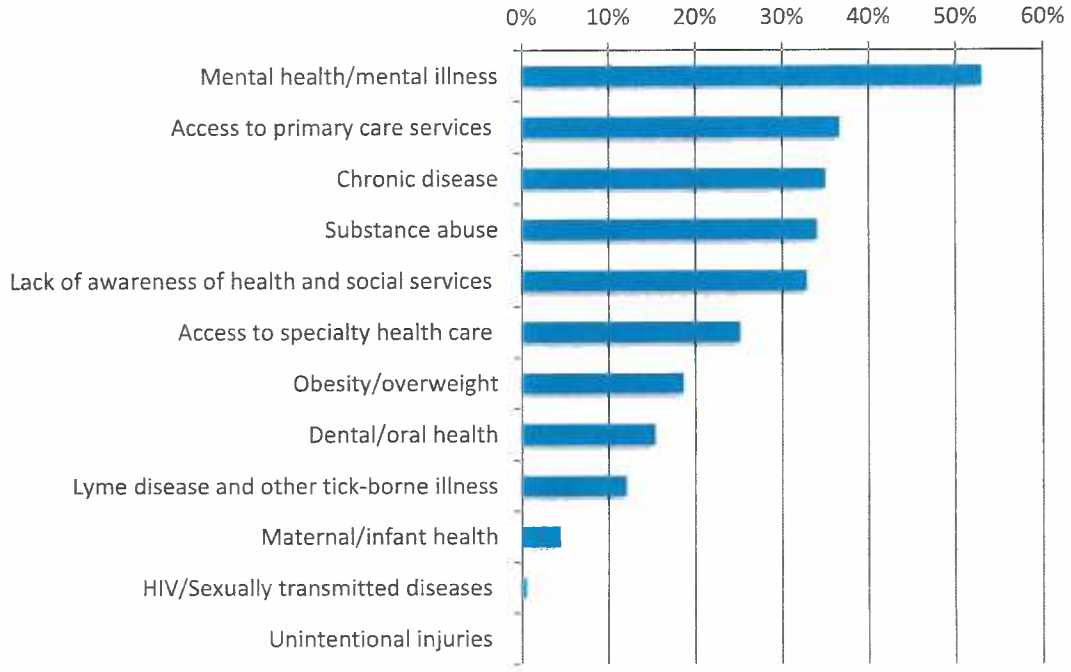
Top Health Concerns

Survey respondents were asked to identify the three top health concerns for the region from a list of 14 concerns. The concerns identified were similar to those identified in a needs assessment conducted for FCH in 2004 as well as those examined in recent CHNAs. Figure 13 shows that the top health concern among those listed was mental health; approximately 53% of respondents identified mental health as one of the top three health concerns for the region.[14] Over one third of respondents identified access to primary care, chronic disease, substance use, and lack of awareness of health and social services as top health concerns in the region. These results are similar to the top health issues raised in focus groups; however, focus group members more frequently reported obesity and dental care as health concerns for the region than survey respondents did.[15]

[14] Because respondents were asked to identify three top health concerns, the total proportion of responses across the health issues is greater than 100%. Mental health issues were identified separately as depression and other mental health/mental illness in the survey. The results were consolidated for the report.

[15] Focus group members were not limited to identifying three top health concerns. Substance use issues were identified separately as tobacco, alcohol, and other substance use in the survey. The results were consolidated for the report.

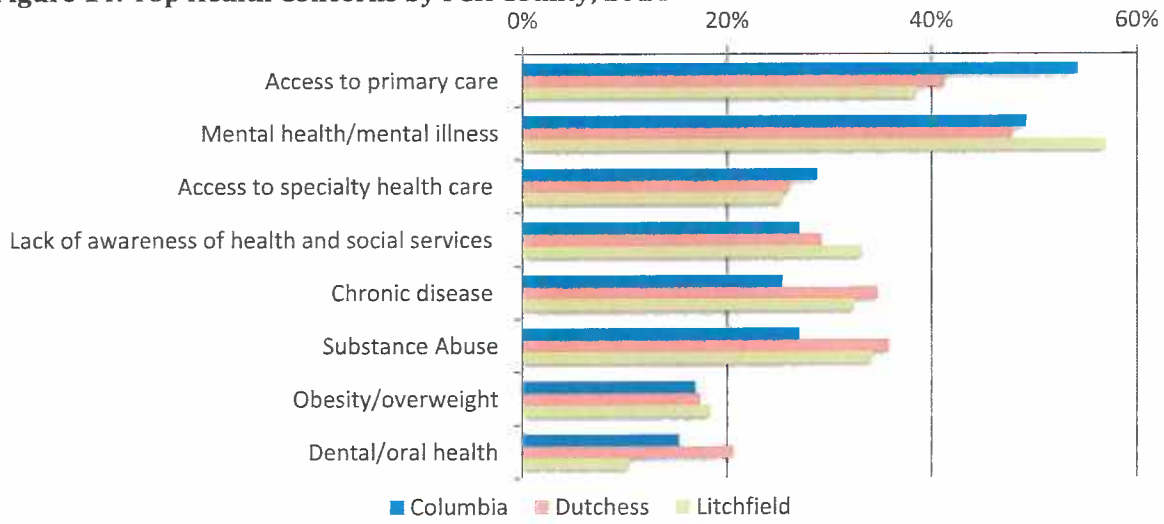
Figure 13: Top Health Concerns in the Region, 2014



Source: FCH Community Stakeholder Survey, 2014.

There were some differences in top health concerns across the three FCH counties. (Figure 14) In Columbia, for example, access to primary care was identified as a top concern by a higher proportion of survey respondents (over 50%) than in either Litchfield or Columbia. A higher proportion of respondents in Litchfield identified mental health as a top issue than in the other two areas. A higher proportion of health providers (45%) identified access to primary care and mental health as a top concern than non-health providers (35%). Lack of awareness of health and other services was rated as a top concern by a higher proportion of non-health providers (44%) than health provider respondents (19%).

Figure 14: Top Health Concerns by FCH County, 2014

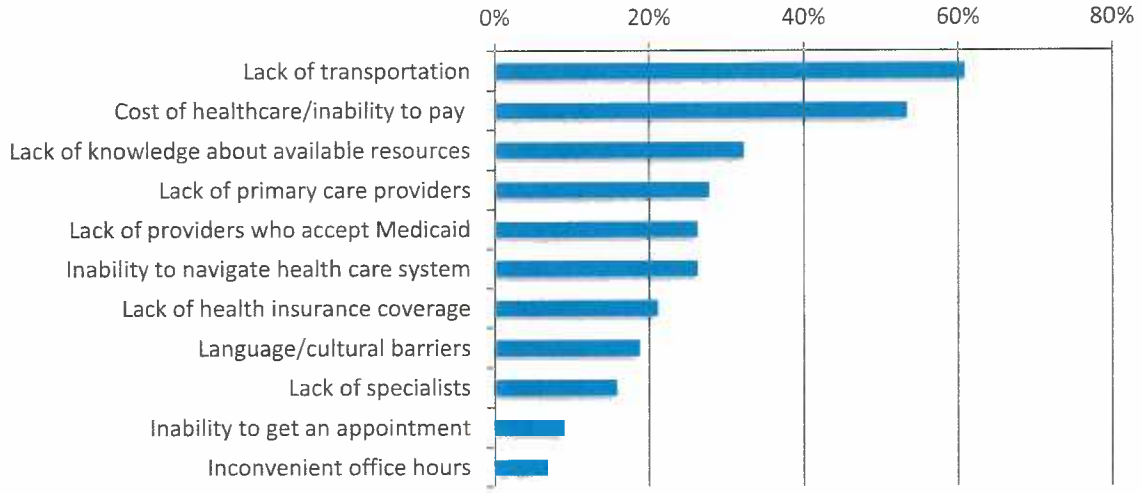


Source: FCH Community Stakeholder Survey, 2014.

Health Care Access

Due to its multi-faceted nature, access to health care was explored separately from overall health care concerns in the community stakeholder survey. Access was a substantial concern for respondents: 73% reported that they believed residents faced barriers to accessing health care services. Transportation and costs of health care were by far the top barriers to accessing health care according to survey respondents. (Figure 15) These concerns were consistent throughout the region and are consistent with other studies of rural health in Connecticut.[16] Over three-quarters of non-health providers reported that transportation was top barrier to accessing health care; half of health providers did so. Health providers were more likely to report lack of providers who accept Medicaid to be a barrier than non-health providers. Focus group members also reported the same top barriers to health care access.

Figure 15: Top Barriers to Health Care Access, 2014



Source: FCH Community Stakeholder Survey, 2014.

Lack of Transportation

About 60% of survey respondents reported that lack of transportation was one of three top barriers to health care access. This issue was also a topic of much conversation among focus group members; many identified lack of transportation as the most significant barriers to accessing health care as well as other services in the region. Focus group members from New York were more likely to report transportation barriers to accessing health care than those from Connecticut where residents appeared to have greater access to private cars. Additionally, at the time of the focus groups, the Fresh Town supermarket in Dover Plains had just closed and transportation was very much a top-of-mind issue

> "Transportation is a huge problem: some people are unable to drive and some have to travel long distances. Cancer patients, for example, have to find rides to Torrington 5 days a week."
>
> - Service Provider

[16] Holt, Wexler & Farnum, LLP. (June 2006). *Rural Community Health in Connecticut: Challenges and Opportunities.*

for residents affected by this. They shared concerns about how far they would have to travel to get food and how much it would cost in gas.

Several focus group members stated that they or people they knew delayed or went without health care due to transportation constraints. Transportation was reported to be a substantial struggle for those who have to see many providers or those suffering from diseases such as cancer who have to see providers frequently and who do not have private transportation. Non-English speakers also face substantial transportation challenges according to focus group members. Hispanic focus group members reported that lack of transportation not only affects their ability to access to health care and other services but also their ability to find employment. A recent survey examining immigrants' health care found that among the one third of immigrant survey respondents in Eastern Dutchess who reported difficulty getting to a doctor, 97% reported that the difficulty was due to lack of transportation.[17] Finally, senior residents in the region who can no longer drive also face transportation challenges. According to focus group respondents, family members are often too far away to drive seniors to appointments. Seniors were also reported to be less aware of other transportation services or if they are aware, are more reluctant to use these services because they are unfamiliar. As a result, they miss appointments or delay seeking medical care.

Transportation constraints in the area have been documented in recent studies. A 2007 study of non-emergency medical transportation in upper Litchfield County found that services are more "patchwork" and "opportunistic" rather than more comprehensive constrained by different eligibility requirements and funding sources.[18] Additionally, barriers include rising transportation costs that are not met with concurrent increases in funding and resident lack of awareness and/or willingness to access transportation services.

When asked about transportation options in the region, focus group members most often mentioned Dial-A-Ride services which are low-cost rides to destinations including health appointments, shopping, and social events. In the FCH service area, there are several Dial-A-Ride services. Both Northwest Transit and Geer Adult Day Care operate Dial-A-Ride programs that cover all of the towns in the northwest corner of Connecticut. North East Community Center (NECC), supported in part by FCH, provides free transportation to people in Northeast, Millerton, Amenia, and Dover through its volunteer-staffed Care Car and works closely with North East Transit to advertise and assist the residents of these towns in accessing the regional Dial-A-Ride service. One concern about these services shared by several focus group members is that they require a 2-3 day advance notice, which can be difficult for those who have unexpected medical appointments or other needs.

In addition to Dial-A-Ride services, the region has ADA Complementary Paratransit Services (for those eligible).[19] The Dutchess County Department of Social Services and Office for the Aging provides Medicaid-funded medical transportation for eligible individuals of all ages; however, until recently, Dutchess County vehicles were not able to leave the County. Hudson River Healthcare also provides transportation to patients. There are also a couple of fixed route bus systems: the Loop Bus serves every town in Dutchess County; Houstanic Area Regional Transit operates a fixed route

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[17] Schmidt, H., Waltner, A., Muller, S. (Feb 2011). *The Immigrant Health Initiative: A study of health care of recent immigrants in Dutchess County, New York.*

[18] Holt, Wexler & Farnum, LLP. (June 2007). *Assessment of Non-Emergency Medical Transportation in Upper Litchfield County.*

[19] ADA Complementary Paratransit Services are required as part of the Americans with Disabilities Act of 1990 and is available to eligible individuals who live within ¾ mile of a regularly-scheduled bus route and who cannot use the regular fixed route service.

bus system in New Milford; and the Northwest Transit Authority provides regularly scheduled service in Torrington and for some towns.

High Health Care Costs

Affordability of health care, including health insurance, was also a prevalent theme in the survey and in focus groups. About half of stakeholder survey respondents reported that the cost of healthcare was top three barrier to care. This was a top concern among respondents from all three counties. A higher proportion of non-health providers (63%) than health providers (47%) reported that cost was a barrier to accessing healthcare. A 2012 survey of residents of Dutchess and Columbia counties found that affordable health care ranked third among 17 community priorities.[20] This same survey found that 10% of Columbia County residents and 15% of Dutchess County residents reported that they had skipped a doctor's appointment in the year prior to the survey because they could not afford it; this compares to 13% of Columbia County residents and 10% of Dutchess County residents reporting this in 2007, when the survey was last done.

> "Paying for healthcare is expensive. It is hard to make a co-pays and pay out-of-pocket costs and still have money for gas and food."
>
> - Agency Client

Focus group members frequently talked about the cost of health care. They spoke about high co-pays, deductibles, and health insurance premiums as well as high medication costs as a substantial barrier to health care access. Several noted that although assistance is provided for medication payments (through FCH as well as others), there is no such support to help residents pay for doctors and co-pays. Most often, conversations revolved around the struggles families face in meeting health care costs as well as other expenses such as food, heating fuel, and gasoline. As one survey respondent wrote, *"in the Hispanic community, people share medications and use old home made remedies since they cannot get to or afford to see a doctor."*

Because this study was conducted in the early months of implementation of the Affordable Care Act (ACA), the cost and availability of health insurance was on the top of focus group members' minds. Prior to health reform, the proportion of residents without health insurance in FCH counties was similar to that for Connecticut and New York.[21] Focus group members reported mixed experiences in accessing health insurance through the new Marketplaces. Several respondents shared that they successfully obtained health insurance at reasonable cost through the Marketplace. Others, however, were not as positive. Some have found that the health insurance offered through the Marketplace is expensive (like Consolidated Omnibus Budget Reconciliation Act/COBRA rates, one reported) and that deductibles are high. Others reported paperwork and communication frustrations. As one focus group member shared, *"as of May 1st, I have no insurance. I gave them every piece of information they needed. I keep calling. I have done everything for the paperwork, but they have not given me insurance."*

Social service providers also shared their observations of the first ACA enrollment period. They reported that some clients they worked with had obtained insurance but like residents, they also

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[20] Marist College Institute for Public Opinion. *Many Voices One Valley 2012. Health Matters. A survey of Mid-Hudson Valley residents.* The top two were keeping business in the area and creating more jobs.

[21] In Dutchess, 13% of adults were uninsured in 2011-2012 and 14% in Columbia, compared to 16% for the state of New York. In Litchfield, 10% of adults were uninsured during that time frame, compared to 13% for Connecticut. Source: HRSA Area Resource File, 2011-2012 as cited in 2014 County Health Rankings.

observed that some have faced difficulty. Providers also reported confusion among patients about new health insurance options, including what is covered and where they can go for care. For example, New York Marketplace insurances cannot be used at Sharon Hospital. As one provider noted, *"people don't understand that the Marketplace Anthem is different than private."*

Data about the first ACA enrollment period in Connecticut and New York point to overall positive trends. Both states exceeded their enrollment targets. In Connecticut, 256,666 people have been enrolled through Access Health CT, 53% of whom were previously uninsured.[22] Access Health CT has been one of the nation's most successful Marketplaces.[23] In New York, 960,762 have enrolled in the Marketplace, more than 70% of whom were uninsured at the time of application.[24] A follow-up national study by the Commonwealth Fund has found that in particular, uninsurance rates among young adults and Latinos dropped significantly between July–September 2013 and April–June 2014. Uninsurance rates among those below the poverty line declined significantly in those states with Medicaid expansion but not in those without.[25] Data are not available at the local level.

Lack of Awareness of Services

About one third of survey respondents reported that lack of awareness of existing health services was a top three barrier to accessing health care. This response was consistent across the three regions. Lack of awareness of services has been documented in other studies as well. For example, studies of transportation needs in upper Litchfield and Dutchess County found that lack of awareness of transportation services and how to request these services are a barrier to access.[26]

"People have no idea that there are programs that could help with nearly every facet of health care including Medicare premiums, medication access, and help getting insurance."
- Provider

In focus groups as well members reported that they believed that there is a lack of publicity about existing services, both health services and social services, and that this prevented some residents from accessing services that they need. As one provider stated, *"part of the problem is awareness—it's not clear everyone in town is aware that we have services for example."* Indeed, during several focus groups, there were participants who reported that they had not heard of services others discussed, including Dial-A-Ride, Chore Services, senior fitness programs, and 2-1-1.[27] While lists of available services (and sometimes events calendars) are provided in several places, such as 2-1-1, town websites, and in some newspapers, respondents reported that they did not know of one place that provided a comprehensive directory of services and one that was updated regularly to reflect changes in programs/services.

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[22] http://4155l2gg5ga3d1m572z1uo2qov.wpengine.netdna-cdn.com/wp-content/uploads/2013/02/Key-stats-080614.pdf

[23] Atiga, S., Stephens, J., Rudowitz, R., Perry, M. (July 2014). *What Worked and What's Next? Strategies in Four States Leading ACA Enrollment Efforts*. The Kaiser Commission on Medicaid and the Uninsured.

[24] http://www.healthbenefitexchange.ny.gov/news/more-960000-new-yorkers-enrolled-ny-state-health

[25] Collins, S., Rasmussen, P., Doty, M. (July 2014). *Gaining Ground: American's Health Insurance Coverage and Access to Care After the Affordable Care Act's First Open Enrollment Period*. The Commonwealth Fund.

[26] Holt, Wexler & Farnum, LLP. (June 2007). *Assessment of Non-Emergency Medical Transportation in Upper Litchfield County*. CGR. (October 2007). CGR. (October 2007) *Senior Transportation Services in Dutchess County. Challenges and Opportunities*.

[27] Spearheaded and funded by United Way, 2-1-1 is an easy-to-remember telephone number that connects callers to information about critical health and human services available in their community. http://211us.org/about.htm

Lack of Providers

Lack of providers, both in primary and specialty care, was also identified as a barrier to health care access in both the survey and in focus groups. About 25% of survey respondents reported that lack of primary care providers was a top barrier to accessing health care in the region. There are two aspects to this: an insufficient number of providers overall and the fact that a number of providers do not accept Medicare and/or Medicaid patients.

"It is hard to find good primary care providers. Some don't take different insurances and some don't take new patients."
- Senior

Several focus group members reported that they had difficulty finding providers and obtaining appointments, especially for routine care. Respondents reported that not only are there fewer providers than needed in the region, but that those who are available work part time or split their time over several locations. Quantitative data from the Health Resources and Services Administration (HRSA) indicate that, overall, the population to provider ratio relative to primary, dental, and mental health care in the three counties is higher than for New York or Connecticut overall. (Figure 16) The exception is mental health providers in Dutchess County where the ratio of population to provider is closer to the state ratio. Furthermore, Columbia County has been designated by the HRSA as a dental Health Professional Shortage Area (HPSA) and Litchfield County has been designated as a mental health HPSA.[28]

Figure 16: Ratio of Population to Providers, FCH Counties, Connecticut, and New York, 2011-2012

County/State	Primary Care Physicians	Dentists	Mental Health Providers[29]
Dutchess, NY	1,406:1	1,652:1	519:1
Litchfield, CT	1,600:1	1,795:1	806:1
Columbia, NY	2,018:1	2,587:1	840:1
New York	1,216:1	1,361:1	525:1
Connecticut	1,215:1	1,368:1	470:1

Source: Primary Care Physicians & Dentists: HRSA Area Resource File, 2011-2012 as cited in 2014 County Health Rankings. Mental Health Providers: CMS, National Provider Identification, 2013 as cited in 2014 County Health Rankings.

According to some focus group members, lower income residents and seniors face additional challenges accessing health care because some providers are not willing to accept Medicaid and Medicare. This means that lower income patients must often travel even further to access needed health care. As one focus group member noted, *"because there are already few physicians in our rural area, the fact that some do not accept Medicaid is a big issue."* The region does have Federally Qualified Health Centers (FQHCs)[30] which serve lower income residents but focus group members

[28] http://hpsafind.hrsa.gov/HPSASearch.aspx Accessed: 6/15/2014.
[29] Includes psychiatrists, psychologists, licensed clinical social workers, counselors, and advanced practice nurses who specialize in mental health care.
http://www.countyhealthrankings.org/sites/default/files/resources/2014%20new%20measure%20descriptions.pdf
[30] Federally Qualified Health Centers (FQHCs) are organizations receiving grants under Section 330 of the Public Health Service Act (PHS). FQHCs qualify for enhanced reimbursement from Medicare and Medicaid, as well as other benefits. They must serve an underserved area or population, offer a sliding fee scale, provide comprehensive services, have an ongoing quality assurance program, and have a governing board of directors. Those serving the FCH region are Amenia

reported that the need for these services is higher than the facilities can meet. In response to growing demand, the Community Health and Wellness Center of Greater Torrington has undertaken an expansion expected to quadruple its capacity.[31]

The lack of access to providers has both personal and systems consequences. Focus group members reported that because it is difficult to sometimes get appointments, patients will delay seeking care which can have negative health consequences. In addition, the lack of primary care and urgent care services in the region can lead to increased use of hospital emergency rooms for health services that could be more efficiently addressed by other health providers. As one agency client reported, *"some people use the ER (emergency room) at Sharon for health care."* This creates cost challenges for the entire health care system. Some focus group members attributed this to a lack of urgent care in the region. Generally seen as providing a lower cost alternative to emergency rooms, residents reported that the closest urgent care for the region is 35-40 minutes away in Arlington, New York or Torrington, Connecticut.

It is important to note that while focus group members reported challenges to accessing health care, few mentioned concerns about the quality of the health care they receive. This is consistent with a finding from a 2012 survey of Mid-Hudson Valley residents which found that 68% of Dutchess County residents and 62% of Columbia County residents were pleased with the health care services in their communities. This is a substantial increase (about 10 percentage points) from responses when the survey was last done in 2007.[32]

Challenges Navigating the Health Care System

Although not mentioned as frequently as other challenges to accessing health care, some focus group members reported that they or people they knew faced challenges in navigating the health care system. Several service providers also shared this concern such as one who stated, *"people are constantly getting in trouble because they cannot navigate the health care system."* One component of this is navigating health insurance options—levels of coverage, which physicians accept which insurances, and co-pay and deductible requirements. For example, a couple of focus group members reported that they had made appointments with or been referred to physicians only to learn that these providers did not accept their insurance. They faced challenges as well when trying to figure this out. As one member of a seniors focus group shared, *"every time I try to get information about health insurance and what is covered, I only get people who represent the companies. I want someone to represent me."*

Suggestions to Enhance Health Care Access

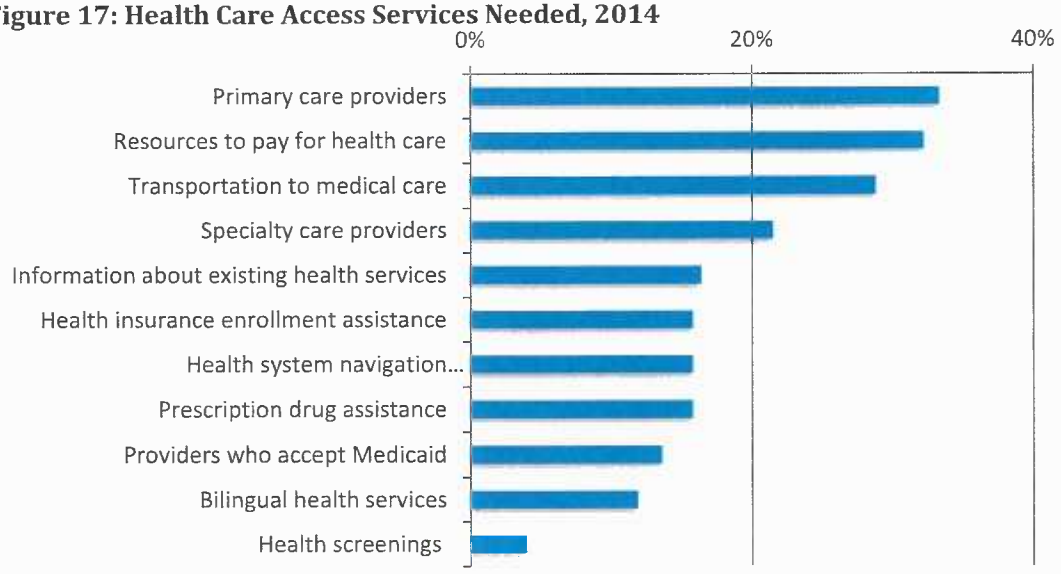
Survey respondents were asked to identify which three services they believed were most needed in the FCH service area to enhance access to care. Focus group members were also asked this question. Among survey respondents and focus group members the same services were identified: more primary care providers, resources for pay for healthcare, and transportation. (Figure 17) This was consistent across the three counties FCH serves. Additionally, more information about existing services, although not identified as prevalently in the survey, was identified as a community need in many focus groups.

Health Center, Dover Plains Health Center, and Pine Plains Health Center (all of which are operated by Hudson River Health Care) and Community Health and Wellness Center of Greater Torrington.

[31] http://www.pcdc.org/news/press-releases/torrington-closing.html

[32] Marist College Institute for Public Opinion. *Many Voices One Valley 2012. Health Matters. A survey of Mid-Hudson Valley residents.*

Figure 17: Health Care Access Services Needed, 2014



Source: FCH Community Stakeholder Survey, 2014.

Specific suggestions to enhance access included:

- *More Providers*: While respondents reported that more primary care providers were needed, they provided few suggestions about how this might be accomplished. Respondents acknowledged that health reform implementation will have a substantial impact on provider availability and provider networks—whether this will positively or negatively affect access over time is as yet unclear. Several, however, suggested that the recent passage of legislation in both New York and Connecticut allowing nurse practitioners to practice independent of physicians may help to increase access to primary care in the region. As described above, expansion of one of the region's FQHCs is also expected to increase provider capacity. One focus group member also pointed to an emerging model of Community Paramedicine as another potential strategy to enhance health care access in rural areas.[33]

- *Resources to Pay for Health-Related Costs*: Funding to help lower-income residents to access health care services was also identified as a need. There are existing funds to help with medication and related costs. Respondents saw a need for similar financial support to cover other health-related costs such as health visit co-pays, deductibles, and uncovered services such as eyeglasses and hearing aids.

- *Support for Transportation*: Existing transportation services are valued and needed by community members and demand for these services continues to rise. At the same time, respondents acknowledged that transportation in a rural region will always be a challenge. Extensive public transportation systems are unrealistic and thus, individualized services are needed. Yet these services face challenges. Funding is one of these. Dial-A-Ride services

[33] Community Paramedicine is an emerging model in which Emergency Medical Technicians (EMTs) operate in expanded roles that are integrated into local healthcare systems. www.communityparamedic.org

charge a small fee to riders but are underwritten in large part by foundations and towns. As towns have faced economic challenges in recent years, they have largely been unable to significantly increase their support for these services, even as demand among town residents has increased. Another concern is finding volunteer drivers for programs especially as current volunteers age. Although not mentioned in focus groups or by survey respondents, studies of transportation in the region point to a need for greater coordination of existing transportation services and the need to expand hours of services.[34]

- *Greater Outreach and Information about Existing Services*: Data also point to a need for more marketing of existing services. While respondents reported that 2-1-1 does an excellent job in sharing information about services, they observed that many who could benefit from this service do not know about it. Additionally, focus group members felt that a more local and regularly-updated set of information was needed in FCH communities. Comprehensiveness was seen as critical: respondents suggested information about services and programs, including when they are offered and information about eligibility requirements and financial support to pay for services (for example, local medication programs and local scholarships for youth to access camps and sports programs). Additionally, respondents saw a need for a complete (and frequently updated) list of local primary care physicians, specialists, and mental and dental providers, including what insurance they take. Dissemination of this information was seen as critical; respondents suggested that information be provided in multiple formats to reach different audiences, including in written form and on the web. To reach Hispanics in the community, dissemination in Spanish-speaking media as well as through faith and community-based organizations was suggested.

Mental Health[35]

Mental Health in the Region

Both quantitative data and focus group information collected for this study point to mental health as a significant health issue for the region. As discussed earlier in this report, mental illness was identified as the top health need in the region among respondents to the community stakeholder survey; over half identified it as one of the top three health concerns in the region. Mental health has been documented as a key concern nationally and in rural areas.[36]

"There is an extensive wait list for child and adolescent mental health. Medication management takes 90 days."
- Provider

In focus groups, respondents expressed concerns about mental health in their families and communities. While focus group participants and survey respondents noted that mental health concerns exist among all population groups, they saw children and adolescents and Hispanics as particularly vulnerable. Respondents attributed mental health concerns among children and youth

[34] Holt, Wexler & Farnum, LLP. (June 2007). *Assessment of Non-Emergency Medical Transportation in Upper Litchfield County*. CGR. (October 2007). *Senior Transportation Services in Dutchess County. Challenges and Opportunities*.
[35] Although mental health and substance use are often co-occurring and are often discussed together as "behavioral health," for the purposes of this study, the issues were examined separately and are discussed separately.
[36] Holt, Wexler & Farnum, LLP. (June 2006). *Rural Community Health in Connecticut: Challenges and Opportunities*.

to childhood trauma, poor parenting, overmedication, and the challenges of growing up in today's world. Youth focus group members shared that many students experience anxiety due to school pressures. Untreated mental illness among children and youth were a concern among those working in schools and social service organizations. Respondents attributed this in part to a lack of mental health screening services for children and youth. Several also attributed this to a reluctance among parents to accept a diagnosis of mental illness and seek treatment for their children. As one person shared, *"this is a small community and everyone knows your business. If someone is dealing with mental illness in their families, they go far away for services, if they go anywhere at all."*

An additional barrier to accessing mental health services, according to survey respondents and focus group members, is insurance. According to respondents, many private mental health providers in the region do not accept Medicaid. This means that lower income residents must wait for appointments at the health center, travel outside the region for lower cost services, or pay for services out-of-pocket. Additionally, some health insurance places limits on the number of visits for those who are insured thereby further limiting the ability to obtain effective mental health care. As a result, respondents reported, patients do not get needed mental health services. Several shared that this may change because ACA extends treatment coverage to mental health and substance use; however, this expansion of coverage will also likely mean that existing services will face increased demand.

Respondents also reported concerns about untreated mental health issues in the Latino community. Focus group members shared a variety of reasons for this. Some reported that a lack of awareness of mental health services among minority groups means that fewer seek needed services. For some Hispanics, documentation status creates a barrier to seeking care. Cost is also a significant barrier. For Hispanic residents, the inability to communicate with mental health providers substantially constrains access to these services. While some services provide interpreters and Hudson River Healthcare has a bi-lingual mental health provider, many other services do not. Finally, a significant barrier to mental health treatment, according to Hispanic residents and community leaders in focus groups, is that stigma associated with mental illness is particularly strong in the Hispanic community. As one Latino focus group member explained, *"going to see a social worker is a big step for [Hispanic] people and it can cost money. So people don't go and it goes to the back burner."*

Available quantitative data also point to mental health concerns in the region. According to the New York State Department of Health, the age-adjusted suicide rate in Dutchess was 8.9 per 100,000 population and 10.4 per 100,000 in Columbia, higher than the rate of 7.2 per 100,000 for New York overall.[37] The suicide rate in Litchfield County was 14.3 per 100,000 in 2012 compared to 9.8 per 100,000 in the state overall.[38] As described earlier in this report, a higher number of poor mental health days were reported in the BRFSS by residents in Columbia County than in Litchfield County, Dutchess County, and the states.

Data collected by New York State through the Patient Characteristics Survey (PCS) indicates that the rate of use of public mental health services by adults between 2007 and 2011 was substantially

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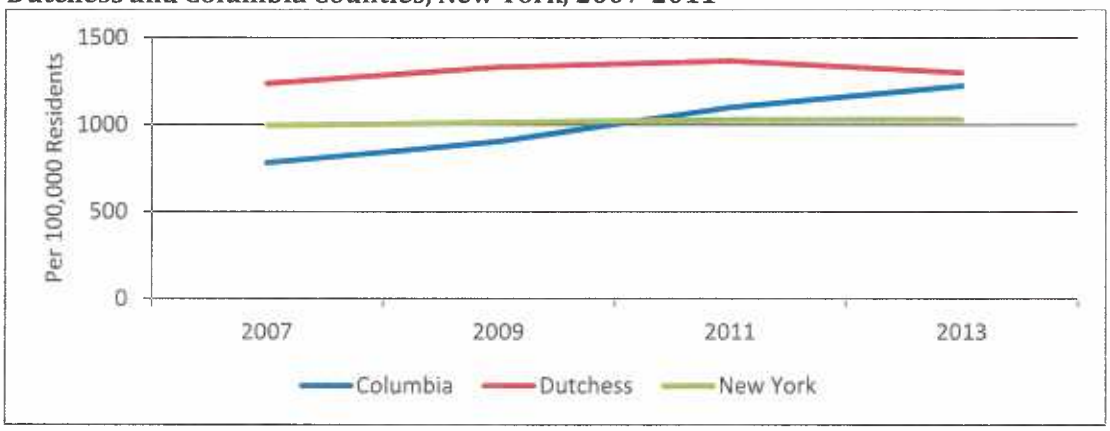
[37] New York State Department of Health, Health Indicators, 2009-2011. https://www.health.ny.gov/statistics/community/minority/county/newyorkstate.htm

[38] Presentation to Connecticut Suicide Advisory Board, September 26, 2013, by Robert Aseltine and Sara Wakai, University of Connecticut Health Center. http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCAQFjAA&url=http%3A%2F%2Fwww.ctclearinghouse.org%2Ffiles%2Fcustomer-files%2F790-CTSAB-Suicide-Data-for-General-Audiences.pptx&ei=xqo-VI3kNsz5yQTgpICgAg&usg=AFQjCNEYE4I_Ri98JN_4Ks709Gh2Qu2QxA&sig2=o7CHh9HmXUzTCItJ4ons2A&bvm=bv.77412846,d.aW

higher for Dutchess County than for Columbia County or the state overall. (Figure 18) Furthermore, the rate of use has grown faster for both Dutchess and Columbia counties over this time period than for the state overall.[39] Similar data about Litchfield are not available.

Figure 18: Use of Public Mental Health Services by Adults (18-64), per 100,000 residents, Dutchess and Columbia Counties, New York, 2007-2011



Source: New York State Office of Mental Health PCS Survey, 2007-2011.

Existing secondary data about unmet need for mental health services support the observations shared by community stakeholder survey respondents and focus group members. A 2012 survey conducted by the Dutchess County Department of Health of residents of Dutchess County found that of those residents of Eastern Dutchess who had an unmet need for mental health services, 25% reported that their needs were not met, the highest proportion among the regions studied and higher than the County average of 16%.[40] In 2013, calls to 2-1-1 about outpatient mental health care comprised the third highest number of calls to the service in FCH's towns in Litchfield—17% of total calls over the year.[41]

Secondary data collected about mental health issues among students also point to concerns. Both Dutchess County and the Region One School District in Litchfield have conducted youth surveys through the Search Institute to better understand both assets and challenges of youth in the region.[42] Data for two time periods, 2009 and 2013, were available for Region One while data for 2009 were available for Dutchess County. Due to different time frames for data collection and different grades sampled, results across the two areas cannot be compared; data on similar measures and for similar grades are also not available at the state level, thus additionally limiting

[39] PCS data compares counts and percentages of adults and children who received public mental health emergency, inpatient, outpatient, residential and support services in 2007-2011. https://my.omh.ny.gov/webcenter/faces/pcs/home?wc.contextURL=/spaces/pcs&_adf.ctrl-state=5turffdg8_414&wc.contextURL=/spaces/pcs&wc.contextURL=%2Fspaces%2Fpcs&wc.originURL=%2Fspaces%2Fpcs&_afrLoop=42855921268782

[40] Wheeler, K., and Waltner, A. (June 2013) *Dutchess County ICA Community Health Survey 2012*. Prepared for the Dutchess County Department of Health, Division of Health Planning and Education.

[41] Data Source: Data Request to Connecticut United Way, April 2014. The top two requests were for utilities/heat services (22%) and public assistance programs (18%). It is important to note, however, that many residents may not be aware of 2-1-1 services so these numbers are likely to be underrepresented. In the past data about unmet need have been available; however, due to a new data system, that information is not available for 2013.

[42] Search Institute. (May 2010). *Developmental Assets: A Profile of Your Youth*. Prepared for Dutchess County Schools. Search Institute. (April 2014). *Developmental Assets: A Profile of Your Youth*. Prepared for Region One School District. Search Institute. (May 2009). *Developmental Assets: A Profile of Your Youth*. Prepared for Housatonic Valley Region Schools.

comparison. Similar data were not available for Columbia County schools. It is important to note that these surveys are completed by a small sample of students and thus, results should be interpreted with caution.

Data related to mental health issues show that in Region One, the proportion of sampled youth reporting mental health concerns has remained the same between 2009 and 2013. (Figure 19) In 2013, 13% of students sampled reported feeling sad or depressed in the month prior to the survey, 11% reported attempting suicide one or more times, and 19% reported engaging in bulimic or anorexic behavior. The proportion of sample students with mental health concerns tended to rise with age, with the exception of those who reported feeling sad or depressed.

Figure 19: Risk-Related Behaviors, Region One School District, 2009 and 2013

	Total 2009	Total 2013	Grade 7 2013	Grade 9 2013	Grade 11 2013
Felt sad or depressed most or all of the time in the last month	14%	13%	5%	20%	13%
Has attempted suicide one or more times	12%	11%	3%	13%	22%
Has engaged in bulimic or anorexic behavior	18%	19%	12%	23%	26%

Source: Search Institute, Developmental Assets Survey, 2009 and 2013.

In Dutchess County schools in 2009, 14% of students sampled reported feeling sad or depressed in the month prior to the survey, 10% reported attempting suicide one or more times, and 15% reported engaging in bulimic or anorexic behavior. (Figure 20) In general, the proportion of students reporting these behaviors rose with age.

Figure 20: Risk-Related Behaviors, Dutchess County Schools, 2009

	Total	Grade 8	Grade 10	Grade 12
Felt sad or depressed most or all of the time in the last month	14%	13%	15%	13%
Has attempted suicide one or more times	10%	9%	10%	13%
Has engaged in bulimic or anorexic behavior	15%	13%	16%	17%

Source: Search Institute, Developmental Assets Survey, 2009.

Data from secondary sources also point to the same concerns about mental illness and mental health service access among Hispanics in the region as shared in focus groups. The 2012 survey of Dutchess County found that 30% of Hispanic residents of the County who had a need for mental health services were not able to obtain those services, higher than the County average of 16%.[43] Additionally, a recent study of immigrants in Dutchess County found that, consistent with national trends, there are high rates of depression among newcomers to the U.S.[44]

[43] Wheeler, K., and Waltner, A. (June 2013) *Dutchess County ICA Community Health Survey 2012*. Prepared for the Dutchess County Department of Health, Division of Health Planning and Education.

[44] Schmidt, H., Waltner, A., Muller, S. (Feb 2011). *The Immigrant Health Initiative: A study of health care of recent immigrants in Dutchess County, New York.*

Existing Mental Health Services

As described earlier, quantitative data from HRSA indicate that both Columbia and Litchfield counties have a larger population to mental health provider ratio than New York or Connecticut. Litchfield County has been designated as a mental health provider shortage area. According to focus group and survey respondents, the FCH service region lacks mental health services, especially those who work with children and who speak other languages. Respondents report that mental health services have become increasingly scarce and mental health providers in the region are closing their offices (for example, the Northwest Center is closing its Lakeville office in Fall 2014), although the need for these services is growing. As a result, residents must wait for needed services or travel long distances to get them.

Mental health services for lower-income residents of the region include Hudson Valley Mental Health and Hudson River Healthcare; however lack of sufficient providers constrains the ability of these organizations to meet the demand for services. Northwest Center for Family Service (a satellite office of Community Mental Health Affiliates, Inc.) also serves lower income residents of the region. In Connecticut, Housatonic Youth Services Bureau provides services to children and youth and in New York, Astor Services for Children and Families serves those under age 21. NAMI (National Alliance on Mental Illness) of Mid-Hudson provides family education on mental illness and some support groups locally that are largely staffed by volunteers. Women's Support Services in Sharon provides support and advocacy for those affected by domestic violence and school-based programs on bullying prevention and healthy relationships.

The lack of local emergency mental health services was raised in several focus groups. Hospital services for mental health are in the area located at Mid-Hudson Valley Regional Hospital (previously St. Francis). For residents of the FCH service region, the lack of emergency mental health services at Sharon Hospital for those other than older adults was mentioned as a growing concern. While Sharon Hospital provides psychiatric services for those over 55, others must be transported a substantial distance, often to Charlotte Hungerford Hospital, to be seen. Focus group members shared that this creates substantial challenges not only for EMS services but for patients, who must get services a distance from home and in an unfamiliar place.

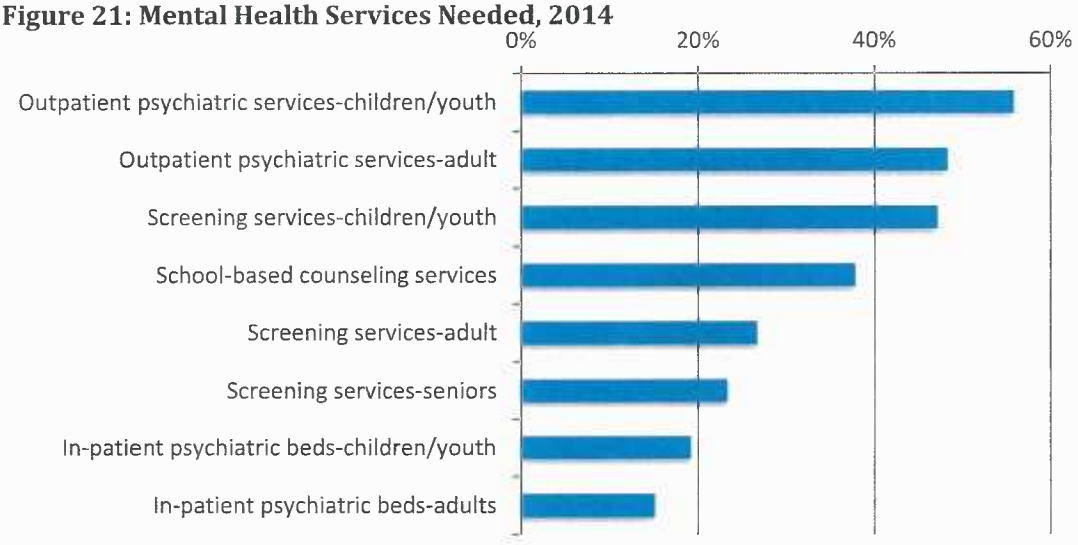
Focus group members' perceptions about the role and effectiveness of schools in addressing mental health issues among students were mixed. Some reported that schools have not been very responsive in meeting students' needs: school-based services are very limited and those that do provide services often have long waiting lists. Others, however, reported that they believed that schools are "stepping up" in response to both mental illness and substance use among students. Many acknowledged, however, that schools are also under pressure to enhance test scores, there is little funding for these types of interventions, and staff are not trained to address issues such as mental illness and substance use. As one school provider stated, *"we spend a good part of the day making sure kids are taken care of—their social-emotional well-being—but we are not equipped for that."* For this reason, several respondents pointed to partnerships such as that between the Housatonic Youth Services Bureau and the Region One High School as a promising way to enhance mental health and substance use services for youth and their families.

Suggestions to Address Mental Health Concerns in the Region

Community stakeholder survey results and focus group discussions point to a variety of needed mental health services in the region. Over half of survey respondents identified a need for outpatient services for children and youth as a top three mental health services need in the region.

(Figure 21) Screening and school-based services for children and youth were also identified as important needs. These needs were the same across the three counties.

Figure 21: Mental Health Services Needed, 2014



Source: FCH Community Stakeholder Survey, 2014.

Several specific suggestions that emerged in focus groups and surveys include:

- *More Mental Health Services/Providers:* Residents expressed concern that the availability of mental health services is decreasing as needs are increasing and are likely to continue to increase as health reform is implemented. As discussed above, local mental health offices are closing. Because accessibility to services is of concern in the region and the supply of providers is limited, several respondents suggested mobile approaches including traveling counselors who could visit community organizations such as a community centers, schools, or senior programs.

- *Enhanced Screening Services for Children and Youth:* National research points to the cost savings from prevention approaches to mental health.[45] Several respondents suggested that more be done to screen and address the need for mental health services early, when intervention is most cost-effective. They suggested more screenings in schools and in physicians' offices. Reaching young children (before they begin school) with screening was also seen as important. However, several provider respondents noted that the effectiveness of screening is limited if there are no providers to whom to refer those identified as needing mental health services. As one provider stated, *"I think the challenge remains in closing the loop between screening and making appropriate referrals for community-based mental health counseling."* Additionally, respondents noted that follow up needs to be conducted with those referred to ensure that they are actually receiving appropriate services.

- *Greater Outreach to Hispanic Residents and More Culturally Appropriate Services:* Focus group discussions with Spanish-speaking residents highlighted the need for more bi-lingual

[45] National Research Council (US) and Institute of Medicine (US) Committee on the Prevention of Mental Disorders and Substance Abuse Among Children, Youth, and Young Adults: Research Advances and Promising Interventions; O'Connell ME, Boat T, Warner KE, editors. Washington (DC): National Academies Press, 2009.

mental health providers and support groups, translated materials, and access to interpretation services during mental health visits. To overcome stigma associated with mental health and to encourage help seeking, focus group members suggested additional outreach and education to the Hispanic community. Trusted faith and community leaders were seen as critical partners in outreach efforts.

Substance Use

Substance Use in the Region

Closely related to the issue of mental health is substance use. Over one third of respondents identified substance use as a top three concern for the region and community challenges related to substance use were discussed in every focus group, and often extensively. Concerns about substance use also appear in other documentation. A resident survey conducted in Dutchess County in 2012 found that residents in the Eastern communities of Dutchess identified substance use as the top threat to safety in the community.[46] Additionally, all three CHNAs conducted recently have documented growing concerns about substance use in the region.[47]

"There has been a rapid increase in drug use in the community. Drug use comes from moving from prescription drugs to opiates. Stress and other mental health issues contribute to substance use. "
- Agency Client

For focus group members, substance use was of substantial concern and not limited to a single demographic group. Respondents reported substance use concerns among adults, seniors, and youth in the region. Residents expressed concerns about heroin/opiates, prescription drugs, and marijuana. Heroin was specifically singled out due to recent deaths in the community. EMS providers, for example, reported seeing more drug overdoses. Focus group members shared several reasons for the rise in the use of these substances. Some blamed our *"medication culture,"* in the words of one focus group member. The over-prescribing of medications, in the view of several respondents, has led people to become addicted and then seek cheaper alternatives. As one respondent explained, *"too many providers are prescribing Xanax, Valium, and antidepressants without proper evaluation, diagnosis, or counseling services."* Others reported that rising stress levels and increasing mental health issues have contributed to greater use of illegal substances. Availability of drugs due to the region's location off a major transit route was also seen as a factor affecting use. Finally, some reported that they perceived that lax enforcement of anti-drug laws is also an issue.

Respondents attributed drug use among youth to several factors including a lack of other things for youth to do as well as peer pressure. Focus group members shared that many activities for youth are far away: bowling and the closest movie theater for youth are in Poughkeepsie, for example. As one survey respondent wrote, *"a large number of adolescents in Dutchess County towns do not have*

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[46] Wheeler, K., and Waltner, A. (June 2013) *Dutchess County ICA Community Health Survey 2012*. Prepared for the Dutchess County Department of Health, Division of Health Planning and Education.
[47] Dutchess County Department of Health. (April 2013). *Dutchess Community Health Needs and Assessment and Community Health Improvement Plan 2013-2017.* Litchfield County Community Transformation Grant Coalition. (ND) *2012 Community Health Needs Assessment.* Columbia County Department of Health. (November 2013). *Columbia County Community Health Assessment and Community Health Improvement Plan, 2014-2017.*

access to community spaces that provide supervised gathering places....this issue arises consistently in all town forums conducted by our agency." And like mental illness, some respondents reported, many parents are not willing to acknowledge or address substance use issues among their children. In some cases, drug use is intergenerational. As one provider shared, *"kids know drugs are bad but they think it is not going to happen to them or they might have parents who use drugs and they see that."* Like mental health, the stigma of addiction also prevents people from seeking care.

Secondary data about substance use in the region corroborate the perspectives of survey respondents and focus group members. According to the CDC, in 2010, the drug poisoning deaths were 9 per 100,000 population in Dutchess and 7 in Columbia; this compares to 7 per 100,000 population for the state of New York. In Litchfield County, there were 11 drug poisoning deaths per 100,000, the same rate as for Connecticut.[48] However, Litchfield has recently been singled out for its high rate of heroin overdose deaths.[49]

Another way to look at substance use issues in the region is to examine admissions to certified rehabilitation programs. Data for Dutchess County shows that the county has the third highest rate of admissions to certified rehabilitation programs for primary substance of heroin and/or other opiates of the seven counties comprising the Hudson Valley Region, 161.0 per 10,000 population. This is substantially higher than the state rate (excluding NYC) of 96.9 per 10,000 population.[50] Between 2002 and 2011, the proportion of admissions for treatment in Columbia and Greene counties doubled for heroin use and increased from 2% to 12% for other opiate use.[51] Similar data for Litchfield are not available.

Several recent reports have documented substance use concerns in Dutchess County. The Dutchess County CHNA documented a rising trend in accidental drug overdoses in Dutchess County. While the rate of ED treatment for substance-related disorders in Dutchess County and the rest of New York State grew moderately between 2008-2010, there was a dramatic growth in the rate of hospital admissions for substance-related disorders among Dutchess County residents over this time that was not observed statewide.[52] This trend was predominantly associated with the rising use of opioids. A report by the Dutchess County Health and Human Services Cabinet also documented rising rates of prescription drug and opiate use .[53] The study's analysis shows that deaths from prescription drug overdose are more common among those ages 45 to 64 and those over age 65, while deaths due to illegal drugs are higher in the younger adult population. Similar data were not available for Columbia or Litchfield counties.

With respect to other substances, BRFSS data show that smoking rates among adults in Columbia, Dutchess, and Litchfield counties are the same as for New York and Connecticut overall, although still higher than the HP2020 target of 12%. (Figure 22) Trend data collected in Dutchess indicate that adult smoking rates have declined over time.[54] A higher proportion of adults in Columbia County reported drinking excessively than in the other two counties or the states. In discussing

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[48] Source: CDC WONDER Mortality data, 2004-2010 as cited in 2014 County Health Rankings.
[49] http://www.countytimes.com/articles/2013/12/24/opinion/doc52b9eba529c92478018424.txt
[50] New York State Office of Alcoholism and Substance Abuse Services (OASAS), from the Statewide Planning and research Cooperative System (SPARCS) Inpatient Database as cited in Dutchess County Department of Health. *Community Health Status Report. Community Health Indicators.*
[51] NYS OASAS Data Warehouse as cited in Columbia County CHNA. Data were combined for Columbia and Greene counties.
[52] New York State Department of Health, Health Commerce System, SPARCS as cited in Dutchess County CHNA.
[53] Dutchess County Health & Human Services Cabinet. (December 2013). *Confronting Prescription Drug Abuse in Dutchess County, New York: Existing and Proposed Strategies to Address the Public Health Crisis.*
[54] BRFSS, years 2009 through 2012 as cited in *Dutchess County Community Health Status Report.* (April 2013).

substance use, focus group members focused on drugs, and fewer reported concerns about alcohol or tobacco use. This is consistent with results from the community stakeholder survey in which far fewer respondents identified alcohol and tobacco abuse as top health concerns for the region compared to other substance use and mental illness.

Figure 22: Adult Substance Use Behaviors, FCH Counties, 2006-2012

	Excessive Drinking[55]	Smoking[56]
Dutchess, NY	19%	14%
Litchfield, CT	19%	17%
Columbia, NY	23%	14%
New York	17%	17%
Connecticut	19%	15%
HP2020	--	12%

Source: Behavioral Risk Factor Surveillance System, 2006-2012, as cited in 2014 County Health Rankings.

The Search Institute Developmental Assets survey provides information about substance use among youth in the region. Data for two time periods, 2009 and 2013, were available for Region One while data for 2009 were available for Dutchess County. Due to different time frames for data collection and different grades sampled, results across the two areas cannot be compared; data on similar measures and for similar grades are also not available at the state level, thus additionally limiting comparison. Similar data were not available for Columbia County schools. It is important to note that these surveys are completed by a small sample of students and thus should be interpreted with caution.

Data related to substance use in Region One show that the proportion of sampled youth reporting substance use has remained largely the same between 2009 and 2013 for most substances; reported cigarette use declined over this time period. (Figure 23) In 2013, 30% of sampled students reported using alcohol in the 30 days prior to the survey and 19% reporting getting drunk once or more in the two weeks prior to the survey. Among sampled students, 16% reported marijuana use in the 30 days prior to the survey. Not surprisingly, use of substances generally increases with age.

Figure 23: Risk-Related Behaviors, Region One School District, 2009 and 2013

	Total 2009	Total 2013	Grade 7 2013	Grade 9 2013	Grade 11 2013
Used alcohol once or more in the last 30 days	28%	30%	5%	37%	57%
Got drunk once or more in the last two weeks	17%	19%	3%	20%	44%
Smoked cigarettes once or more in the last 30 days	13%	7%	1%	7%	19%
Used marijuana once or more in the last 30 days	17%	16%	1%	18%	39%
Used heroin or other narcotics once or more in the last 12 months [57]		4%	0	9%	4%
Used other illicit drugs once or more in the past 12 months[58]	7%				

[55] Percent of adults reporting binge plus heavy drinking.
[56] Percent of adults that report smoking >= 100 cigarettes and currently smoking.
[57] Question was added in 2013 survey.
[58] Question was dropped after 2009 survey.

	Total 2009	Total 2013	Grade 7 2013	Grade 9 2013	Grade 11 2013
Rode (once or more in the last 12 months) with a driver who had been drinking	33%	28%	19%	35%	34%

Source: Search Institute, Developmental Assets Survey, 2009 and 2013.

Data related to youth substance use in Dutchess County in 2009 show that over one third of students reported using alcohol in the 30 days prior to the survey and almost one quarter reporting getting drunk once or more in the two weeks prior to the survey. (Figure 24) Over one quarter of students reported using marijuana once or more in the 12 months prior to the survey. Tobacco use was comparatively low. Reported use of substances increased with age.

Figure 24: Risk-Related Behaviors, Dutchess County Schools, 2009

	Total	Grade 8	Grade 10	Grade 12
Used alcohol once or more in the last 30 days	35%	17%	38%	51%
Got drunk once or more in the last two weeks	24%	11%	28%	35%
Smoked cigarettes once or more in the last 30 days	12%	6%	10%	21%
Used marijuana once or more in the last 12 months	28%	11%	31%	47%
Used other illicit drugs once or more in the last 12 months	8%	3%	8%	13%
Rode (once or more in the last 12 months) with a driver who had been drinking	29%	29%	26%	30%

Source: Search Institute, Developmental Assets Survey, 2009.

Existing Substance Use Services

Focus group members and survey respondents reported that, like mental health services, there are few programs and services to address substance abuse in the region. Those that do exist are economically out of reach for many or located far away according to residents. For example, Mountainside Lodge and High Watch were mentioned by many respondents, but these are private facilities. Other facilities mentioned include Trinity Glen, a long-term in-patient care facility which accepts Medicaid, and Twin County Recovery Services. Further away, the Mid-Hudson Addiction Recovery Center (MARC) operates three centers for recovery in the mid-Hudson region. The cost of substance use services and lack of providers, as with mental health, were also seen as concerns. Another concern expressed by several respondents is the lack of continuity of care. As one provider respondent shared, *"there is no prevention—the system gets [people] when there is an issue. And then once you start to get better, that is when the help ends—there is no follow up."*

Housatonic Youth Services Bureau and the Council on Addiction and Prevention Education (CAPE) were mentioned as the primary prevention and early intervention providers for youth in Connecticut and New York, respectively. Respondents reported little in terms of community education efforts around substance use. Youth and those working in schools reported that while substance issues are discussed in health classes, they are done so in a broad way and often focused

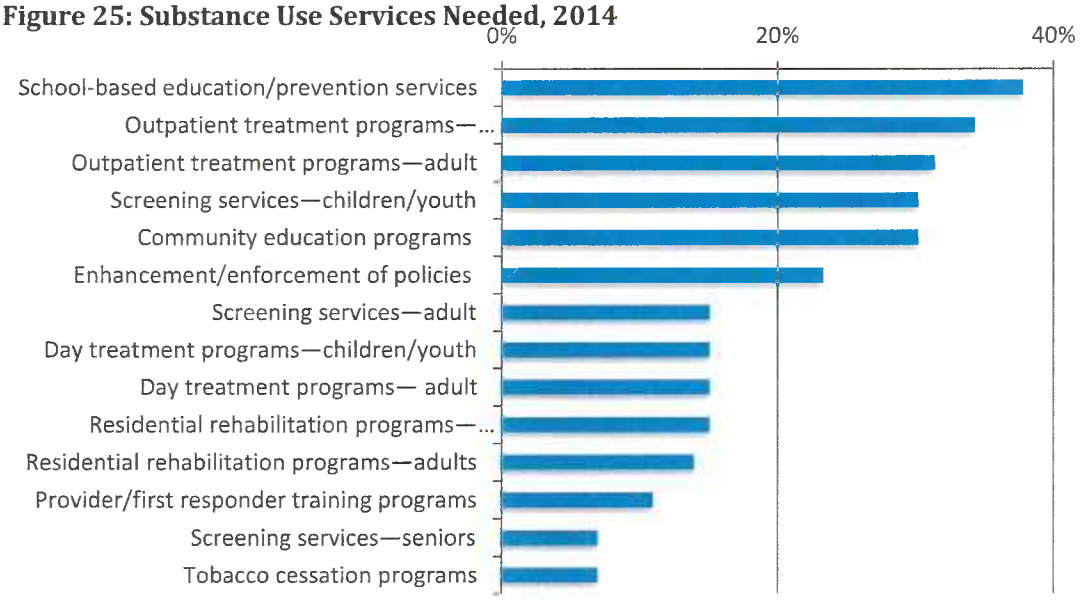
on younger students. The DARE[59] program, for example, is available for younger students but there is not a similar program for older youth.

In addition to service providers, there are several community coalitions focused on addressing substance use issues. In Dutchess County, CAPE has been working to address substance use issues through prevention and has supported community-based coalitions (encompassing Pine Plains, Webutuck, Dover, Pawling, Red Hook and Rhinebeck school districts) that are developing local strategies to address youth substance use.[60] In Litchfield, prevention efforts are led by the Northwest Corner Prevention Network that focuses on addressing substance issues among youth. Finally, agencies like the Dutchess County Drug Task Force, the Columbia-Greene Controlled Substance Task Force, and the Litchfield County Opiate Task Force, are working to address substance use at the law enforcement level.

Suggestions to Address Substance Use Concerns in the Region

Community stakeholder survey results and focus group discussions point to the need for a variety of substance use services, in particular those for children and youth. About 40% of survey respondents identified a need for school-based services for children/youth and adults as a top three need. (Figure 25) These concerns were the same across communities in all three counties. Health providers tended to see a greater need for out-patient and day treatment programs than non-health providers while non-health providers in greater numbers reported a greater need for preventive services such as screening and school-based and community education programs.

Figure 25: Substance Use Services Needed, 2014



Source: FCH Community Stakeholder Survey, 2014.

[59] Founded in 1983 by the Los Angeles Police Department, the Drug Abuse Resistance Education (DARE) is a national program that teaches students good decision-making skills to help them lead safe and responsible lives. http://www.dare.org

[60] Dutchess County Health & Human Services Cabinet. (December 2013). *Confronting Prescription Drug Abuse in Dutchess County, New York: Existing and Proposed Strategies to Address the Public Health Crisis.*

Specific suggestions from focus group members and survey respondents included:

- *More Substance Use Services/Providers:* As with mental health services, residents believed that more affordable substance use services were needed in the community. These services should address the full spectrum of the disease from prevention to early intervention to treatment and include both in- and out-patient services and programs. As discussed above, expansion of health insurance coverage to substance abuse services including screening through the ACA will likely place increasing demand on existing services.

- *More School-Based Substance Use Treatment and Prevention Services*: Focus group members and survey respondents alike saw a need for greater substance use intervention in the schools. Several mentioned that national research points to the important cost savings that come from investment in substance abuse prevention and suggested that funding for these services needs to be increased, at multiple levels.[61] Focus group members suggested more school-based counselors as, according to providers, there are wait lists for school-based services. But as with mental health services, treatment programs and services must be available to those identified in need of them.

  Additional suggestions included the use of evidence-based prevention education in the schools. However, as when discussing mental health services in the schools, respondents stressed that education mandates and other requirements placed on schools create substantial challenges to implementing substance abuse prevention education in the schools. Alternative suggestions included enhancing awareness of substance use and mental health through teacher training to help educators identify youth at risk. Those who mentioned a need for more prevention education stressed the need for young people—and their parents—to hear from youth who have personally struggled with substance use rather than substance use "experts" or school authorities. As one provider shared, *"there are kids who have turned their lives around. This is what other kids will listen to, not experts. Bring in the parents of these kids to talk about this as well."*

  Several focus group members reported, however, that education interventions are likely to be less effective for those students most at risk for substance use. They argued for deeper interventions such as mentoring programs. Finally, although not explicitly asked about in the survey, the issue of activities for young people came up in several focus groups. This was seen by some as critical to addressing substance use and other behavioral health issues among the community's young people. Suggestions to enhance options for youth included offering more community-based recreation programs (with scholarship support) and promoting those that do exist as well as opportunities for young people to participate in programs like internships and community service.

- *Enhanced Outreach and Education:* A number of survey respondents and focus group members felt that more was needed to educate all community members about the dangers of substance use especially the epidemic of opiate use. Some communities are currently working on this through events like prescription drug "take back" days and community forums. Respondents differed somewhat in how they thought this could be accomplished. Some suggested that a more intensive media approach was needed as media campaigns

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[61] National Association of State Mental Health Directors. June 2012. *Fact Sheet on Behavioral Health Conditions: Paying the Societal Toll—a Tragedy Runs Through It.*

have been shown to influence opinions and change behavior. Others suggested a more general community education approach.

- *Improving Provider Prescribing Practices*: Although it did not come up in surveys, several focus group members reported that they believed more should be done to educate providers about the dangers of overprescribing painkillers. New York has recently passed the I-STOP prescription monitoring program to track the dispensing of controlled substances. However, respondents also believed that providers should be educated about abuse of pain medication to better monitor prescribing as well as follow-up to help ensure patients do not become addicted.

Obesity and Chronic Disease

Obesity and Chronic Disease in the Region

Chronic disease and its contributors—lack of physical activity and good nutrition—was also identified as a concern for the region among survey respondents and focus group members. Over 30% of survey respondents identified chronic disease as one of the top three health concerns for the region.

"Diabetes is huge. It is epidemic. There is so much pre-diabetes. The cost of diabetes is huge—medication is expensive."

- Leader in the Latino Community

Focus group members also identified obesity as a concern for residents of the region. They attributed rising rates of obesity to a lack of access to healthy food and physical activity, a more sedentary lifestyle (the *"tech culture"* as one person stated), lack of time, and a general trend in today's culture toward highly processed foods and large serving sizes. Accessibility of healthy food was very much on the minds of many focus group respondents, especially those in Dutchess because of the recent closure of a local supermarket. Many respondents reported that healthy food was economically—and increasingly geographically—out of reach for many lower income families in the area and the closing of the supermarket exacerbated that situation.

While focus group members reported that obesity was a concern across all demographic groups, they expressed concern particularly for rising obesity in children, including very young children. Members and leaders in the Hispanic community who attended focus groups reported that diabetes rates among immigrants are rising as they adopt "American" eating habits, including consumption of sugary drinks, and become more sedentary than in their home countries. Overall, focus group members reported that they believed that rising rates of obesity were also the result of lack of knowledge about how to eat nutritionally and the importance of engaging in physical activity—across age and demographic groups. Several attributed this as well to marketing. As one focus group member shared, *"kids can go to [local convenience store] and if they buy the container they can refill their sugary drinks. Parents are not teaching their kids about healthy choices—maybe they don't know themselves."*

Data from the BRFSS show that the adult obesity rate in Columbia County is the same as for New York, while the Dutchess County rate is higher. (Figure 26) Litchfield experienced slightly lower rates than the state of Connecticut.

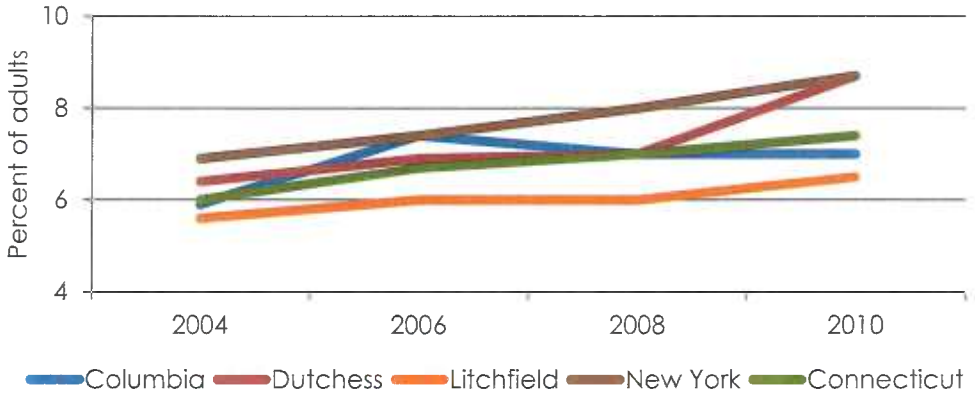
Figure 26: Adult Obesity Rates, FCH Counties, 2006-2012

County	Adult obesity rate
Dutchess	26%
Litchfield	22%
Columbia	24%
New York	24%
Connecticut	24%
HP2020	30.5%

Source: Behavioral Risk Factor Surveillance System, 2006-2012, as cited in 2014 County Health Rankings.

Data from the BRFSS show that the rate of adult diabetes is rising in the FCH counties as well as in New York and Connecticut. (Figure 27)

Figure 27: Proportion of Adults with Diabetes, FCH Counties, Connecticut, and New York, 2004-2010

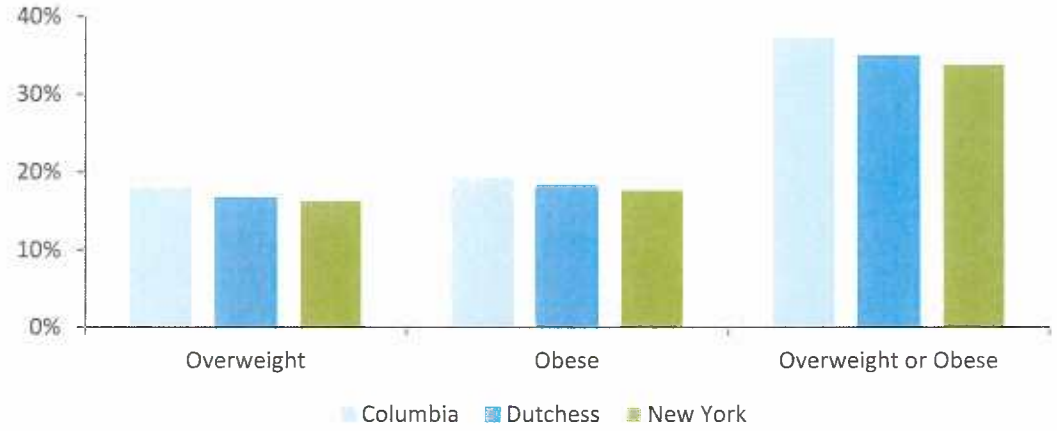


Source: Behavioral Risk Factor Surveillance System and U.S. Census Population Estimates Program, as cited in Community Commons

According to statistics collected by the New York Statewide School Health Services Center, about 37% of Columbia County students and 35% of Dutchess County students are overweight or obese. (Figure 28) In New York overall (excluding NYC) the rate of overweight or obesity among students was about 34%. Overweight and obesity rates vary across FCH towns with some towns experiencing very high rates. Among the school districts of Dutchess, the proportion of children who were overweight/obese (2010-2012) was highest in Northeast (44%), Dover (40%), Millbrook (35%), and Pine Plains (34%).[62] Among the school districts of Columbia, the proportion of children who were overweight/obese (2010-2012) in Taconic Hills (Copake and Ancram) was 33%, the fourth highest of the six school districts in the County.[63]

[62] Source: NY State Student Weight Status Reporting System, 2010-2012 as cited in Dutchess County CHNA.
[63] Source: NY State Student Weight Status Reporting System, 2010-2012 as cited in Columbia County CHNA.

Figure 28: Proportion of Public School Students who are Overweight and Obese, Columbia, Dutchess, and New York, 2010-2012



Source: New York State Department of Health, Student Weight Status Reporting System.

Data about obesity rates among youth in Litchfield County are unavailable. However, information about physical fitness among youth in the area indicate that among students in the region, fewer in North Canaan and Norfolk and fewer middle/high schoolers than elementary school students are able to pass physical fitness tests. (Figure 29)

Figure 29: Percentage of K-12 Students Passing All Four Physical Fitness Components, Litchfield School Districts, 2010-2011[64]

School District	% of K-12 Students Passing
Cornwall School District	80.5%
Kent School District	67.0%
Canaan (Falls Village) School District	65.2%
Salisbury School District	64.6%
Sharon School District	56.1%
Regional School District 1 (Canaan, Cornwall, Kent, North Canaan, Salisbury, Sharon)	35.1%
Norfolk School District	31.9%
North Canaan School District	28.7%
STATE	51.0%

Source: Connecticut Department of Education as cited in 2013 Litchfield County CHNA.

Existing Services to Support Healthy Eating and Physical Activity

Accessibility of healthy food was very much on the minds of many focus group respondents, especially those in Dutchess and Columbia. Residents of Dutchess communities reported in focus groups that the Fresh Town supermarket in Dover Plains had recently closed, creating challenges to food access, especially for those without transportation. The cost of food, including costs associated with traveling to purchase it, was a substantial concern to many residents, especially seniors and lower income residents.

[64] Tests include four areas of fitness: aerobic endurance, flexibility, muscular strength, and endurance.

In general, regardless of where they lived, focus group members reported that accessing affordable healthy food was challenging. As one focus group member shared, *"many lower income people shop for food at the dollar stores because they can get more food—it's not the healthiest but they get more for their money."* Additionally, lower income residents rely on food pantries which were reported to have limited healthy choices. Although the region does not have many fast food outlets, it also does not to have many affordable restaurants that serve healthy food options according to focus group members.

"Healthy food is far away now that the supermarket has closed. Those who used to walk there have it hard – they have to find other places to go and it won't be easy."

- Agency Client

There was substantial discussion in focus groups about accessibility of fresh and locally-grown food. There are several community gardens in the region at local churches and at Webutuck High School. Many towns have farmer's markets but not all do; however efforts are underway to expand farmer's markets to new towns. Perceptions about the affordability of food sold at farmer's markets varied across focus group members. Some reported that it was too expensive while others reported it was not substantially more than supermarket prices.

When asked about options for physical activity in the region, focus group members shared that there are many opportunities including parks, playgrounds, and a rail trail. However, access is largely limited to those with private transportation. Additionally, the rurality of the region means that there is limited infrastructure to support active transportation such as biking or walking including lack of sidewalks, streetlights, and bike lanes. New England winters also constrain outdoor activities for many. Focus group respondents reported that there are also community-based programs for physical activity, although these are limited. Community centers offer exercise classes for seniors and others. In addition, the Hotchkiss School makes its pool available for free and also offers exercise classes for a fee.

When asked about opportunities for youth, focus group respondents mentioned that youth have opportunities to participate in sports through school teams or club-based programs, although some programs cost money to participate. This can be prohibitive for some families. As one focus group member shared, *"the town has an active youth sports program—soccer, t-ball. But they all cost money. There is scholarship money but many families are not aware of that. And then transportation might be an issue."*

Secondary data point to similar themes relative to accessibility of healthy food and places to be physically active as shared by focus group members. According to business mapping information, a smaller proportion of residents in all three FCH counties have access to exercise opportunities compared to other residents in the states, especially those in Litchfield County. About 85% of residents in Dutchess have access to exercise opportunities, compared to 89% of New York residents overall. Only 47% of residents in Columbia have access to exercise opportunities. In Connecticut, 91% of residents have access to exercise opportunities, while only 81% of Litchfield residents do.[65]

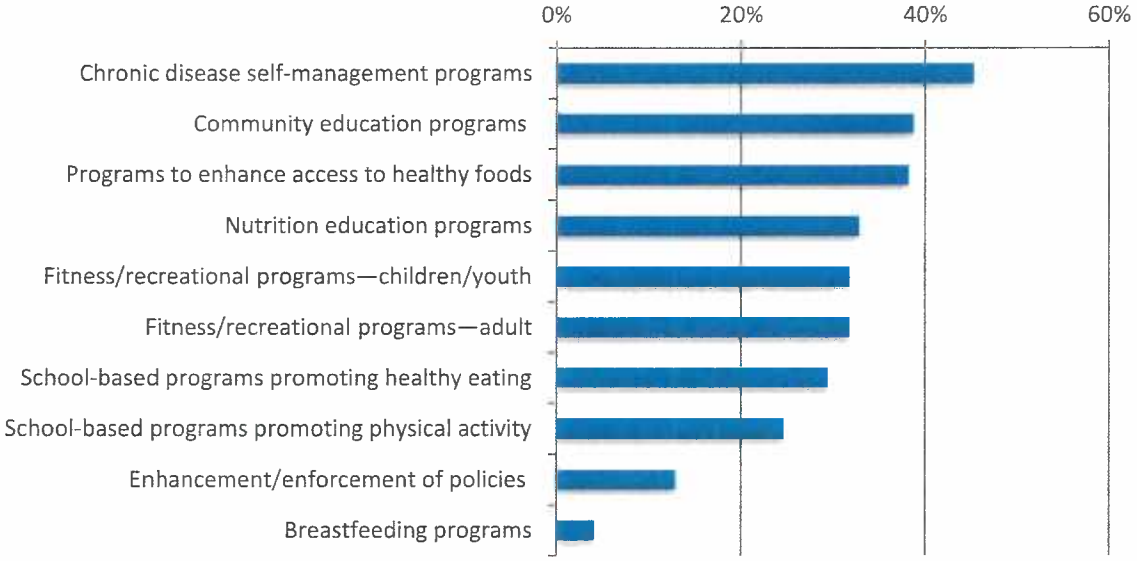
[65] OneSource Global Business Browser, Delorme map data, ESRI, & US Census Tigerline Files, 2010 & 2012, as reported in 2014 County Health Rankings.

The proportion of the population with limited access to healthy food is 6% in Dutchess and 5% in Columbia, a higher rate than for the state of New York (2%), the state of Connecticut (4%) and Litchfield County (2%).[66] According to the 2012 Dutchess County resident survey, 12% of respondents reported that they had difficulty buying healthy foods.[67] Among those who reported difficulty, cost was the predominant reason (87%) followed by lack of availability in places where the respondents shopped (31%) and too far to get to (28%).

Suggestions to Address Obesity and Chronic Disease Concerns in the Region

Review of survey responses about needed services to address chronic disease shows that aside from chronic disease self-management programs, which over 40% of respondents reported as a top three need in the region, respondents were more mixed in their views of what services were needed to address the complex issue of obesity and lifestyle behaviors. Almost half of stakeholder survey respondents reported that there was a need for chronic disease self-management programs. (Figure 30) Other suggestions related to enhanced education and programs that increase access to healthy foods and physical activity.

Figure 30: Chronic Disease Services Needed, 2014



Source: FCH Community Stakeholder Survey, 2014

Specific suggestions from focus group members and survey respondents included:

- *Promotion of Chronic Disease Self-Management Programs*: Provider survey respondents overwhelmingly reported a need to enhance chronic disease self-management programs with a particular focus on implementing those that have been proven to work (are evidence-based). As one survey respondent stated, *"I believe evidence-based interventions like the Stanford Chronic Disease Self-Management Program provide the tools needed for organizations and individuals to have sustainable and measureable health outcomes."* While

[66] Source: USDA Food Environment Atlas, 2012, as reported in 2014 County Health Rankings.
[67] Wheeler, K., and Waltner, A. (June 2013) *Dutchess County ICA Community Health Survey 2012*. Prepared for the Dutchess County Department of Health, Division of Health Planning and Education.

this suggestion was not raised in focus groups, when asked whether such type of support would help those with chronic illnesses, many focus group members agreed that it would.

- *More Education About Healthy Lifestyles*: Both survey respondents and focus group members noted that community education was needed to increase healthy behaviors among residents and reduce obesity rates. What was especially needed, according to residents in focus groups, was nutrition education. Few focus group participants reported that they had seen a nutritionist or dietician as part of their health care, although they believed this would be helpful in educating patients about proper nutrition. Residents also stated that more written materials and in-person education/training was needed especially in topics such as what comprises a balanced meal, how to read food labels, how to purchase healthy foods on a budget, and how to prepare quick but healthy meals. They stressed that multiple outlets for information are needed because attendance at "classes" or community forums is often lower than expected. They suggested that more written materials about nutrition for parents be sent home with students and shared through food pantries and food programs such as the BackPack Program.[68] Spanish-speaking focus group members suggested that ESL classes were an ideal place to share such information with non-English speaking residents (while simultaneously enhancing English language skills) and several mentioned that this has been tried with success in Dutchess County through a partnership with Cooperative Extension.

- *Greater Access to Affordable and Healthy Food*: Focus group participants reported that efforts to raise awareness about nutrition among residents, especially those with lower incomes, will only be successful if healthy food is affordable. One respondent mentioned that the region is currently piloting a Health Bucks program at local farmer's markets. Health Bucks is a program begun in New York City to enhance healthy eating through paper vouchers that can be used by electronic benefit transfer (EBT) consumers to purchase fresh fruits and vegetables at participating farmers markets. For every $5 a customer spends using EBT, s/he receives one $2 Health Buck coupon to be used for additional healthy food.[69] Several respondents also suggested that more be done to create community gardens and to promote farmer's markets to lower income residents of the region.

- *Enhanced Access to Physical Activity Classes*: Relative to physical activity, respondents suggested that more opportunities for physical activity be offered and that such opportunities be affordable. They also suggested that more be done to raise awareness of those opportunities that are currently available, including financial support such as scholarships for summer camps and youth sports programs. Several senior residents believed that parks and trails could be improved through the addition of benches. Finally, a couple of focus group members mentioned that community fitness challenges have proven successful in the past and could be promoted in the future.

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[68] The BackPack Program, run by the Food Bank of the Hudson Valley addresses childhood hunger, especially on weekends when school breakfast and lunch programs are not offered, provides bags filled with food that are discreetly distributed to participating children at 11 regional schools on Friday afternoons.
[69] http://www.grownyc.org/greenmarket/ebt/healthbucks

Other Health Needs

In the final survey question, community stakeholder survey respondents were asked about other health concerns in the region, beyond those already discussed in this report. Of the top three concerns highlighted early childhood services such as home visiting and family support were identified by the most respondents (48%) followed by geriatric care services (42%).

Oral Health

Although oral health was not identified as a top overall health concern in the region by many completing the community stakeholder survey, it was identified as a top "other health" concern among respondents.[70] Additionally, the topic was discussed in several focus groups. As shared earlier in this report, the region has a high patient to dental provider ratio.[71] In addition, focus group members reported that many dentists do not accept Medicaid. Both of these make it difficult to access oral health care according to focus group members. Focus group members also reported that specialty dentistry, like root canal, was very difficult to obtain and required travel out of the region. The 2012 resident survey conducted in Dutchess County found that access to dental care was the top unmet need for health care services: 20% of survey respondents reported that they needed dental care, and 61% of these respondents reported that they did not receive it.[72] The unmet need for dental services was significantly higher among younger adults (ages 18-21) and declined with age. According to BRFSS data, however, the proportion of adults with a dental visit in the past year was similar for the FCH counties as for the two states. (Figure 31)

Figure 31: Proportion of Adults With Dental Visits in the Past Year, FCH Counties, Connecticut, and New York

County	
Dutchess	72.3%
Litchfield	83%
Columbia	69.6%
New York	71.1%
Connecticut	81%

Source: Dutchess and NYS: BRFSS 2008-2009 as cited in Dutchess County CHNA. Columbia: BRFSS 2008-2009 as cited in Columbia County CHNA. Litchfield and CT: BRFSS 2007-2010 as cited in Litchfield County CHNA.

[70] In the last question of the survey, respondents were asked to identify the top three other health and health-related services needed from the following list: dental services, community education programs to prevent vector-borne illness, provider education programs to prevent vector-borne illness, end-of-life/hospice services, geriatric care services, early childhood services, sexually transmitted disease screening programs, and women's health services. 42% of respondents selected dental services. However, when asked to identify top three overall health concerns in the region, 15% of respondents identified dental/oral health as one of these.

[71] The ratio of population to dental providers in New York and Connecticut was about 1,300 to 1 while the ratio in the FCH service area ranged from 1,652:1 in Dutchess to 2,587:1 in Columbia.

[72] Wheeler, K., and Waltner, A. (June 2013) *Dutchess County ICA Community Health Survey 2012*. Prepared for the Dutchess County Department of Health, Division of Health Planning and Education. Data specific to Eastern Dutchess communities not provided. Question was asked as follows: "At any time in the past year, did you or any member of your immediate household need but not receive any of the following healthcare services?"

Affordability of dental care was also a big concern for residents. Many lower income residents reported that they obtained dental care on a sliding fee scale from Hudson River Health Care (FQHC located in Amenia) or the Greater Torrington Community Health and Wellness Center but wait times were reported to be long. The cost of dental care was found to be a significant barrier to accessing dental services for immigrant populations in Eastern Dutchess County.[73]

Overall, focus group members shared positive views about dental services for children. Several reported that their children received preventative oral health services in school and got dental services when needed. Many schools in the region provide school-based oral health services including sealants which are seen as a critical intervention for good oral health among children. Data collected about this work indicate positive improvement over time. According to data cited in the 2013 CHNA for Dutchess County, the proportion of 3rd grade children with evidence of untreated tooth decay declined from 32.1% in the 2002-2004 to 20.5% in 2009-2011.[74] In Columbia, 21.2% of children had untreated tooth decay in 2009-2011.[75] Data from six Connecticut schools with sealant programs show that proportion of children with one or more decayed teeth declined from 34% in the 2006-2007 school year to 12% in the 2010-2011 school year.[76]

Communicable Diseases

Although quantitative data point to high rates of Lyme Disease in FCH counties, this issue was not often mentioned in focus groups or surveys. (Figure 32) However, both the Columbia County CHNA and the Dutchess County CHNA identified arthropod-borne illness as a key health concern and have included prevention efforts in their updated Community Health Improvement Plans.

Figure 32: Lyme Cases per 100,000 population, FCH Counties, Connecticut, and New York

County	
Dutchess, NY	150
Litchfield, CT	116.9
Columbia, NY	824.8
New York	66.2
Connecticut	122

Source: NY: 2008-2010 NYSDOH as cited in Columbia and Dutchess County CHNAs. CT and Litchfield: 2009, Connecticut Department of Public Health as cited in Litchfield County CHNA.

Rates of sexually-transmitted infections were substantially lower in FCH counties than in the states of New York and Connecticut overall. Chlamydia infections are among the most commonly-reported notifiable disease in the U.S. and they are among the most prevalent of all sexually transmitted infections (STIs).[77] The Chlamydia rate in Dutchess was 245 per 100,000 population in 2011 and 160 in Columbia, much lower than the New York rate of 530 per 100,000. Litchfield's rate of 137

[73] Schmidt, H., Waltner, A., Muller, S. (Feb 2011). *The Immigrant Health Initiative: A study of health care of recent immigrants in Dutchess County, New York.*
[74] Bureau of Dental Health, New York State Department of Health as cited in Dutchess County CHNA.
[75] New York State Department of Health as cited in Columbia County CHNA.
[76] Kwatra, J. (Sept 2013) *Evaluation of School Based Oral Health Promotion Program.* Study conducted for the Foundation for Community Health.
[77] Dutchess County Department of Health, *Community Health Assessment 2014-2017.*

was far lower than the Connecticut rate of 381 per 100,000 population.[78] However, Chlamydia rates in Dutchess were reported to be rising, as they are nationwide and in the state.[79]

Asthma

Mortality and morbidity statistics shared earlier in this report indicate a higher rate of asthma deaths and hospitalizations in FCH counties than the states. However, data about asthma-related ED visits, for both young children and those of all ages, indicate that rates are lower in Columbia and Dutchess than in New York. (Figure 33) Data for Litchfield are unavailable.

Figure 33: Asthma ED Visits, per 10,000 population, Columbia, Dutchess, New Year, 2008-2010

	New York (excl. NYC)	Columbia	Dutchess
ED Visits (0-4 yrs)	221.4	112.3	84.3
ED Visits (all ages)	83.7	41.5	51.7

Source: New York State Department of Health, Statewide Planning and Research Cooperative System, 2008-2010.

Maternal and Child Health

Maternal and child health concerns were not prominent themes in most focus groups and interviews. Quantitative data additionally indicate that FCH communities are similar to or better than on key measures of maternal and child health and have met key HP2020 targets in this area. (Figure 34)

Figure 34: Maternal and Child Health Indicators, FCH Counties, Connecticut, and New York, 2005-2011

County	Low Birthweight	Infant Mortality[80]	Teen Birthrate[81]
Dutchess, NY	7.2%	5	13
Litchfield, CT	7.2%	4	12
Columbia, NY	7.5%	10	24
New York	8.2%	6	24
Connecticut	8.0%	6	21
HP2020	7.8%	6	NA

Source: Low Birthweight and Teen Birth Rate: National Center for Health Statistics, 2005-2011 as cited in 2014 County Health Rankings. Infant Mortality: Health Indicators Warehouse as cited in 2014 County Health Rankings.

Another measure of maternal and child health is access to adequate prenatal care. According to the New York State Department of Health, the percent of pregnant women with adequate prenatal care

[78] National Center for HIV/AIDS, Viral Hepatitis, STD, and TB Prevention, 2011 as reported in 2014 County Health Rankings.

[79] Dutchess County Department of Health, *Community Health Assessment 2014-2017*.

[80] Rate of all infant deaths (within 1 year), per 1,000 live births

[81] Teen birth rate per 1,000 female population, ages 15-19

was 68% in Dutchess County and 63% in Columbia County compared to 68% in New York State (excluding NYC).[82]

Screening and Prevention

Screening was not a prevalent theme in either survey results or focus groups and quantitative data indicate that screening levels in FCH counties are similar to those for the states. (Figure 35) Screening rates for diabetes are slightly higher in Dutchess County than in Litchfield, Columbia, and the states. Mammogram screening rates are higher in Dutchess and Columbia counties than in New York overall.

Figure 35: Screening Rates, FCH Counties, 2005-2011

County	Diabetes Screening	Mammogram
Dutchess	88%	66%
Litchfield	86%	66%
Columbia	85%	66%
New York	85%	63%
Connecticut	85%	68%

Source: Medicare/Dartmouth Institute, 2011 as cited in 2014 County Health Rankings.

Health Needs of Sub-Populations

This section discusses more specifically the health needs of two populations in the region that respondents identified as facing unique health challenges and needs, Hispanics and seniors. Children and youth and those of lower income were also reported to face challenges and these groups are discussed throughout this report.

Hispanics

Hispanics are the largest non-White population group in the FCH service region, comprising 6% of the total population. The number of Hispanics in the region is also growing according to recent community health needs assessments. The health disparities experienced by racial and ethnic minorities have been extensively documented.[83] Due to the small number of Hispanics in the region, statistical data about health disparities in FCH communities are unavailable. However, secondary data show that:[84]

- In Columbia and Dutchess counties, a higher proportion of Hispanics experience premature death when compared to non-Hispanic Whites.[85] It is important to note that premature death rates are highest among non-Hispanic Blacks.

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[82] New York State Department of Health, Health Indicators, 2009-2011, https://www.health.ny.gov/statistics/community/minority/county/newyorkstate.htm

[83] Although many sources can be cited, a good recent summary of health disparities experienced by racial and ethnic minorities can be found in the U.S. Department of Health and Human Services *Plan to Reduce Racial and Ethnic Health Disparities:* http://minorityhealth.hhs.gov/npa/files/Plans/HHS/HHS_Plan_complete.pdf

[84] Due to low sample size, some of the data about Hispanics in Columbia are unstable.

[85] Litchfield: Connecticut Department of Public Health, 2012. Vital Records Mortality Files, 2005-2009 cited in Litchfield County CHNA. Columbia: NYSDOH County Health Indicators, 2008-2010, as cited in Columbia County CHNA. Premature

- While Hispanics in Litchfield, Dutchess, and Columbia experience lower rates of mortality and hospitalization due to heart disease, stroke, and cancer compared to non-Hispanic Whites, they experience higher rates of mortality and hospitalization due to diabetes.[86] It is important to note that death and hospitalization rates due to many of these conditions is highest among non-Hispanic Blacks.
- Obesity rates are higher for Hispanic populations compared to non-Hispanic Whites nationally. Based on data from National Health and Nutrition Examination Survey, the White non-Hispanic population had the lowest rate of obesity, 33.4% of adults aged 20 years and over (age adjusted) whereas the black non-Hispanic and Hispanic populations had rates of 48.6% and 40.5% (age adjusted), respectively.[87]
- Data available at the state level indicate that Hispanics have lower rates of screening than their non-Hispanic White counterparts, including screening for diabetes and cholesterol.[88]
- Data for Dutchess and Columbia counties indicate that Hispanic residents are less likely to access dental and mental health services than non-Hispanic Whites.[89]
- Fewer Hispanic women in Columbia and Dutchess counties receive prenatal care compared to non-Hispanic White women.[90]
- Hispanic residents of the Mid-Hudson Valley were more likely than their non-Hispanic White counterparts to experience a gap in health insurance and skip a doctor's visit or medication due to cost.[91]

According to focus group members as well as other data, the primary barriers to health care access encountered by Hispanic residents in the area include lack of health insurance, language, cost, and availability and awareness of services.[92] Additionally, undocumented Hispanics are particularly vulnerable. Fear of deportation leads to reluctance among illegal immigrants to seek out services from agencies and health providers, thus negatively affecting their health. Suggestions by focus group members and survey respondents to address these barriers and improve health outcomes among Hispanics in the community included:

- *Enhanced Language Access*: A recurring topic among focus group members who were Spanish speakers was the issue of language access. While many shared that communication access at community health centers, where many get services, and community-based organizations serving Hispanics is very good due to bi-lingual providers and in-person interpreters, that is not the case at all provider locations and social service agencies. Results

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death defined as death before 75 years. Dutchess: NYSDOH Community Health Indicators, 2008-2010 as cited in Dutchess County CHNA. Premature death defined as death before 65 years.

[86] Litchfield: mortality data from Connecticut Department of Public Health, 2012. Vital Records Mortality Files, 2005-2009, hospitalization data from Connecticut Department of Public Health, 2012. CHIME Hospital Discharge Data Set, 2005-2009. Both cited in Litchfield County CHNA. Columbia: NYSDOH County Health Indicators, 2008-2010, as cited in Columbia County CHNA. Mortality data for Hispanics in Columbia suppressed due to low numbers. Dutchess: NYSDOH Community Health Indicators, 2008-2010 as cited in Dutchess County CHNA.

[87] http://healthypeople.gov/2020/lhi/nutrition.aspx?tab=data#NWS-9 Data from 2009-2012.

[88] Connecticut Department of Public Health. (2011) *The Burden of Cardiovascular Disease in Connecticut, 2010 Surveillance Report* and Connecticut Department of Public Health. (2011) *The Burden of Diabetes in Connecticut, 2010 Surveillance Report.*

[89] Wheeler, K., and Waltner, A. (June 2013) *Dutchess County ICA Community Health Survey 2012*. Prepared for the Dutchess County Department of Health, Division of Health Planning and Education. Marist College Institute for Public Opinion. *Many Voices One Valley 2012. Health Matters. A survey of Mid-Hudson Valley residents.*

[90] Columbia: NYSDOH Health Indicators Reports, 2008-2010, as cited in Columbia County CHNA. Dutchess: NYSDOH Community Health Indicators, 2008-2010 as cited in Dutchess County CHNA.

[91] Schmidt, H., Waltner, A., Muller, S. (Feb 2011). *The Immigrant Health Initiative: A study of health care of recent immigrants in Dutchess County, New York.*

[92] Ibid.

from a survey of immigrants conducted in Dutchess County found that immigrants from eastern Dutchess County were significantly more likely to bring their own interpreters than those in Poughkeepsie who were more likely to use medical interpreters.[93] Enhancing the number of bi-lingual providers and interpretation services especially in services such as mental health, dental health, and other specialties, was frequently mentioned as a strategy for enhancing access and improving outcomes for Hispanics. Focus group members also expressed a need for more translated information including instructions for follow-up care and medication. As one Spanish speaking focus group member stated, *"results of tests come in English and that is hard."*

- *More Culturally Appropriate Mental Health Services*: As discussed earlier in this report, lack of mental health services, including both prevention and treatment services, is a concern for the entire region. Spanish-speaking focus group members reported that they face substantial challenges in accessing mental health services due to communication barriers and cost. Focus group members suggested enhancing access to free and language-appropriate screenings as well as the formation of Spanish-speaking mental health support groups in the area.

- *Enhanced Health Literacy*: Another challenge mentioned by focus group members was health literacy. They shared that a lack of information about healthy behaviors and available health and social services creates a barrier to good health for non-English speakers. Focus group respondents saw a need for extended outreach to Hispanic members of the community through partnerships with existing programs such as ESL classes. Outreach through media such as Spanish TV and radio was also suggested as a strategy for reaching Hispanic residents with information. Several respondents also reported that support for community health workers (discussed below) is an important strategy to enhance health literacy in the community.

- *Support the Use of Community Health Workers*: Community health workers (CHWs), also called Promotoras or peer health educators, are lay community members (volunteers or paid staff) who work with health care systems to improve the health and well-being of community residents. CHWs often offer interpretation and translation services, provide culturally-appropriate health education and information, assist people in receiving the care they need, and give informal counseling and guidance on health behaviors.[94] CHWs are seen as particularly effective because they usually share ethnicity, language, socioeconomic status, and life experiences with the community members they serve. Although CHWs were not mentioned by many respondents, a couple of providers participating in focus groups mentioned that such supports can be effective in meeting the needs of more vulnerable populations.

Essential to any successful strategy to reach Hispanic residents, according to focus group members, is the engagement of trusted community leaders such as those who are from the church and local community providers. As one Hispanic focus group member explained *"building trust is key, especially for undocumented people—you need to work through facilitators in the community, key leaders in faith and community services."*

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[93] Ibid.

[94] U.S. Department of Health and Human Services. HRSA Office of Rural Health Policy. (August 2011). *Community Health Workers Evidence-Based Models Toolbox.*

Seniors

Given the large senior population in the FCH service region, it is not surprising that seniors' health and well-being emerged as a topic of concern among focus group members and survey respondents. According to population estimates, the proportion of residents over the age of 65 is expected to rise in the three counties served by FCH. By 2030, about one third of Columbia County residents, 20% of Dutchess County residents, and 40% of upper Litchfield County residents will be over age 65.[95]

"I've seen seniors wait to get health care because they are afraid of high costs or can't get to care and then by the time you get to them, they've broken a hip."

- Service Provider

Because of the large number of seniors in the region and in order to gather a more complete picture of seniors' needs (little secondary data exist), two of the focus groups conducted for this study involved residents who are seniors. These conversations focus on several concerns for seniors in the region:

- Many seniors are on fixed incomes. Seniors in focus groups reported that they face multiple expenses including food, heating, and transportation, and rising costs of each create economic hardships for them. While seniors rely on Medicare to cover health expenses and some have supplemental insurance, they also face health-related costs such as co-pays and deductibles as well as expenses for services such as eyeglasses and dentures that are often not covered. This can also result in delays in getting needed healthcare.
- Transportation is a substantial challenge for seniors who no longer drive. Focus group members reported challenges in getting to health appointments as well as shopping and social activities. Several also observed that the loss of the ability to drive can lead to social isolation and depression among seniors. Transportation challenges related to meeting seniors' needs were shared by those in other focus groups as well. For example, seniors are more likely to need door-to-door transportation services and services that can manage wheelchairs or otherwise address seniors' mobility and health challenges. Seniors who are transitioning from a "car culture" face challenges in understanding how public transportation systems work as well as a reluctance to use public systems. Since Medicare does not pay for taxis to medical services, seniors who do not drive must rely on friends and family for transportation or use services such as Paratransit or Dial-A-Ride which require some advance notice.
- Seniors reported that social isolation is a concern among seniors in the region. Many focus group members reported that they do not have family in the area and thus, must rely on friends and area programs to get out. Lack of transportation adds an additional burden. As one senior stated, *"in a rural area, getting out is really important."* Several providers reported that they are increasingly concerned about seniors who may need help but are not known to providers. This is compounded, several respondents suggested, by a decline in a "neighbors checking in on neighbors" spirit in many communities. As a result, one provider observed, *"there are a lot of forgotten people."*

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[95] Columbia: Cornell University Cooperative Extension, Program on Applied Demographics. (2013) *Columbia County Profile 2013*. Dutchess: Cornell University Cooperative Extension, Program on Applied Demographics. (2013) *Dutchess County Profile 2013*. Litchfield: Holt, Wexler & Farnum, LLP. (June 2007). *Assessment of Non-Emergency Medical Transportation in Upper Litchfield County*. Note that Litchfield rate is only for upper Litchfield County.

- The ability to maintain their homes was another concern shared by seniors. While several seniors reported that they have used Chore Services, others had not heard of this service.[96]
- Lack of awareness of services was reported among seniors. This was also apparent in focus group discussions in which several members reported that they did not know about services such as Dial-A-Ride or Chore Services. In addition to lack of awareness, however, several respondents commented that some seniors may have an "independence" mindset and may not be willing to accept help from agencies or those who they do not know well.

There was substantial discussion in focus groups about health care and seniors. Several shared that, for a variety of reasons, including cost, transportation barriers, the beginnings of memory loss, and pride, seniors may not be effectively connected to health services that can help them to maintain their health and help identify serious issues before they happen. For example, one focus group member explained that, *"the biggest 'frequent flyers' for Emergency Medical Services (EMS) are those with congestive heart failure—they don't need EMS, they need some doctor intervention."* Several focus group members also reported that insufficient follow-up care after a hospital stay was also a concern among seniors and providers who work with them. Some felt that many seniors are released too soon from the hospital, often without sufficient home supports to maintain and improve their health or identify emerging issues. While visiting nurses successfully fill this role, according to respondents, they are not able to reach all patients who need support. In part, according to respondents, this has been in part a systemic constraint: until recently, VNAs from Connecticut and Massachusetts could not serve patients in New York which created challenges to access for the northern rural communities of New York.

Suggested services that focus group members provided included:

- *Enhanced home-based health and related services*: Focus group members reported that the region needs more in-home services to help seniors maintain their homes and "age in place." They suggested expansion of VNA and home health aide services and support to help seniors pay for these services. One respondent suggested that telehealth approaches such as home monitoring devices and videoconferencing have also been shown to be effective in promoting good health, particularly in rural settings.[97] Community paramedicine, as described earlier, can also help to address this need.

- *Programs to Reduce Social Isolation*. While a variety of social and physical activity programs are offered to seniors in the region (the American Legion Hall and programs offered through NECC were most often mentioned), seniors reported that these should be expanded because they play an important role in helping seniors to maintain social connections and be active. Closely related this, several seniors suggested that intergenerational programs be implemented in the area. Ideas included programs in which seniors read to children and programs in which young people help with chores at seniors' homes for community service credit.

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[96] Chore Services provides a variety of services to seniors and handicapped individuals needing support, such as housekeeping, shopping, laundry, cooking, yard maintenance and minor home repair. Financial assistance is available and client contributions are supplemented by grants and donations.

[97] Telehealth/telemedicine refers to the remote delivery of healthcare services and information using telecommunications technology. Such approaches have been shown to be effective in delivering a variety of health services including medication management, health monitoring, and treatment. http://www.raconline.org/topics/telehealth/faqs#improve-access

- *Enhance and Raise Awareness About Programs for Seniors:* As discussed earlier in this report, there is a need to raise awareness of existing services in the region through a more local and regularly-updated set of information. Reaching seniors with this information is important. Senior focus group members suggested this should be done through both technology (on the web) but also in hard copy such as directories, flyers, newsletters, and newspapers.

SUMMARY OF FINDINGS

Relying on secondary data about the region, a community stakeholder survey, and ten focus group discussions with community residents and providers, this report provides an overview of the social and economic environment of the towns FCH serves, the health conditions and behaviors that affect residents, and perceptions of health and health care needs. Several overarching themes emerge from this analysis:

Mental health was identified as an important health concern by focus group and survey participants, and current services were largely seen as insufficient to meet the need. Consistent with national and state trends, mental health was identified as a top concern in the FCH region by both focus group members and survey respondents. The use of mental health services in the region has increased over time. Rising and untreated mental illness among children and youth and Hispanic residents were of particular concern to community residents. Challenges to improved mental health include lack of mental health screening services, cost of care, few mental health providers in the region and few private providers willing to accept Medicaid, and insurance constraints that limit mental health visits and services. Stigma associated with mental illness also creates barriers to care. Respondents reported a need for more mental health providers—and those who are more accessible, including available in schools and who can serve non-English speakers. More screening and prevention services, including those based in schools, physicians' offices, and community organizations are also needed. Finally, education and outreach was seen as needed to overcome stigma associated with mental illness and promote help-seeking behaviors.

Access to health care, including primary, behavioral, and oral health, is a substantial concern in the region and is constrained by transportation, cost burdens, and lack of providers. As a rural region, the FCH service area faces the same challenges as other rural areas do. Lack of providers, across all health needs, is a fundamental constraint to health care access in the region. The region lacks a sufficient number of providers and lower income residents face additional challenges because some providers do not accept Medicaid. The lack of providers and services for mental health and substance use issues was reported of particular concern because of the rising concern about these issues in the community. As in many rural areas, transportation barriers were identified as a substantial barrier to health care access in the FCH service area as well as a barrier to accessing other services. Lack of access to transportation can lead to delayed or unobtainable health care, inefficient use of emergency services, and reduced access to social and recreational opportunities and healthy food. Cost of health care was also a common concern in the region. The continued implementation of the health insurance marketplaces and Medicaid expansion will have implications for the health system in some substantial ways, including costs of health insurance, access to services, and the workforce. Currently, however, some of the region's residents face barriers to paying for health care, including premiums, co-pays, devices, and deductibles.

Substance use, especially the use of painkillers and opiates, is a pressing concern for community residents. Rising substance abuse rates in the region were a top-of-mind issue for

residents in the FCH service area. As nationally and in New York and Connecticut, abuse of prescription drugs and cheaper opiate substitutes, were of great concern. Existing services to identify and treat those with substance use issues were seen as inadequate and underfunded. In addition, issues of substance abuse and mental health are intricately intertwined, creating further challenges for the health system. Additional barriers to addressing substance use issues in the community include lack of screening services, cost of treatment, and stigma. Respondents reported a need for more affordable substance use services, enhanced school-based services including deeper intervention with those youth considered most at risk of substance abuse, enhanced community education, and improved provider prescribing practices.

Obesity, especially among children and youth, is a concern for the region and is seen as linked to a lack of opportunities for physical activity and healthy eating. While obesity rates for adults and children/youth in the FCH service area are similar to those of surrounding communities and the state of New York and Connecticut, there are some communities that experience higher rates. Additionally, residents expressed concern about affordable healthy food and fitness opportunities, where secondary data show lower levels of access for FCH communities than others. Lack of knowledge about healthy food and lack of access to healthy food emerged as a key challenge, especially as a local supermarket has recently closed. Suggestions to address obesity and related chronic diseases included more chronic disease self-management programs, greater access to healthy and affordable food and physical fitness opportunities, and more outreach and education about healthy lifestyles.

Hispanics, who comprise the region's largest non-White population, encounter additional difficulties that negatively affect their health. State, county, and national data point to health disparities among non-White populations. Survey and focus group feedback collected for this study indicate that barriers to good health and well-being for the region's Hispanic population include many of the challenges facing other vulnerable populations including transportation, cost, and lack of awareness of services. Hispanic residents face additional barriers including communication access barriers such as the lack of bi-lingual providers, interpreters, and translated materials, particularly for mental health, oral health, and specialty services. Suggestions to address these barriers and improve health outcomes among Hispanics in the community included increasing communication access, providing more culturally appropriate mental health services, efforts to enhance health literacy, and employment of community health workers.

The aging of the region's population was noted by many and concerns about seniors were prominent. The FCH region has a higher proportion of seniors than other communities and the states of New York and Connecticut. As baby boomers age, seniors are expected to comprise an ever increasing proportion of the population in the region. Concerns about seniors were prominent in focus groups and surveys. Challenges to seniors' health include health care costs, transportation challenges, social isolation, memory loss, and lack of awareness of services and/or reluctance to accept services. Insufficient follow-up care after a hospital stay was also a concern among seniors and providers who work with them. Suggestions to address the health needs of an aging population included enhanced home-based health and related services, programs to reduce social isolation, and more outreach to seniors about existing services.

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APPENDIX A: SURVEY INSTRUMENT

FOUNDATION for COMMUNITY HEALTH
Prevention, Access, Collaboration

FOUNDATION FOR COMMUNITY HEALTH
COMMUNITY NEEDS SURVEY

Thank you for completing this survey. Your feedback will help the Foundation for Community Health to identify the most important health needs in the region. Please answer the questions as thoroughly and honestly as you can—your responses are confidential.

1. Which of the following best describes your organization or affiliation? (choose one)
   - ☐ Health care provider
   - ☐ Public health organization
   - ☐ Mental/behavioral health organization
   - ☐ Non-profit social service organization
   - ☐ Faith-based organization
   - ☐ Cultural/civic organization
   - ☐ Education/youth services organization
   - ☐ Government
   - ☐ Business sector
   - ☐ Community member/resident
   - ☐ Other (specify): _____

2. Which of the following counties does your organization serve? (check all that apply)
   - ☐ Columbia County
   - ☐ Dutchess County
   - ☐ Litchfield County

The Foundation for Community Health serves the following 17 towns served by Sharon Hospital: Ancram, Copake, Amenia, Dover, Northeast, Pine Plains, Stanford, Washington, Canaan, Cornwall, Goshen, Kent, Norfolk, North Canaan, Salisbury, Sharon, and Warren. When answering the following questions, please consider ONLY those towns your organization serves that are included in this list.

Of the list below, what do you consider to be the **top three** health concerns for the residents of the town(s) you serve? (select three)

- ☐ Access to primary care services
- ☐ Access to specialty health care services
- ☐ Chronic disease (i.e., diabetes, heart disease, asthma, cancer)
- ☐ Obesity/overweight
- ☐ Dental/oral health
- ☐ HIV/Sexually transmitted diseases
- ☐ Lack of awareness of health and social services available in the community
- ☐ Lyme disease and other tick-borne illness
- ☐ Maternal/infant health
- ☐ Depression
- ☐ Other mental health/mental illness
- ☐ Alcohol abuse
- ☐ Tobacco use/smoking
- ☐ Other substance abuse
- ☐ Unintentional injuries (i.e., car crashes, falls)
- ☐ Other (specify): _____

3. Are there particular populations/groups in the town(s) you serve that you think are more affected by these health concerns than others?

☐ YES ☐ NO

If YES, which populations/groups you think are more affected by these health concerns than others? (select all that apply)

- ☐ Children/youth
- ☐ Low-income people
- ☐ Racial/ethnic/linguistic minorities
- ☐ People with disabilities
- ☐ Seniors
- ☐ Other (specify):_____

4. Are there barriers to accessing health care services in the town(s) you serve?

☐ YES ☐ NO ☐ DON'T KNOW

IF YES, what do you see as the **top three** barriers to accessing health care services in the town(s)? (select three)

- ☐ Lack of primary care providers
- ☐ Lack of specialists
- ☐ Lack of providers who accept Medicaid
- ☐ Inability to get an appointment
- ☐ Inconvenient office hours
- ☐ Inability to navigate health care system
- ☐ Cost of healthcare/inability to pay out-of-pocket expenses
- ☐ Lack of knowledge about available resources, including social services
- ☐ Lack of health insurance coverage
- ☐ Lack of transportation
- ☐ Language/cultural barriers
- ☐ Other (specify): _____

If you have any comments or wish to elaborate on your answers above, please do so here:

5. A composite analysis of recent community health needs assessments has identified mental health, substance use, access to health care, obesity and chronic disease, and tick-borne illness as key health concerns for the region. The following questions ask for your perceptions about the need for services to address these health concerns as well as several others. Please skip any questions you feel you are unable to answer.

Of the following **mental health services**, please identify the **three** you think are most needed at this time in the town(s) you serve: (choose only three)

- ☐ Screening services-children/youth
- ☐ Screening services-adult
- ☐ Screening services-seniors
- ☐ School-based counseling services
- ☐ Outpatient psychiatric services-children/youth
- ☐ Outpatient psychiatric services-adult
- ☐ In-patient psychiatric beds-children/youth

- ☐ In-patient psychiatric beds-adults
- ☐ Other: _____

If you have any comments or clarifications about your selections, please provide them here:

Of the following **substance use services**, please identify the **three** you think are most needed at this time in the town(s) you serve: (choose only three)

- ☐ Screening services—children/youth
- ☐ Screening services—adult
- ☐ Screening services—seniors
- ☐ School-based education/substance use prevention services
- ☐ Tobacco cessation programs
- ☐ Provider/first responder training programs
- ☐ Enhancement/enforcement of policies that prevent/discourage substance use
- ☐ Community education programs to prevent/discourage substance use
- ☐ Outpatient treatment programs—children/youth
- ☐ Outpatient treatment programs—adult
- ☐ Day treatment programs—children/youth
- ☐ Day treatment programs— adult
- ☐ Residential rehabilitation programs— children/youth
- ☐ Residential rehabilitation programs—adults
- ☐ Other: _____

If you have any comments or clarifications about your selections, please provide them here:

Of the following **health care services**, please identify the **three** you think are most needed at this time in the town(s) you serve: (choose only three)

- ☐ Primary care providers
- ☐ Specialty care providers
- ☐ Providers who accept Medicaid
- ☐ Bilingual health services
- ☐ Health insurance enrollment assistance
- ☐ Health screenings (mammogram, pap smear, prostate, etc.)
- ☐ Information about existing health services
- ☐ Health system navigation programs/health navigators
- ☐ Transportation to medical care
- ☐ Prescription drug assistance
- ☐ Resources to pay for health care
- ☐ Other: _____

If you have any comments or clarifications about your selections, please provide them here:

Of the following **obesity and chronic disease prevention services**, please identify the **three** you think are most needed at this time in the town(s) you serve: (choose only three)

- ☐ Chronic disease self-management programs
- ☐ Fitness/recreational programs— children/youth

- ☐ Fitness/recreational programs—adult
- ☐ Nutrition education programs
- ☐ School-based programs that promote physical activity
- ☐ School-based programs that promote healthy eating
- ☐ Programs to enhance access to healthy foods
- ☐ Breastfeeding programs
- ☐ Enhancement/enforcement of policies that encourage healthy behaviors
- ☐ Community education programs to encourage healthy behaviors
- ☐ Other: _____

If you have any comments or clarifications about your selections, please provide them here:

Of the following **other services**, please identify the **three** you think are most needed at this time in the town(s) you serve: (choose only three)

- ☐ Dental services— children/youth
- ☐ Dental services—adult
- ☐ Community education programs to prevent vector-borne illness
- ☐ Provider education programs to enhance diagnosis and care of patients with vector-borne illness
- ☐ End-of-life care/hospice services
- ☐ Geriatric care services
- ☐ Early childhood services such as family support and home visiting
- ☐ Sexually transmitted disease (STD) screening programs
- ☐ Women's health services
- ☐ Other: _____

If you have any comments or clarifications about your selections, please provide them here:

6. Are there other health or related services needed in the town(s) you serve that are not listed above?

7. If you have any suggestions about what else could be done or is needed to improve the health of residents in the town(s) you serve, please provide those here:

8. If you have any other comments or suggestions, please provide those here:

Thank you very much for responding to this survey.

APPENDIX B: FOCUS GROUP PROTOCOL

Please tell the group your first name and the town you live in.

1. We're going to talk specifically about the towns served by the Foundation for Community Health. These are: Ancram, Copake, Amenia, Dover, Northeast, Pine Plains, Stanford, Washington, Canaan, Cornwall, Goshen, Kent, Norfolk, North Canaan, Salisbury, Sharon, and Warren. I am wondering if you could share a few words about what living in this area is like.

2. So let's talk a bit about health. What would you say are the biggest health issues or concerns in your community? [PROBES: Mental Health/Substance Use; Chronic Disease; Access to Care; Transportation to Care; Cost of Healthcare; Lack of Awareness of Services; Dental Care; Obesity; Bilingual services]

3. Do you think these health concerns affect some groups of people more than others? If so, which groups of people?

4. Let's talk about a few of the issues you mentioned. [SELECT TOP HEALTH CONCERNS]

    a. What programs/services are you aware of in your community that currently focus on these health issues?

    b. What's missing? Are there programs or services that are not available that you think should be?

5. [If not brought up in earlier questions] Have you or anyone you know ever faced challenges in getting health care when you need it?

    a. If so, what kinds of challenges? [PROBES: Insurance coverage, copays, availability of providers, transportation, cost, language/ cultural barriers, accessibility, navigating the system, and awareness of services]

    b. What do you think can be done about these challenges?

6. Is there anything else that you would like to mention that we didn't discuss today?

APPENDIX C: COMMUNITY SURVEY RESULTS

TOP THREE HEALTH CONCERNS

Top Health Concerns by Towns[98]

	Overall	Columbia	Dutchess	Litchfield
Other mental health/mental illness	40.4%	39.0%	35.9%	44.7%
Access to primary care services	36.6%	54.2%	41.3%	38.6%
Chronic disease	35.0%	25.4%	34.8%	32.5%
Lack of awareness of health and social services available in the community	32.8%	27.1%	29.3%	33.3%
Other substance abuse	27.9%	20.3%	28.3%	24.6%
Access to specialty health care services	25.1%	28.8%	26.1%	25.4%
Obesity/overweight	18.6%	16.9%	17.4%	18.4%
Depression	18.6%	15.3%	19.6%	18.4%
Dental/oral health	15.3%	15.3%	20.7%	10.5%
Lyme disease and other tick-borne illness	12.0%	11.9%	14.1%	8.8%
Alcohol abuse	11.5%	8.5%	10.9%	13.2%
Maternal/infant health	4.4%	8.5%	6.5%	7.0%
Tobacco use/smoking	4.4%	5.1%	5.4%	3.5%
HIV/Sexually transmitted diseases	0.5%	0.0%	1.1%	0.9%
Unintentional injuries (i.e., car crashes, falls)	0.0%	0.0%	0.0%	0.0%

Top Health Concerns by Provider/Non-Provider[99]

	Overall	Health Provider	Non-Health Provider
Other mental health/mental illness	40.4%	46.9%	40.7%
Access to primary care services	36.6%	45.3%	35.2%
Chronic disease	35.0%	35.9%	37.0%
Lack of awareness of health and social services available in the community	32.8%	18.8%	44.4%
Other substance abuse	27.9%	28.1%	29.6%
Access to specialty health care services	25.1%	29.7%	25.0%
Depression	18.6%	26.6%	15.7%
Obesity/overweight	18.6%	15.6%	22.2%
Dental/oral health	15.3%	10.9%	19.4%
Lyme disease and other tick-borne illness	12.0%	6.3%	16.7%
Alcohol abuse	11.5%	10.9%	13.0%
Maternal/infant health	4.4%	9.4%	1.9%
Tobacco use/smoking	4.4%	6.3%	3.7%
HIV/Sexually transmitted diseases	0.5%	1.6%	0.0%
Unintentional injuries (i.e., car crashes, falls)	0.0%	0.0%	0.0%

[98] Response Rates: Overall=195; Columbia=59; Dutchess=92; Litchfield=114.
[99] Response Rates: Health Provider=64; Non-Health Provider=108. Health provider includes mental, oral, and long-term care providers.

BARRIERS TO ACCESSING HEALTHCARE

Barriers by Towns[100]

	Overall	Columbia	Dutchess	Litchfield
Lack of transportation	60.9%	47.8%	58.0%	55.7%
Cost of healthcare/inability to pay out-of-pocket expenses	53.4%	47.8%	50.7%	57.0%
Lack of knowledge about available resources, including social services	32.3%	28.3%	33.3%	30.4%
Lack of primary care providers	27.8%	32.6%	24.6%	31.6%
Lack of providers who accept Medicaid	26.3%	28.3%	27.5%	35.4%
Inability to navigate health care system	26.3%	21.7%	29.0%	19.0%
Lack of health insurance coverage	21.1%	28.3%	27.5%	22.8%
Language/cultural barriers	18.8%	15.2%	26.1%	10.1%
Lack of specialists	15.8%	17.4%	15.9%	20.3%
Inability to get an appointment	9.0%	4.3%	8.7%	7.6%
Inconvenient office hours	6.8%	6.5%	7.2%	5.1%

Barriers by Provider/Non-Provider[101]

	Overall	Health Provider	Non-Health Provider
Lack of transportation	60.9%	53.1%	72.4%
Cost of healthcare/inability to pay out-of-pocket expenses	53.4%	46.9%	63.2%
Lack of knowledge about available resources, including social services	32.3%	30.6%	36.8%
Lack of primary care providers	27.8%	34.7%	25.0%
Inability to navigate health care system	26.3%	30.6%	27.6%
Lack of providers who accept Medicaid	26.3%	44.9%	15.8%
Lack of health insurance coverage	21.1%	20.4%	23.7%
Language/cultural barriers	18.8%	12.2%	25.0%
Lack of specialists	15.8%	14.3%	19.7%
Inability to get an appointment	9.0%	12.2%	7.9%
Inconvenient office hours	6.8%	6.1%	7.9%

[100] Response Rates: Overall=133 73% responded "yes" to the question of whether there are barriers to accessing health care for residents of the region.; Columbia=46 79% responded "yes" to the question of whether there are barriers to accessing health care for residents of the region.; Dutchess=69 76% responded "yes" to the question of whether there are barriers to accessing health care for residents of the region; Litchfield=79 70% responded "yes" to the question of whether there are barriers to accessing health care for residents of the region.

[101] Response Rates: Health Provider=49 77% responded "yes" to the question of whether there are barriers to accessing health care for residents of the region; Non-Health Provider=76 71% responded "yes" to the question of whether there are barriers to accessing health care for residents of the region. Health provider includes mental, oral, and long-term care providers.

MENTAL HEALTH SERVICES NEEDED

Mental Health Services Needed by Town[102]

	Overall	Columbia	Dutchess	Litchfield
Outpatient psychiatric services-children/youth	55.8%	60.0%	56.0%	57.8%
Outpatient psychiatric services-adult	48.3%	50.9%	52.4%	51.4%
Screening services-children/youth	47.1%	38.2%	41.7%	45.9%
School-based counseling services	37.8%	40.0%	39.3%	35.8%
Screening services-adult	26.7%	25.5%	29.8%	26.6%
Screening services-seniors	23.3%	21.8%	22.6%	24.8%
In-patient psychiatric beds-children/youth	19.2%	16.4%	20.2%	17.4%
In-patient psychiatric beds-adults	15.1%	12.7%	19.0%	13.8%

Mental Health Services Needed by Provider/Non-Provider[103]

	Overall	Health Provider	Non-Health Provider
Outpatient psychiatric services-children/youth	55.8%	64.4%	55.9%
Outpatient psychiatric services-adult	48.3%	57.6%	47.1%
Screening services-children/youth	47.1%	42.4%	54.9%
School-based counseling services	37.8%	28.8%	47.1%
Screening services-adult	26.7%	28.8%	27.5%
Screening services-seniors	23.3%	18.6%	29.4%
In-patient psychiatric beds-children/youth	19.2%	28.8%	15.7%
In-patient psychiatric beds-adults	15.1%	10.2%	19.6%

[102] Response Rates: Overall=172; Columbia=55; Dutchess=84; Litchfield=109.

[103] Response Rates: Health Provider=59; Non-Health Provider=102. Health provider includes mental, oral, and long-term care providers.

SUBSTANCE USE SERVICES NEEDED

Substance Use Services Needed by Town[104]

	Overall	Columbia	Dutchess	Litchfield
School-based education/substance use prevention services	37.8%	26.8%	39.1%	33.9%
Outpatient treatment programs—children/youth	34.3%	33.9%	31.0%	38.5%
Outpatient treatment programs—adult	31.4%	26.8%	31.0%	35.8%
Screening services—children/youth	30.2%	33.9%	32.2%	26.6%
Community education programs to prevent/discourage substance use	30.2%	19.6%	24.1%	33.0%
Enhancement/enforcement of policies that prevent/discourage substance use	23.3%	26.8%	25.3%	22.9%
Screening services—adult	15.1%	19.6%	12.6%	14.7%
Day treatment programs—children/youth	15.1%	14.3%	17.2%	14.7%
Day treatment programs— adult	15.1%	19.6%	14.9%	16.5%
Residential rehabilitation programs—children/youth	15.1%	14.3%	14.9%	12.8%
Residential rehabilitation programs—adults	14.0%	8.9%	16.1%	13.8%
Provider/first responder training programs	11.0%	14.3%	10.3%	11.0%
Screening services—seniors	7.0%	10.7%	6.9%	7.3%
Tobacco cessation programs	7.0%	8.9%	9.2%	6.4%

Substance Use Services Needed by Provider/Non-Provider[105]

	Overall	Health Provider	Non-Health Provider
School-based education/substance use prevention services	37.8%	28.1%	48.5%
Outpatient treatment programs—children/youth	34.3%	45.6%	31.7%
Outpatient treatment programs—adult	31.4%	45.6%	26.7%
Community education programs to prevent/discourage substance use	30.2%	17.5%	41.6%
Screening services—children/youth	30.2%	29.8%	34.7%
Enhancement/enforcement of policies that prevent/discourage substance use	23.3%	22.8%	26.7%
Screening services—adult	15.1%	17.5%	15.8%
Day treatment programs—children/youth	15.1%	21.1%	13.9%
Day treatment programs— adult	15.1%	22.8%	12.9%
Residential rehabilitation programs—children/youth	15.1%	15.8%	16.8%
Residential rehabilitation programs—adults	14.0%	10.5%	16.8%
Provider/first responder training programs	11.0%	14.0%	10.9%
Screening services—seniors	7.0%	8.8%	6.9%
Tobacco cessation programs	7.0%	14.0%	4.0%

[104] Response Rates: Overall=172; Columbia=56; Dutchess=87; Litchfield=1094.

[105] Response Rates: Health Provider=56; Non-Health Provider=101. Health provider includes mental, oral, and long-term care providers.

HEALTH CARE SERVICES NEEDED

Health Care Services Needed by Town[106]

	Overall	Columbia	Dutchess	Litchfield
Primary care providers	33.3%	35.7%	33.0%	37.3%
Resources to pay for health care	32.2%	32.1%	34.1%	35.5%
Transportation to medical care	28.8%	30.4%	31.8%	23.6%
Specialty care providers	21.5%	21.4%	23.9%	21.8%
Information about existing health services	16.4%	30.4%	18.2%	16.4%
Health insurance enrollment assistance	15.8%	19.6%	17.0%	20.0%
Health system navigation programs/health navigators	15.8%	16.1%	17.0%	15.5%
Prescription drug assistance	15.8%	12.5%	14.8%	16.4%
Providers who accept Medicaid	13.6%	8.9%	9.1%	16.4%
Bilingual health services	11.9%	5.4%	13.6%	8.2%
Health screenings (mammogram, pap smear, prostate, etc.)	4.0%	3.6%	4.5%	2.7%

Health Care Services Needed by Provider/Non-Provider[107]

	Overall	Health Provider	Non-Health Provider
Primary care providers	33.3%	41.9%	31.4%
Resources to pay for health care	32.2%	21.0%	41.9%
Transportation to medical care	28.8%	6.5%	45.7%
Specialty care providers	21.5%	25.8%	21.9%
Information about existing health services	16.4%	8.1%	23.8%
Health insurance enrollment assistance	15.8%	17.7%	16.2%
Health system navigation programs/health navigators	15.8%	6.5%	21.9%
Prescription drug assistance	15.8%	8.1%	21.9%
Providers who accept Medicaid	13.6%	8.1%	17.1%
Bilingual health services	11.9%	1.6%	19.0%
Health screenings (mammogram, pap smear, prostate, etc.)	4.0%	0.0%	6.7%

[106] Response Rates: Overall=177; Columbia=56; Dutchess=88; Litchfield=110.

[107] Response Rates: Health Provider=62; Non-Health Provider=105. Health provider includes mental, oral, and long-term care providers.

CHRONIC DISEASE PREVENTION SERVICES NEEDED

Chronic Disease Prevention Services Needed by Town[108]

	Overall	Columbia	Dutchess	Litchfield
Chronic disease self-management programs	45.3%	43.4%	48.8%	44.9%
Community education programs to encourage healthy behaviors	38.8%	32.1%	35.7%	45.8%
Programs to enhance access to healthy foods	38.2%	37.7%	33.3%	40.2%
Nutrition education programs	32.9%	37.7%	39.3%	36.4%
Fitness/recreational programs— children/youth	31.8%	20.8%	29.8%	26.2%
Fitness/recreational programs—adult	31.8%	20.8%	31.0%	29.0%
School-based programs that promote healthy eating	29.4%	35.8%	28.6%	29.0%
School-based programs that promote physical activity	24.7%	32.1%	23.8%	24.3%
Enhancement/enforcement of policies that encourage healthy behaviors	12.9%	18.9%	15.5%	12.1%
Breastfeeding programs	4.1%	9.4%	6.0%	2.8%

Chronic Disease Prevention Services Needed by Provider/Non-Provider[109]

	Overall	Health Provider	Non-Health Provider
Chronic disease self-management programs	45.3%	55.9%	42.6%
Community education programs to encourage healthy behaviors	38.8%	42.4%	41.6%
Programs to enhance access to healthy foods	38.2%	35.6%	44.6%
Nutrition education programs	32.9%	37.3%	32.7%
Fitness/recreational programs— children/youth	31.8%	20.3%	40.6%
Fitness/recreational programs—adult	31.8%	25.4%	38.6%
School-based programs that promote healthy eating	29.4%	20.3%	37.6%
School-based programs that promote physical activity	24.7%	33.9%	21.8%
Enhancement/enforcement of policies that encourage healthy behaviors	12.9%	22.0%	8.9%
Breastfeeding programs	4.1%	8.5%	2.0%

[108] Response Rates: Overall=170; Columbia=53; Dutchess=84; Litchfield=107.

[109] Response Rates: Health Provider=59; Non-Health Provider=101. Health provider includes mental, oral, and long-term care providers.

OTHER HEALTH AND HEALTH-RELATED SERVICES NEEDED

Other Health and Health-Related Services Needed by Town[110]

	Overall	Columbia	Dutchess	Litchfield
Early childhood services such as family support and home visiting	47.6%	40.0%	44.8%	52.4%
Geriatric care services	42.4%	45.5%	37.9%	41.0%
Dental services—adult	42.4%	47.3%	42.5%	38.1%
Dental services— children/youth	41.2%	49.1%	48.3%	32.4%
Women's health services	22.9%	21.8%	25.3%	24.8%
Community education programs to prevent vector-borne illness	18.8%	20.0%	20.7%	21.0%
End-of-life care/hospice services	18.8%	20.0%	17.2%	23.8%
Provider education programs to enhance diagnosis and care of patients with vector-borne illness	18.2%	14.5%	19.5%	17.1%
Sexually transmitted disease (STD) screening programs	11.8%	12.7%	12.6%	12.4%

Other Health and Health-Related Services Needed by Provider/Non-Provider[111]

	Overall	Health Provider	Non-Health Provider
Early childhood services such as family support and home visiting	47.6%	53.3%	49.5%
Geriatric care services	42.4%	43.3%	46.5%
Dental services—adult	42.4%	38.3%	48.5%
Dental services— children/youth	41.2%	35.0%	48.5%
Women's health services	22.9%	20.0%	28.3%
Community education programs to prevent vector-borne illness	18.8%	26.7%	16.2%
Provider education programs to enhance diagnosis and care of patients with vector-borne illness	18.2%	23.3%	17.2%
End-of-life care/hospice services	18.8%	20.0%	21.2%
Sexually transmitted disease (STD) screening programs	11.8%	15.0%	11.1%

[110] Response Rates: Overall=170; Columbia=55; Dutchess=87; Litchfield=105.

[111] Response Rates: Health Provider=55; Non-Health Provider=99. Health provider includes mental, oral, and long-term care providers.

EXHIBIT I

Title:	Number/Type:
Financial Assistance Policy	I-0002
Owner: Gary Zmrhal Senior Vice President, Chief Financial Officer	**Effective Date**: *01.01.2016*
For use at: *HQ Medical Practice, HQ Urgent Care, HQ Home Care, Heart Center, Hudson Valley Newborn Physician Services, Ulster Radiation Oncology Center, Northern Dutchess Hospital, Putnam Hospital Center, Vassar Brothers Medical Center*	

POLICY/PURPOSE

Policy: It is the policy of Health Quest to provide the level of financial aid necessary to provide emergency, urgent, and medically necessary treatment to the greatest number of patients who reside in New York, as well as residents out of New York State, residing in the Health Quest's primary service area. A "medically necessary" treatment is a treatment that is a covered health service or a treatment that is mandatory to protect and enhance the health status of a patient, and could adversely affect the patient's condition if omitted, in accordance with accepted standards of medical practice. Services provided that are not medically necessary (e.g., cosmetic surgery, sleep study services) and/or discretionary charges, such as private rooms, private nursing are not covered by this policy. In addition The Thompson House is not covered by this policy.

Health Quest does not take into account race, gender, age, sexual orientation, religious affiliation, social or immigrant status when making an eligibility determination. Health Quest will provide, without discrimination, care for emergency conditions regardless of a patient's financial status, in accordance with EMTALA regulations.

Patients who are uninsured, underinsured, ineligible for government assistance programs, or unable to pay based on their individual financial situation are eligible for financial assistance. Determinations for eligibility are made upon review of the financial application and may require appointments or discussion with hospital's Customer Service Dept. Financial assistance is provided only after all third party payment possibilities available to the patient have been exhausted or denied.

Uninsured Patients. For uninsured self-pay patients or patients who have exhausted their healthcare benefits, Health Quest will limit the patient payment to the amount generally billed or allowed under the Prospective Medicare Payment System (PPS). This discounted amount is considered "Tier 1" of our Financial Assistance Policy. Balances may be eligible for further discounts pursuant to this policy. The Prospective Medicare reimbursement rate is based on the Medicare fee schedule, APC or DRG calculations. If in the event there is not a Medicare service/fee, the Medicaid fee schedule will be used to determine the uninsured self-pay rate.

Insured Patients. For patients with insurance, financial assistance is not provided for co–payments, or for amounts that are due after insurance if the patient fails to get the necessary referrals or approvals as required by the insurer. Financial assistance will be provided to insured patients only if allowed under the patient's insurance carrier's contract with Health Quest. Patients with tax-advantaged, personal health accounts such as a Health Savings Account, a

Health Reimbursement Arrangement or a Flexible Spending Account, will be expected to use the account funds prior to being granted financial assistance.

Services provided in qualifying Health Quest sites but delivered by healthcare providers not employed by Health Quest may not be covered under this policy (see Appendix I for a list of providers not covered under this policy).

Health Quest will make reasonable efforts to explain the benefits of Medicaid and other available public and private coverage programs to patients and to assist patients to apply for such benefits. Patients identified as potentially eligible will be expected to apply for such programs. Patients choosing not to cooperate in applying for programs may be denied financial assistance. If a patient is applying for Medicaid, he/she may also apply for financial assistance. The application will be placed on hold until the Medicaid process is completed.

Patients are requested, but not required, to complete a financial assistance application. However, in order to qualify for financial assistance, patients must comply with Health Quest's requests to verify income, family size and residency status. Financial assistance is granted only when patients are found to have met all financial criteria based on the disclosure of proper information and documentation. The financial assistance application can be found on the Health Quest website.

There may be circumstances under which a patient's qualification for financial assistance is established without completing the formal assistance application, in which case Health Quest may utilize other sources of information which will enable Health Quest to make an informed determination of financial need.

Health Quest shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy. The following guideline applies: Patients may be expected to contribute payment for care based on their individual financial situation (Example: New York State Medicaid spend down requirements).

Procedure:

No patient is to be screened for financial assistance or payment information prior to receiving medical treatment in emergency situations. Collection actions that discourage people from seeking emergency medical care, such as demanding upfront payments or permitting debt collection activities that interfere with the provision of emergency medical care, are prohibited under the Health Quest policy.

Patients will be informed of the financial assistance policy and the application process. Applications for financial assistance may be submitted up to 240 days after the date of the first post-discharge statement. Patients have a responsibility to cooperate by providing information on family size, residency status and documentation of income as required under this policy.

No patient accounts may be forwarded to collection while an application for financial assistance is pending.

Health Quest shall issue either an approval or denial within thirty (30) days after receiving all information necessary to make a determination. If a patient application is missing documentation, the patient will be notified of the information needed to complete the application and will have thirty (30) days to supply Health Quest with the missing documentation.

Any patient who provides all requested information and is denied under this policy shall be entitled to appeal such decision in writing to the System Business Office at Health Quest, 1351 Route 55, Suite 104, LaGrangeville, New York 12540. The denial letter shall include information concerning the appeal process available to the patient. The denial letter will include the phone number to the Dept. of Health. Every appeal will be assigned to the Customer Service Supervisor for re-consideration. A written determination of an appeal will be sent to the patient within thirty (30) days of receipt of the patient's written request for appeal.

Health Quest financial assistance policy information will be available in English, Spanish and other languages to the extent they are the primary language spoken by at least 1,000 residents within the Health Quest service area or 5% of the residents in the Health Quest service area (whichever is less).

A patient that has been denied financial assistance may resubmit an application if there has been a change of income or financial circumstances. No payments made up to the time of resubmitting an application will be refunded if eligibility is granted based on a re-determination due to such a change.

Application Documentation:
When applying for Financial Assistance, a patient must cooperate with Health Quest to explore available third party coverage. A patient must complete the Health Quest Financial Assistance application and provide the following documents:

Proof of Identify (supply at least ONE from the list below for each person listed on the application)

- Passport
- Permanent Resident Alien Card (Green Card)
- Birth Certificate for all members in the family including children under 21 years old
- Employment Authorization Card
- Driver License
- Photo ID for Spouse / Common-Law Partners

Proof of Address/Residency-Home Address (bring at least TWO from list below

- Utility bills
- Cell phone bills
- Cable television bill
- Rent receipt, copy of lease, or mortgage papers

- Letter from person you reside with or letter from landlord (must be notarized)

Proof of Income (bring at least ONE from the list below)

- Last four weekly pay stubs or two biweekly pay stubs
- Letter from employer **on company letterhead** , letter should be signed by employee's Manager and include the employee's gross income
    - If no letterhead, bring a **notarized** letter from the employer
- Award letter from Social Security Administration / Pension /Annuities
- Last unemployment benefit check
- Letter of support
    - If a patient is being wholly supported by someone else, bring a **notarized letter** from that person which states that they are supporting the patient in the absence of income
- If unemployed, explanation of support required
    - Please clarify in a letter how the patient is being supported (i.e. bank savings, etc.)
- Income from rental of property, room, etc.
- Provide documentation of child support income
- V.A. Benefits or Worker's Compensation Income

Other

- Proof of school attendance

No patient will be denied assistance based on failure to provide information or documentation not described in this Policy or on the application. The financial assistance applications and required documentation are to be submitted to the following office: Health Quest, System Business Office, 1351 Route 55, Suite 104, LaGrangeville, New York 12540.

Level of Financial Assistance Based on Financial Resources:

Uninsured self-pay patients, or patients who have exhausted their healthcare benefits and provide documentation that their family income is at or below 200% of the federal poverty line are eligible for a 100% discount on any patient balance.

Uninsured self-pay patients, or patients who have exhausted their healthcare benefits and provide documentation demonstrating that their family income is between 201% and 300% of the federal poverty line are eligible for a 50% discount on any patient balance.

Uninsured self-pay patients with family income exceeding the 300% of the federal poverty line may still be eligible for discounts if the medical bills prove to be a hardship on the family. Health Quest will review these cases on an individual basis, taking into account extenuating circumstances.

Insured patients who provide documentation that their family income is at or below 150% of the federal poverty line are eligible for a 100% discount on eligible balances.

Insured patients with family income exceeding the 150% of the federal poverty line may still be eligible for discounts if the medical bills prove to be a hardship on the family. Health Quest will review these cases on an individual basis, taking into account extenuating circumstances.

Health Quest will limit the amounts charged to all patients eligible for assistance under this policy who receive emergency or medically necessary care. Please see Appendix II

Qualification Period: If a patient is determined eligible, financial assistance will be granted for a period of six months. Financial assistance will apply to all charges incurred in the specific visit patient is applying for if within the 240 days of the first statement.

Payments made by a patient on approved accounts will be refunded if the payment made for the patient portion is in excess of the amount owed, based on the financial assistance received (50% or 100%), unless this payment amount was less than $5.00. Should Health Quest grant financial assistance on accounts older than 240 days, any payments made on those accounts up to the date that assistance has been granted will not qualify for refund(s). This is consistent with the Health Quest Self Pay Credit Balance policy.

During the 240 day application period Health Quest will engage in collection actions against the individual. However, Health Quest will still accept and process a Financial Assistance Application if one is submitted. (See Billing, Collection and Litigation Policy for details. A copy of this policy may be obtained by contacting Health Quest Customer Service Department, Customer Service Director at 845-475-9983 and/or Supervisor at 845-475-9956 or Health Quest, System Business Office, Attn: Customer Service Supervisor, 1351 Route 55, Suite 104, LaGrangeville, New York 12540).

Receipt of a complete Financial Assistance Application will suspend collection activity, pending determination of eligibility.

Presumptive Eligibility: Health Quest realizes that certain patients may be non-responsive to the financial assistance application process. Under these circumstances other sources of information may be used to make an individual assessment of financial need. This information will allow for an informed decision on the financial need of these non- responsive patients utilizing the best estimates available in the absence of information provided directly by the patient.

A presumptive eligibility process will be used by Vassar Brothers Medical Center, Northern Dutchess Hospital and Putnam Hospital Center for uninsured patients only, for any balances greater than $100.00. Prior to classifying a debt as bad debt, Health Quest will utilize healthcare industry-recognized software programs that incorporate public record data to calculate a socio-economic and financial capacity score that includes estimates for income, assets and liquidity and will assess a patient's eligibility for financial aid based on the same standards and historical approvals for Health Quest financial assistance under the traditional application process. The data returned from this electronic eligibility review will constitute adequate documentation of financial need under this policy.

When electronic enrollment is used as the basis for presumptive eligibility, a 100% discount will be granted for eligible services for the specific account in the file. If a patient does not qualify under the electronic enrollment process, the patient may apply for assistance by submitting an application through the standard financial assistance application process.

Patient accounts granted presumptive eligibility will be classified as financial assistance. They will not be sent to collection, will not be subject to further collection actions, will not be sent a written notification of their electronic eligibility qualification, and will not be included in the hospital's bad debt expense.

Limitation on Charges for Patients Eligible for Financial Assistance: Health Quest has elected to use the Prospective Medicare Payment System (PPS) to determine the discount applied to accounts for patient's eligible for financial assistance. Health Quest will determine the amount generally billed for any emergency or other medically necessary care provided to an eligible patient by using the billing and coding process used if the patient were a Medicare fee-for-service beneficiary and discounting the bill to the amount billed for the care equal to the total amount Medicare would allow for the care. The amount expected to be paid for eligible services by patients eligible for assistance under this policy will not exceed the amount that would be reimbursed by Medicare and the amount the beneficiary would be personally responsible for paying in the form of co-payments, co-insurance, and deductibles.

Patients determined eligible for financial assistance will not be expected to pay gross charges for eligible services while covered under financial assistance policy. Questions concerning amount generally billed should be directed to Health Quest Customer Service Department at 845-475-9940.

Collection Practices for Financial Assistance Patients:
Internal and external collection policies and procedures will take into account the extent to which a patient is qualified for financial assistance or discounts. In addition, patients who qualify for partial discounts are required to make a good faith effort to honor payment agreements with Health Quest, including payment plans and discounted hospital bills. Health Quest is committed to working with patients to resolve their accounts, and at its discretion, may provide extended payment plans to eligible patients.

Payment Plans: If a patient, after receiving a 50% Financial Assistance adjustment, requires a payment plan, monthly installments can be made interest free, and installments are capped at 10% of a patient's gross income (Payment Plan Policy). A patient's or guarantor's failure to comply with a payment plan agreement will result in referral to bad debt collection.

For more information on Health Quest bad debt collection practices, please refer to the Credit and Collections Policies.

Payment Criteria

Account Balance	Maximum Payment Term
$1.00 - $100.00	Payment in Full
$101.00 - $500.00	6 months
$501.00 - $1,999	12 months
$2,000 - $10,000	24 months
> $10,000	60 months

If a patient cannot commit to the above guidelines, but responds with a reasonable offer (1-3 months past normal guidelines) a payment option can be approved. If the account has already been referred to the collection agency, the account will be reviewed with the collection agency for a payment plan.

Communication of Patient Financial Assistance Program:
Health Quest communicates the availability and terms of its financial assistance program to all patients, through means which include, but are not limited to:

- Posted signs within waiting rooms, registration desks, emergency departments and financial services departments.
- Notifications on patient bills or statements with a direct link to the Financial Assistance Application (healthquest.org/financialassistance).
- Brochures given to patients by hospital team members or with other paperwork.
- Reference within Health Quest patient handbook.
- Designated staff knowledgeable on the financial assistance policy to answer patient questions or who may refer patients to the program.
- Requests can be made by patient, their family members, friend or associate, but will be subject to applicable privacy laws.
- Patients concerned about their ability to pay for services or would like to know more about financial assistance should be directed to the System Business Office at 845-475-9940.

REFERENCES/SOURCES
1. New York Public Health Law §2807-k(9-a)("Hospital Financial Assistance Law")
2. Internal Revenue Code §501(r)

ATTACHMENTS
Appendix I (listing of the providers non-participating with HQ Financial Asst. Policy)
Appendix II (Gross Income Criteria and Schedule)

POLICY HISTORY:
Supersedes: Hospital Financial Assistance Policy
Original implementation date: *10.04.2012*
Date Reviewed: 03.4.2014
Date Revised: 1.1.2015

APPROVAL:_____ _____
Gary Zmrhal, Senior Vice President, Chief Financial Officer Date:

EXHIBIT J

Health Quest Systems, Inc. and Subsidiaries

Consolidated Financial Statements and Consolidating Information
December 31, 2015 and 2014

Health Quest Systems, Inc. and Subsidiaries
Index
December 31, 2015 and 2014

Independent Auditor's Report

To the Board of Trustees of
Health Quest Systems, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Health Quest Systems, Inc. and Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Health Quest Systems, Inc. and Subsidiaries at December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position and results of operations of the individual companies.

PricewaterhouseCoopers LLP

New York, New York
April 29, 2016

Health Quest Systems, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2015 and 2014

(in thousands)

	2015	2014
Assets		
Current assets		
Cash and cash equivalents	$ 109,359	$ 75,458
Restricted cash	722	708
Investments	198,240	200,560
Assets whose use is limited, required for current liabilities		
Externally restricted	2,013	2,014
Patient accounts receivable, less allowance for uncollectible accounts of $27,272 and $30,951 in 2015 and 2014, respectively	92,048	85,004
Supplies and prepaid expenses	27,057	25,524
Other current assets	7,540	10,018
Amounts due from third-party payors	8,664	9,749
Total current assets	445,643	409,035
Assets whose use is limited, net of current portion		
Externally restricted	21,595	54,756
Investments held by captive	28,076	28,059
Long-term investments	8,853	9,032
Property, plant and equipment, net	412,080	362,182
Goodwill	30,747	5,264
Other assets	38,691	44,057
Total assets	$ 985,685	$ 912,385
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt	$ 17,648	$ 13,669
Accounts payable and accrued expenses	116,298	103,080
Amounts due to third-party payors	7,673	5,899
Captive insurance loss reserve payable	8,147	7,626
Total current liabilities	149,766	130,274
Long-term debt, net of current portion	192,581	188,166
Post-retirement benefit obligations	75,521	75,124
Amounts due to third-party payors and other liabilities	118,782	111,913
Total liabilities	536,650	505,477
Net assets		
Unrestricted	419,234	379,374
Temporarily restricted	24,417	22,145
Permanently restricted	5,384	5,389
Total net assets	449,035	406,908
Total liabilities and net assets	$ 985,685	$ 912,385

The accompanying notes are an integral part of these consolidated financial statements.

Health Quest Systems, Inc. and Subsidiaries
Consolidated Statements of Operations
Years Ended December 31, 2015 and 2014

(in thousands)

	2015	2014
Operating revenue		
Net patient service revenue	$ 868,893	$ 793,489
Provision for bad debts	(25,591)	(30,352)
Net patient service revenue less provision for bad debts	843,302	763,137
Other revenue	27,493	33,500
Net assets released from restrictions used for operations	54	83
Total operating revenue	870,849	796,720
Operating expenses		
Salaries and fees	395,322	362,348
Employee benefits	112,560	107,814
Supplies	131,573	119,389
Other expenses	136,650	133,962
Interest	9,391	8,460
Depreciation and amortization	47,934	46,161
Total operating expenses	833,430	778,134
Operating income	37,419	18,586
Investment (loss) income	(4,900)	12,061
(Gain) loss on sale of property plant and equipment	252	(22)
Excess of revenue over expenses	32,771	30,625
Pension related changes other than net periodic pension costs	4,271	(28,016)
Grant revenue for capital expenditures	203	197
Net assets released from restrictions for capital expenditures	2,615	2,254
Increase in unrestricted net assets	$ 39,860	$ 5,060

The accompanying notes are an integral part of these consolidated financial statements.

Health Quest Systems, Inc. and Subsidiaries
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2015 and 2014

(in thousands)

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total Net Assets
December 31, 2013	$ 374,314	$ 20,220	$ 5,391	$ 399,925
Change in net assets				
Excess of revenue over expenses	30,625	-	-	30,625
Pension related changes other than net periodic pension costs	(28,016)	-	-	(28,016)
Contributions		4,262	(2)	4,260
Grant revenue for capital expenditures	197	-	-	197
Net assets released from restrictions used for operations and capital expenditures	2,254	(2,337)	-	(83)
Total change in net assets	5,060	1,925	(2)	6,983
December 31, 2014	379,374	22,145	5,389	406,908
Change in net assets				
Excess of revenue over expenses	32,771	-	-	32,771
Pension related changes other than net periodic pension costs	4,271	-	-	4,271
Contributions	-	4,941	(5)	4,936
Grant revenue for capital expenditures	203	-	-	203
Net assets released from restrictions used for operations and capital expenditures	2,615	(2,669)	-	(54)
Total change in net assets	39,860	2,272	(5)	42,127
December 31, 2015	$ 419,234	$ 24,417	$ 5,384	$ 449,035

The accompanying notes are an integral part of these consolidated financial statements.

Health Quest Systems, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2015 and 2014

(in thousands)

	2015	2014
Cash flows from operating activities		
Change in net assets	$ 42,127	$ 6,983
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	47,934	46,161
Provision for bad debts	25,591	30,352
Loss on extinguishment of debt	-	-
Restricted contributions for capital	(2,615)	(2,254)
Pension related changes other than net periodic pension costs	(4,271)	28,016
Change in realized and unrealized (gain) / loss on investments	9,820	(4,228)
Changes in operating assets and liabilities		
Patient accounts receivable	(32,635)	(35,441)
Supplies and prepaid expenses	(1,533)	(2,287)
Other current assets	2,514	(5,198)
Other assets	4,965	3,158
Accounts payable and accrued expenses	11,233	9,532
Amounts due to third-party payors and other liabilities	2,219	722
Post-retirement benefit obligations	4,668	755
Insurance loss reserve payable	521	3,749
Net cash provided by operating activities	110,538	80,020
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(83,502)	(49,569)
Cash paid for radiology acquisition	(6,500)	-
Purchases of investments and assets whose use is limited	(49,778)	(133,975)
Sales of investments and assets whose use is limited	75,602	85,227
Net cash used in investing activities	(64,178)	(98,317)
Cash flows from financing activities		
Proceeds from the issuance of long term debt	-	54,615
Payments for bond issuance costs	-	(629)
Repayments of long-term debt	(15,074)	(25,035)
Restricted contributions for capital	2,615	2,254
Net cash (used in) provided by financing activities	(12,459)	31,205
Net increase in cash and cash equivalents	33,901	12,908
Cash and cash equivalents		
Beginning of year	75,458	62,550
End of year	$ 109,359	$ 75,458
Supplemental information and noncash transactions		
Cash paid for interest, net of amounts capitalized	$ 7,815	$ 8,077
Capital lease obligations incurred	-	237
Note payable for radiology acquisition	23,468	-
Increase in asset retirement obligation	7,509	-

The accompanying notes are an integral part of these consolidated financial statements.

(in thousands)

1. Organization

Health Quest Systems, Inc. (the "Company" or "Health Quest") is a not-for-profit corporation that is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

A summary of subsidiaries, in which the Company is the sole member, is as follows:

Vassar Brothers Medical Center ("VBMC") is a not-for-profit corporation exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. VBMC provides general acute care with a full range of inpatient and outpatient services for residents of the Mid-Hudson Valley. Included within VBMC is One Columbia Street, LLC, a limited liability company, which provides real estate oversight management and holds title to certain real estate interests and Healthserve, LLC, a limited liability for-profit company providing limited technology services to non-affiliated healthcare organizations.

The Foundation for Vassar Brothers Medical Center (the "Foundation for VBMC") is a not-for-profit corporation exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation for VBMC's principal activity is the solicitation, receipt, holding, investment and administration of contributions on behalf of VBMC and other Section 501(c)(3) entities affiliated with VBMC.

Putnam Hospital Center ("PHC") is a not-for-profit corporation exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. PHC provides general acute care with a full range of inpatient and outpatient services for residents of the Mid-Hudson Valley.

Putnam Hospital Center Foundation, Inc. ("PHC Foundation"), is a not-for-profit corporation exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation's principal activity is the solicitation, receipt, holding, investment, and administration of contributions on behalf of PHC. The Foundation actively solicits contributions from the public through direct mailings, fund-raising programs and other activities.

Northern Dutchess Hospital ("NDH") is a not-for-profit corporation exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. NDH provides general acute care with a full range of inpatient and outpatient services for residents of the Mid-Hudson Valley.

Northern Dutchess Hospital Foundation ("NDH Foundation") is a not-for-profit corporation exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. NDH Foundation's principal activity is the solicitation, receipt, holding, investment and administration of contributions on behalf of NDH, Northern Dutchess Residential Health Care Facility, Inc. and other community organizations. NDH Foundation actively solicits contributions from the public through direct mailings, fund-raising programs and other activities.

VBH Insurance Co. Ltd. (the "VBH Insurance"), is a captive insurer incorporated under the laws of Barbados. The captive insurer, licensed under the Exempt Insurance Act, Cap. 308A of the laws of Barbados, provides various levels of medical malpractice insurance for VBMC, PHC, NDH, Health Quest Medical Practice and Health Quest Urgent Care Practice.

(in thousands)

Northern Dutchess Residential Health Care Facility, Inc. (the "Nursing Home") is a not-for-profit corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Nursing Home operates and maintains a residential healthcare facility for the care and treatment of persons who require medical care and related services.

Riverside Diversified Services, Inc. ("RDSI") is a not-for-profit corporation exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. RDSI is the beneficial owner of various physician practices that provide emergency and neonatal services for residents of the Mid-Hudson Valley.

Health Quest Medical Practice, PC ("HQMP") is a not-for-profit corporation, exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. HQMP is the beneficial owner of various physician practices that provide a full range of hospital and outpatient services for residents of the Mid-Hudson Valley.

Health Quest Urgent Medical Care Practice, PC ("HQUMCP") is a not-for-profit corporation, exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. HQUMCP is the beneficial owner of two urgent care centers that provide walk-in urgent care services for the residents of the Mid-Hudson Valley.

Hudson Valley Cardiovascular Practice, PC ("HVCP") is a not-for-profit corporation, exempt from Federal income taxes under Section 501©(3) of the Internal Revenue Code. HVCP provides invasive and noninvasive cardiovascular, diagnostic and therapeutic services and is located throughout Dutchess and Orange counties.

Health Quest Home Care, Inc. (Licensed) and Health Quest Home Care, Inc. (Certified) ("HQHC") are not-for-profit corporations exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. HQHC was formed to operate a home health care services business, serving residents of the Mid-Hudson Valley.

Wells Manor Housing Development Fund Corporation ("Wells Manor") is a private foundation incorporated as a 501(c)(3) organization and is exempt from Federal income tax under Section 509(a) of the Internal Revenue Code. Wells Manor operates an apartment complex of 75 units under Section 202 of the National Housing Act of 1959 and Section 8 of the National Housing Act of 1937, regulated by the U.S. Department of Housing and Urban Development.

Alamo Ambulance Service, Inc. ("Alamo") is a not-for-profit corporation exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Alamo's assets were sold in September 2009, however, it has maintained its license to provide transport and emergency medical services to sick, disabled, or injured persons, generally within Dutchess, Orange, Ulster and Putnam Counties, New York.

HQ Lab Support Services, LLC. is a limited liability company which provides diagnostic laboratory services to the Health Quest affiliated organizations.

(in thousands)

Riverside Management Services, Inc. ("RMSI") was incorporated under Section 402 of the Business Corporation Law of the State of New York and manages Hillside Renovations, Inc., a renovation and construction company and Riverside Ambulance, which was created in 1992 to maintain a note receivable and payable related to the purchase of Alamo. This corporation is currently dormant.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation. The consolidation of the for-profit entities and not-for-profit entities is not necessarily indicative of the legal extent of assets available to settle the liabilities of the individual entities.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of patient revenues and expenses during the reported period. The most significant estimates relate to patient accounts receivable allowances, amounts due from or due to third party payors, self-insurance reserves and assumptions related to post-retirement benefit obligations. Actual results may differ from those estimates. The consolidated statements of operations for the years ended December 31, 2015 and 2014 reflect estimated changes of approximately a decrease of $3,671 and an increase of $400, respectively.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid financial instruments with original maturities of three months or less from date of acquisition, excluding amounts whose use is limited and those amounts in investments held for reinvestment.

Restricted Cash

In October 2005, PHC terminated its agreement with DaVita, Inc. for renal dialysis services. As part of the termination agreement, PHC agreed to set aside all cash received for renal dialysis services provided prior to the termination of the agreement into a separate cash account. The funds are to be used to pay any costs associated with the program, including Medicare cost report settlements.

Inventories

The Company values its inventories, included in supplies and prepaid expenses, at current cost.

(in thousands)

Investments
The Company has determined that all investments reported in the consolidated balance sheets are considered trading securities. Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value in the consolidated balance sheets. Fair value is determined based on closing price on primary market or quotes of similar securities. Investments in equity and bond funds are measured at fair value based on the net asset value per share at year end. Investment income (including realized and unrealized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Investments not traded on national exchanges are measured at net asset value, as provided by investment managers.

Long-Term Investments
Long-term investments include donor-restricted endowment gifts, other restricted funds and accumulated investment income on those funds.

Assets Whose Use is Limited
Assets whose use is limited includes externally controlled funds under bond indenture agreements and investments held by the Company's insurance captive. Amounts required to meet current liabilities of the Company have been classified as current assets in the consolidated balance sheets at December 31, 2015 and 2014.

Property, Plant and Equipment
Property, plant and equipment, including certain revenue producing equipment purchases, are carried at cost and those acquired by gifts and bequests are carried at appraised or fair market value established at date of contribution. Depreciation is provided on the straight-line method over the estimated useful lives of the assets:

Land improvement	20 years
Building and building improvement	40 years
Major moveable and equipment	3 – 15 years

Equipment under capital leases is recorded at present value at the inception of the leases and is amortized on the straight-line method over the shorter of the lease term or the estimated useful life of the equipment. The amortization of assets recorded under capital leases is included in depreciation and amortization expense in the accompanying consolidated statements of operations. When assets are retired or otherwise disposed of, the cost and the related depreciation are reversed from the accounts, and any gain or loss is reflected in current operations. Repairs and maintenance expenditures are expensed as incurred.

Asset Retirement Obligations
The Company accounts for asset retirement obligations, including asbestos related removal costs, in accordance with authoritative guidance. The Company accrues for asset retirement obligations in the period in which they are incurred if sufficient information is available to reasonably estimate the fair value of the obligation. In 2015, management updated its asset retirement obligation estimates based on new information. Over time, the liability is accreted to its settlement value. Upon settlement of the liability, the Company will recognize a gain or loss for any difference between the settlement amount and liability recorded. As of December 31, 2015 and 2014, $9,444 and $2,005, respectively, of conditional asset retirement obligations are included within amounts due to third-party payors and other liabilities in the consolidated balance sheets.

(in thousands)

Capitalized Interest
Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. These costs are amortized over the life of the related capital assets constructed.

Deferred Financing Costs
Deferred financing costs (approximately $3,685 and $4,153 at December 31, 2015 and 2014, respectively, included in other assets in the consolidated balance sheets) represent costs incurred to obtain financing for construction and renovation projects at VBMC, PHC and NDH. These costs are amortized over the life of the related debt. Amortization expense was approximately $468 and $442 for the years ended December 31, 2015 and 2014, respectively.

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by the Company has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Company in perpetuity.

Donor-Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 reported in the consolidated statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Charity Care
Effective January 1, 2007, the New York State Public Health Law required all hospitals to implement financial aid policies and procedures. The law also requires hospitals to develop a summary of its financial aid policies and procedures that must be made publicly available. All standards set forth in the law are minimum standards.

The Company provides a significant amount of partially or totally uncompensated patient care to patients who are unable to compensate the Company for their treatment either through third-party coverage or their own resources. Patients who meet certain criteria under the Company's charity care policy are provided care without charge or at amounts less than established rates. Because charity care amounts are not expected to be paid, they are not reported as revenue.

Performance Indicator
The consolidated statements of operations include excess of revenue over expenses, which is the performance indicator. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include pension related changes other than net periodic pension costs, net assets released from restriction for capital expenditures and contributions of long-lived assets.

(in thousands)

The Company differentiates its operating activities through the use of operating income as an intermediate measure of operations. For the purposes of display, investment income and other transactions, which management does not consider to be components of the Company's operating activities, are excluded from operating income and reported as non-operating revenues in the consolidated statements of operations.

Acquisition
On October 16, 2015, VBMC entered into an asset purchase agreement with DRA Imaging, P.C., to purchase the technical side of their business, in order to enhance the Radiology Department within VBMC. The total purchase price for the acquisition was $31,000 payable to DRA Imaging, P.C. over five years. The first installment of $6,500 was paid at the closing date of the transaction.

The fair value of the assets acquired was Property, Plant, and Equipment for $4,000 and Inventory for $50. The remainder of the consideration paid was allocated to Goodwill as there were no other intangible assets identified. The goodwill arising from the acquisition consists largely of the synergies from including the technical side of radiology within VBMC.

Goodwill
Intangible assets with indefinite useful lives, including goodwill, are not amortized, but are tested for impairment at least annually and more frequently if events or changes in circumstances indicate that an asset may be impaired. If fair value is less than carrying value, an impairment loss is recorded in the consolidated statements of operations. Management tested goodwill for impairment and concluded that no impairment existed as of December 31, 2015. In 2015, VBMC purchased the assets of a radiology practice, of which $25,916 was recorded as goodwill.

New Accounting Pronouncements
In February 2016, the Financial Accounting Standards Board ("FASB") issued the new standard, *Leases* (ASC 842). Under this guidance, lessees will need to recognize virtually all of their leases on the balance sheet, by recording a right-of-use asset and lease liability. This new standard is effective for fiscal years beginning after December 15, 2019, with early application permitted. The Company is evaluating the impact that this will have on the consolidated financial statements.

In January 2016, the FASB issued ASU 2016-1, Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. This guidance supersedes the guidance to classify equity securities with readily determinable fair values into different categories, and requires equity securities to be measured at fair value with changes in the fair value recognized through net income. This guidance, among other things, removes the requirement to disclose the methods used to calculate the fair value of debt and allows equity investments without readily determinable fair values to be remeasured at fair value either upon the occurrence of an observable price change or upon identification of an impairment and requires additional disclosures regarding these investments. This guidance is effective for fiscal years beginning on January 1, 2019, with early adoption permitted. The Company is evaluating the impact of adopting this guidance on the consolidated financial statements.

In May 2015, the FASB issued ASU No. 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent) which amends disclosure requirements of Accounting Standards Codification Topic 820, Fair Value Measurement, for reporting entities that measure the fair value of an investment using the net asset value per share (or its equivalent) as a practical expedient. The amendments remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The ASU is effective for fiscal years beginning after December 15, 2016, with

(in thousands)

early application permitted. The Company is evaluating the impact that this will have on the consolidated financial statements.

In May 2014, the FASB issued a standard on Revenue from Contracts with Customers. This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for fiscal years beginning after December 15, 2018. The Company is evaluating the impact that this will have on the consolidated financial statements.

In April 2015, the FASB issued a standard on Simplifying the Presentation of Debt Issuance Costs. This standard requires all costs incurred to issue debt to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability. The standard is effective for fiscal years beginning after December 15, 2015. The Company is evaluating the impact this will have on the consolidated financial statements beginning in fiscal year 2016.

3. Net Patient Service Revenue, Accounts Receivable and Allowance for Uncollectible Accounts

The Company has agreements with third-party payors that provide for payments to the Company at amounts different from its established rates (i.e., gross charges). Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments.

Billings relating to services rendered are recorded as net patient service revenue in the period in which the service is performed, net of contractual and other allowances that represent differences between gross charges and the estimated receipts under such programs. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Patient accounts receivable are also reduced for allowances for uncollectible accounts.

The process for estimating the ultimate collection of receivables involves significant assumptions and judgments. The Company has implemented a monthly standardized approach to estimate and review the collectability of receivables based on the payor classification and the period from which the receivables have been outstanding. Past due balances over 90 days from the date of billing and over a specified amount are considered delinquent and are reviewed for collectability. Account balances are written off against the allowance when management feels it is probable the receivable will not be recovered. Historical collection and payor reimbursement experience is an integral part of the estimation process related to reserves for doubtful accounts. In addition, the Company assesses the current state of its billing functions in order to identify any known collection or reimbursement issues and assess the impact, if any, on reserve estimates. The Company believes that the collectability of its receivables is directly linked to the quality of its billing processes, most

(in thousands)

notably those related to obtaining the correct information in order to bill effectively for the services it provides.

A summary of the payment arrangements with major third-party payors follows:

- *Medicare:* Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.
- *Non-Medicare Payments*: The New York Health Care Reform Act of 1996, as updated, governs payments to hospitals in New York State. Under this system, hospitals and all non-Medicare payors, except Medicaid, workers' compensation and no-fault insurance programs, negotiate hospital payment rates. If negotiated rates are not established, payors are billed at hospital's established charges. Medicaid, workers' compensation and no-fault payors pay hospital rates promulgated by the New York State Department of Health on a prospective basis. Adjustment to current and prior years' rates for these payors will continue to be made in the future.

There are also various other proposals at the Federal and State level that could, among other things, reduce payment rates. The ultimate outcome of these proposals, regulatory changes, and other market conditions cannot presently be determined.

The Company has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payors for adjustments to current and prior years' payment rates, based on industry-wide and hospital-specific data. Additionally, certain payors' payment rates for various years have been appealed by the Company. If the appeals are successful, additional income applicable to those years will be realized.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Revenue from the Medicare and Medicaid programs accounted for approximately 49% and 13%, respectively, of the Company's net patient service revenue for the year ended December 31, 2015, and 47% and 15%, respectively, of the Company's net patient service revenue, for the year ended December 31, 2014.

VBMC's Medicare cost reports have been audited through December 31, 2013 and finalized by the Medicare fiscal intermediary through December 31, 2012, with the exception of fiscal year ended December 31, 2003. PHC's Medicare cost reports have been audited and finalized by the Medicare fiscal intermediary through December 31, 2013. NDH's Medicare cost reports have been audited through December 31, 2013 and finalized by the Medicare fiscal intermediary through December 31, 2012.

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Company 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 bad debts. Management regularly reviews data for 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 Company analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and

(in thousands)

copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Company records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews and investigations. Federal and state regulations provide for certain retrospective adjustments to current and prior years' payment rates based on industry wide and hospital-specific data. The Company has estimated the potential impact of such retrospective adjustments based on information presently available and adjustments are accrued on an estimated basis in the period the services are rendered and are adjusted in future periods as additional information becomes available or final settlements are determined.

The Company has implemented a discount policy and provides financial assistance discounts to uninsured patients. Under this policy, the discount offered to uninsured patients is reflected as a reduction to net patient service revenue at the time the uninsured billings are recorded.

Federal and state law requires that hospitals provide emergency services regardless of a patient's ability to pay. Uninsured patients seen in the emergency department, including patients subsequently admitted for inpatient services, often do not provide information necessary to allow the Company to qualify such patients for charity care. Uncollectible amounts due from such uninsured patients represent the substantial portion of the provision for bad debts reflected in the accompanying consolidated statements of operations. Charity care and uncompensated care is as follows for the years ended December 31:

	2015	2014
Charity care, at estimated cost	$ 15,683	$ 13,461
Uncompensated care reported as provision for bad debts, net	25,591	30,352
Total uncompensated care provided	$ 41,274	$ 43,813

The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Company's total expenses (less bad debt expense) divided by gross patient service revenue.

(in thousands)

The Company grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor arrangements. The mix of receivables (net of contractual allowances and advances from certain third-parties) from patients and third-party payors at December 31, 2015 and 2014 is as follows:

	2015	2014
Medicare	25 %	23 %
Medicaid	5	6
Blue Cross	15	14
Managed care and other	46	47
Patients	9	10
	100 %	100 %

4. Promises to Give

Unconditional promises to give that are expected to be collected in more than one year are discounted to the net present value of their estimated future cash flows. The discount rate on new pledges was 1.76% and 1.65% at December 31, 2015 and 2014, respectively. These amounts are included in other assets in the consolidated balance sheets as of December 31, 2015 and 2014.

The composition of unconditional promises to give, at December 31, 2015 and 2014 is as follows:

	2015	2014
Pledges due in less than one year	$ 2,433	$ 2,534
Pledges due in one to five years	5,948	5,681
Pledges due in more than five years	1,231	1,443
	9,612	9,658
Unamortized discount	390	377
	9,222	9,281
Allowance for uncollected pledges	614	1,359
	$ 8,608	$ 7,922

5. Concentration of Credit Risk

The Company routinely invests its surplus operating funds in money market funds. These funds generally invest in highly liquid U.S. government and agency obligations. Investments in money market funds are not insured or guaranteed by the U.S. government.

At December 31, 2015 and 2014, the Company had cash and investment balances in financial institutions that exceeded Federal depository insurance limits. Management believes that the credit risk related to these deposits is minimal. The investment balances are held at primarily one institution.

(in thousands)

6. Investments and Assets Whose Use is Limited

Investments, stated at fair value at December 31, 2015 and 2014, consist of the following:

	2015	2014
Cash and cash equivalents	$ 479	$ 699
Equity securities	8,600	9,440
Mutual funds - Equity securities	133,688	154,220
Mutual funds - Bonds	63,042	44,533
Short term investments	1,284	700
	$ 207,093	$ 209,592

The composition of assets whose use is limited, stated at fair value at December 31, 2015 and 2014, consists of the following:

	2015	2014
Externally restricted by bond indenture agreements		
Cash and cash equivalents	$ 13,063	$ 45,239
Short term investments	481	780
U.S. treasury obligations	10,064	10,751
	23,608	56,770
Less: *Current portion*	2,013	2,014
	$ 21,595	$ 54,756

	2015	2014
Externally restricted by captive insurer		
Equity securities	$ 904	$ 994
Mutual funds - Equity securities	11,392	11,336
Mutual funds - Bonds	15,780	15,729
	$ 28,076	$ 28,059

Investment income (loss) for the years ended December 31, 2015 and 2014 consists of the following:

	2015	2014
Interest and dividend income	$ 5,023	$ 7,971
Net realized gains on sale of securities	317	1,310
Change in unrealized gains/(losses)	(10,138)	2,918
Management fees	(102)	(138)
Investment income (loss)	$ (4,900)	$ 12,061

(in thousands)

The Company follows accounting guidance for fair value measurements. This guidance defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and requires disclosures about fair value measurements. Fair value is defined under this guidance as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement data.

The guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value under the guidance must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Company for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the whole term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques noted in the guidance. The three valuation techniques are as follows:

- Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach - Amount that would be required to replace the service capacity of an asset (i.e. replacement cost); and
- Income approach - Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

Categorization in hierarchy is based on lowest level of input that is significant to the determination of fair value.

(in thousands)

The categorization of investments and assets whose use is limited within the fair value hierarchy defined by the accounting guidance is as follows at December 31, 2015 and 2014:

		Fair Value at December 31, 2015			Valuation
	Total	Level 1	Level 2	Level 3	Technique
Cash and cash equivalents	$ 13,541	$ 9,036	$ 4,505	$ -	Market
Equity securities	9,504	9,504	-	-	Market
Mutual Funds - Equity securities	145,080	-	145,080	-	Market
Mutual Funds - Bond funds	78,822	-	78,822	-	Market
U.S. treasury obligations	10,066	10,066	-	-	Market
Short term investments	1,764	1,764	-	-	Market
Total	$ 258,777	$ 30,370	$ 228,407	$ -	

		Fair Value at December 31, 2014			Valuation
	Total	Level 1	Level 2	Level 3	Technique
Cash and cash equivalents	$ 45,938	$ 41,079	$ 4,859	$ -	Market
Equity securities	10,434	10,434	-	-	Market
Mutual Funds - Equity securities	165,556	-	165,556	-	Market
Mutual Funds - Bond funds	60,262	-	60,262	-	Market
U.S. treasury obligations	10,751	10,751	-	-	Market
Short term investments	1,480	1,480	-	-	Market
Total	$ 294,421	$ 63,744	$ 230,677	$ -	

The Company's assets with a fair value estimate using net asset value per share as a basis at December 31, 2015 and 2014 are as follows:

	Fair Value Estimated Using Net Assets Value Per Share				
	Fair Value December 31, 2015	Fair Value December 31, 2014	Unfunded Commitment	Settlement Terms	Redemption Frequency
Mutual Funds - Equity securities	$ 36,969	$ 38,415	$ -	Redemptions occur at NAV	T-2 days notification for redemption or contributions
Total	$ 36,969	$ 38,415			

(in thousands)

7. Property, Plant and Equipment

Property, plant and equipment, at cost, and accumulated depreciation and amortization at December 31, 2015 and 2014 consisted of the following:

	2015	2014
Land	$ 7,133	$ 7,133
Land improvements	9,320	8,543
Buildings and fixed equipment	430,990	409,072
Major movable equipment	459,535	431,122
	906,978	855,870
Less: Accumulated depreciation and amortization	554,291	509,140
	352,687	346,730
Construction in progress	59,393	15,452
Net property, plant and equipment	$ 412,080	$ 362,182

Depreciation and amortization expense for the years ended December 31, 2015 and 2014 was $47,934 and $46,161, respectively. Included in construction in progress is capitalized interest of $7,039 and $5,414 at December 31, 2015 and 2014, respectively.

Construction in progress is comprised of certain projects started but not completed at December 31, 2015. The estimated cost to complete these projects is approximately $16,619, at December 31, 2015. Included in construction in progress is a building project for NDH. NDH contracted to build an approximately 87,000 square foot, four story addition on its hospital campus. The building opened in February 2016. Also included in the construction in progress is the property acquisition costs and architectural drawings for the new VBMC patient pavilion project.

VBMC's patient pavilion project is for the construction of a new 696,000 square foot patient bed tower for the adult patient population and will replace its current adult medical surgical beds (reduction from 276 to 264) and its adult critical care units (increase from 24 to 30). The project will also include the replacement and expansion of the emergency department and the replacement of the operating rooms and interventional suites. Additionally, an expanded and modernized central plant and appropriate conference rooms and capabilities will provide enhanced physician, visitor and employee amenities within the new building. This project is expected to start in June 2016 with an expected completion date of January 2019. The total estimated cost of the project is $466 million, which will be funded through cash and bond financing.

As of December 31, 2015 and 2014, there was approximately $3,799 and $1,814 of property, plant and equipment in accounts payable.

(in thousands)

8. Long-term Debt

A summary of long-term debt and capital lease obligations at December 31, 2015 and 2014 is as follows:

	2015	2014
Health Quest Systems, Inc. Obligated Group Dormitory Authority of the State of New York Revenue Bonds, Series 2007, varying rates from 4.5% to 5.0% at December 31, 2015, principal payments due in varying annual payments until 2037, collateralized by a lien on a facility mortgage and gross receipts (a)	$ 53,410	$ 55,984
Health Quest Systems, Inc. Obligated Group Dutchess County Local Development Corporation, Series 2010, varying rates from 5.0% to 6.82% at December 31, 2015, principal payments due in varying annual payments until 2040, collateralized by a lien facility mortgage and gross receipts (b)	40,291	43,642
Health Quest Systems, Inc. Obligated Group Dutchess County Local Development Corporation, Series 2012, a refinancing of the VBH 1997 Series bonds varying rates from 1.75% to 3.80% at December 31, 2015, principal payments due in varying annual payments until 2025, collateralized by a lien facility mortgage and gross receipts (c)	20,148	21,906
Health Quest Systems, Inc. Obligated Group Dutchess County Local Development Corporation, Series 2014, varying rates from 1.65% to 5.0% at December 31, 2015, principal payments due in varying annual payments until 2044, collateralized by a lien facility mortgage and gross receipts (d)	54,853	56,616
Vassar Brothers Medical Center Civic Facility Bonds, Series 2011, a refinancing of the 2005 Series bonds, varying rates of 4.25% to 5.50% at December 31, 2015, principal payments due in varying annual payments until 2034, collateralized by a lien on a facility mortgage and gross receipts (e)	15,177	15,638
Vassar Brothers Medical Center note payable, payable in 4 installments, until October 2019	23,468	
PHC's Bank of New York Bond at varying rates (Series 1999A), average 0.80%, due 2019; collateralized by certain Hospital property, paid in full in 2015	-	1,700
PHC's promissory notes payable to Comprehensive Support Services, monthly principal installments, paid in full in July 2015, interest rate of 8.25%	-	77
PHC's 6% mortgage note, monthly installments due until April 2021, collateralized by the Romolan building located on PHC's property	156	184
Wells Manor mortgage note payable in monthly installments through 2027, interest at 9.25%, collateralized by the Wells Manor project and insured by HUD	1,936	2,048
Health Quest Systems, Inc. $8 million loan with TD Bank North, interest rate based on one month LIBOR rate (1.17% at December 31, 2015), plus fixed rate of 2.5%, due in monthly installments until June 2016, collateralized by equipment	651	1,925
Health Quest Systems, Inc. Obligated Group Dormitory Authority of the State of New York and TD Equipment Finance TELP ("Tax Exempt Leasing Program") loan payable, paid in full in October 2015, interest rate of 2.7% (f)	-	1,878
Capital lease obligation, collateralized by leased equipment	139	237
	210,229	201,835
Less: Current portion	17,648	13,669
Long-term debt	$ 192,581	$ 188,166

(in thousands)

a. During 2007, the Company formed the Health Quest Systems, Inc. Obligated Group ("Obligated Group"), which consists of Health Quest, VBMC, PHC and NDH. On September 5, 2007, the Obligated Group issued $69,335 in debt through the Dormitory Authority of the State of New York ("DASNY") as Revenue Bonds, insured by Assured Guaranty Corp. These bonds were allocated as follows: VBMC - $17,980; PHC - $35,740; NDH - $15,615. The purpose of the bonds was to refund certain existing debt for VBMC and NDH, fund the PHC building project and to purchase certain medical equipment.

b. On December 14, 2010, the Dutchess County Local Development Corporation issued $55,055 Health Quest Systems, Inc. Obligated Group Revenue Bonds, Series 2010 for the purpose of providing funds to the Obligated Group for construction, furnishing, installation, equipping and improvement of new facilities and to refinance existing VBMC Series 2004 debt. These bonds were allocated 100% to VBMC.

c. On October 1, 1997, Vassar Brothers Hospital Insured Revenue Bonds, Series 1997 ("Series 1997"), with proceeds of $58,500 were issued to VBMC to refund outstanding debt and to finance a major renovation and construction project. The Dormitory Authority of the State of New York sponsored the issuance of the Series 1997. On December 5, 2012, these bonds were refinanced, Series 2012, for the balance of $27,320 with the Dutchess County Local Development Corporation.

d. On May 14, 2014, the Dutchess County Local Development Corporation issued $54,615 Health Quest Systems, Inc. Obligated Group Revenue Bonds, Series 2014 for the purpose of providing funds to the Obligated Group for construction, furnishing, installation, equipping and improvement of new facilities and to refinance existing VBMC debt. These bonds were allocated as follows: VBMC - $18,045 and NDH - $36,570.

e. On June 28, 2005, the Dutchess County Industrial Development Agency issued $19,975 Civic Facility Revenue Bonds, Series 2005 bonds to VBMC for the purpose of providing funds for the construction, acquisition, furnishing, installation, equipping and improvement of new and existing facilities. These bonds were refinanced in 2011 with the Dutchess County Local Development Corporation.

f. On October 1, 2010, VBMC, PHC and NDH entered into a master lease and sublease agreement with the Dormitory Authority of the State of New York and TD Equipment Finance Inc. under the Tax Exempt Leasing Program ("TELP") in the amount of $10,665. The lease was paid back in full in October 2015.

In accordance with certain bond agreements, the Obligated Group is required to maintain specified amounts in a debt service reserve fund, a renewal fund and a bond fund. These assets, along with the unspent proceeds from the issuances of other debt issued by VBMC, PHC and NDH, are recorded in assets whose use is limited, externally restricted in the accompanying consolidated balance sheets.

These debt agreements also place limits on the incurrence of additional borrowing and requires that the Obligated Group satisfy certain measures of financial requirements (i.e. day's cash on hand, debt to capitalization, debt service coverage) as long as the debt remains outstanding. Under the Obligated Group, there is a cross guaranteed repayment of the outstanding debt in the event any of the members default.

(in thousands)

Health Quest has a $4,800 letter of credit with JP Morgan Chase, associated with workers compensation self-insurance and a $24,500 letter of credit, associated with the purchase of a radiology practice.

Scheduled principal payments on all long-term debt for the next five years and thereafter, are as follows:

Year	Total
Long Term Debt and Capital Lease Obligations	
2016	$ 17,648
2017	16,980
2018	16,783
2019	15,481
2020	11,735
Thereafter	131,602
	210,229
Less: Current portion	17,648
Long-term debt	$ 192,581

The Company estimates the fair value of long-term debt using quoted market prices or estimates using discounted cash flow analyses, based on the Company's incremental borrowing rates for similar types of borrowing arrangements. The fair value of the Company's long-term debt, based on quoted market prices, at December 31, 2015 and 2014 was approximately $223,259 and $217,000, respectively, compared to the carrying value of $210,229 and $201,835, respectively, and is classified as level 2, as defined in Note 6.

9. Benefit Plans

Vassar Brothers Medical Center
VBMC maintains a noncontributory defined benefit plan (the "Vassar Brothers Plan") covering employees of VBMC who are part of the collective bargaining unit with New York State Nurses Association ("NYSNA") who have completed 5 years of service and attained 21 years of age. Contributions to the Vassar Brothers Plan are based on actuarial valuations. Benefits under the Vassar Brothers Plan are based on years of service and compensation. VBMC's policy is to contribute amounts sufficient to meet funding requirements under the Employee Retirement Income Security Act of 1974.

VBMC sponsors a health care plan that provides post-retirement medical benefits to its nonunion retired employees. Nonunion employees hired prior to January 1, 1993, retiring from VBMC on or after attaining age 60 who have rendered at least 20 years of service, are entitled to post-retirement health care coverage. VBMC funds post-retirement benefit costs on a cash basis.

(in thousands)

The measurement date for the two plans is December 31. The following tables provide a reconciliation of the changes in each of the plan's benefit obligations and fair value of assets for the years ended December 31, 2015 and 2014 and a statement of the funded status of the plans as of December 31, 2015 and 2014:

	Noncontributory Defined Benefit Plan		Post-retirement Medical Benefits Plan	
	2015	2014	2015	2014
Changes in benefit obligation				
Benefit obligation, at beginning of year	$ (118,939)	$ (98,855)	$ 450	$ (457)
Service cost	(6,642)	(5,804)	21	18
Interest cost	(4,796)	(4,944)	8	11
Actuarial gain (loss)	7,179	(11,668)	(889)	846
Benefits paid	2,972	2,332	37	32
Benefit obligation, at end of year	(120,226)	(118,939)	(373)	450
Changes in plan assets				
Fair value of plan assets, at beginning of year	67,270	61,474	-	-
Actual return on plan assets	(504)	3,573	-	-
Contributions	3,941	4,649	37	32
Benefit payments	(2,990)	(2,426)	(37)	(32)
Fair value of plan assets, at end of year	67,717	67,270	-	-
Funded status	$ (52,509)	$ (51,669)	$ (373)	$ 450

Amounts recognized in the consolidated balance sheets consist of:

Noncurrent assets	$ -	$ -	$ -	$ 450
Current liabilities	-	-	(17)	-
Noncurrent liabilities	(52,509)	(51,669)	(356)	-
	$ (52,509)	$ (51,669)	$ (373)	$ 450

Amounts recognized in unrestricted net assets consist of:

	Noncontributory Defined Benefit Plan		Post-retirement Medical Benefits Plan	
	2015	2014	2015	2014
Gain (loss)	$ (20,170)	$ (23,810)	$ (7)	$ 930

As of December 31, 2015 and 2014, the accumulated benefit obligation with respect to the defined benefit plan is $100,825 and $99,749, respectively.

(in thousands)

The following table provides the components of the net periodic benefit cost (income) for the plans for the years ended December 31, 2015 and 2014:

	Noncontributory Defined Benefit Plan		Post-retirement Medical Benefits Plan	
	2015	2014	2015	2014
Net periodic benefit cost				
Service cost	$ 6,642	$ 5,804	$ (22)	$ (18)
Interest cost	4,796	4,944	(8)	(11)
Expected return on plan assets	(4,408)	(4,537)	-	-
Amortization of net (gain) loss	1,391	70	(48)	(56)
Net periodic benefit cost	8,421	6,281	(78)	(85)
Other changes in plan assets and benefit obligations recognized in unrestricted net assets				
Net (gain) loss	(2,248)	12,725	889	(845)
Less: Amortization of net (gain) loss	1,391	70	(48)	(56)
Total recognized in unrestricted net assets	(3,639)	12,655	937	(789)
Total recognized in net periodic benefit cost and unrestricted net assets	$ 4,782	$ 18,936	$ 859	$ (874)

The calculation of the VBMC plans' funded status and amounts recognized in the consolidated balance sheets as of December 31, 2015 and 2014, respectively, were based upon actuarial assumptions as follows:

	Noncontributory Defined Benefit Plan		Post-retirement Medical Benefits Plan	
	2015	2014	2015	2014
Discount rate	4.43 %	4.03 %	4.01 %	4.24 %
Average rate of salary increases	3.50 %	3.50 %	0.0 %	0.0 %
Initial trend	-	-	5.60 %	4.00 %
Ultimate trend	-	-	4.40 %	4.40 %
Year ultimate trend is achieved	-	-	2080	2080

	Noncontributory Defined Benefit Plan	Post-retirement Medical Benefits Plan
Amount in unrestricted assets expected to be recognized in 2016		
Amortization of unrecognized net (loss)	$ (845)	$ 0

(in thousands)

The calculation of the net benefit costs for the years ended December 31, 2015 and 2014, respectively, were based upon actuarial assumptions as follows:

	Noncontributory Defined Benefit Plan		Post-retirement Medical Benefits Plan	
	2015	2014	2015	2014
Discount rate	4.03 %	5.11 %	4.24 %	5.11 %
Expected return on plan assets	6.50 %	7.25 %	-	-
Average rate of salary increases	3.50 %	5.50 %	-	-
Projected retiree health care	-	-	5.60 %	4.00 %
Ultimate retiree health-care cost trend	-	-	4.40 %	4.40 %
Year ultimate trend is achieved	-	-	2080	2080

In 2015, the effect on the post-retirement medical benefits plan of a 1% change in health care cost trend rate is as follows:

	2015 1% Increase	2015 1% Decrease
Effect on total of service and interest cost components	$ (16)	$ 12
Effect on postretirement benefit obligation	(31)	24

The expected long-term rate of return on plan assets assumption is based upon a building-block method, whereby the expected rate of return on each asset class is broken down into three components: (1) inflation, (2) the real risk-free rate of return (i.e., the long-term estimate of future returns on default-free U.S. government securities), and (3) the risk premium for each asset class (i.e., the expected return in excess of the risk-free rate). All three components are based primarily on historical data, with modest adjustments to take into account additional relevant information that is currently available. For the inflation and risk-free return components, the most significant additional information is that provided by the market for nominal and inflation-indexed U.S. Treasury securities. That market provides implied forecasts of both the inflation rate and risk-free rate for the period over which currently-available securities mature. The historical data on risk premiums for each asset class is adjusted to reflect any systemic changes that have occurred in the relevant markets; e.g., the higher current valuations for equities, as a multiple of earnings, relative to the longer-term average for such valuations.

Assumed health care cost trend rates have a significant effect on the amounts reported for the postretirement medical benefits plan; however, because VBMC has frozen its employer subsidy at 1993 amounts, no future trend is used in the valuations for 2015 and 2014.

Contributions
VMBC expects to contribute approximately $3,900 to the defined benefit pension plan and postretirement medical benefits plan for fiscal year 2016.

(in thousands)

Benefit Payments
The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid out of the plan as follows:

Year	Noncontributory Defined Benefit Plan Payments	Post-retirement Medical Benefits Plan Payments
2016	$ 2,932	$ 17
2017	3,336	18
2018	3,667	21
2019	4,053	23
2020	4,409	27
2021–2025	28,901	151

Plan Assets
No post-retirement medical benefits plan assets were held for investment as of December 31, 2015 and 2014. Defined benefit plan assets are held in a trust fund. The weighted-average asset allocation at December 31, 2015 and 2014, by asset category are as follows:

	Noncontributory Defined Benefit Plan	
	2015	2014
Asset category		
Cash and cash equivalents	2 %	- %
Equity securities	58	60
Bond funds	40	40
	100 %	100 %

Objective
The plan's investment objectives seek a positive long-term total rate of return after inflation to meet VBMC's current and future plan obligations. The asset allocations for the plan combine tested theory and informed market judgments to balance investment risks with the need for high returns. The target allocation of plan investments is approximately 60% equity and 40% bonds.

The following table presents the VBMC plans' financial instruments as of December 31, 2015 and 2014, measured at fair value on a recurring basis using the fair value hierarchy defined in Note 6:

	Total	Fair Value at December 31, 2015 Level 1	Level 2	Level 3	Valuation Technique
Cash and cash equivalents	$ 19	$ 19	$ -	$ -	Market
Equity securities	2,625	2,625	-	-	Market
Mutual Funds - Equity securities	36,683	-	36,683	-	Market
Mutual Funds - Bond funds	27,247	-	27,247	-	Market
Short term investments	1,143	1,143	-	-	Market
Total	$ 67,717	$ 3,787	$ 63,930	$ -	

(in thousands)

	Total	Fair Value at December 31, 2014 Level 1	Level 2	Level 3	Valuation Technique
Cash and cash equivalents	$ 23	$ 23	$ -	$ -	Market
Equity securities	2,800	2,800	-	-	Market
Mutual Funds - Equity securities	37,159	-	37,159	-	Market
Mutual Funds - Bond funds	27,138	-	27,138	-	Market
Short term investments	150	150	-	-	Market
Total	$ 67,270	$ 2,973	$ 64,297	$ -	

Certain employees of VBMC, who have completed two years of service, participate in a defined contribution retirement plan whereby contributions are made on an annual basis equal to 6% of the employees' qualifying salary. Costs related to this plan were approximately $1,169 and $1,384 for the years ended December 31, 2015 and 2014, respectively.

Putnam Hospital Center

PHC maintains a noncontributory defined benefit plan (the "Putnam Plan") covering substantially all employees who have completed 5 years of service and attained 21 years of age. The Putnam Plan provides benefits based on the participants' year of service and compensation. PHC's policy is to fund amounts intended to provide for benefits attributed to service to date and those expected to be earned in the future. Effective December 31, 2007, the Plan was frozen.

The measurement date for the Plan is December 31, 2015 and 2014, respectively. The following table provides a reconciliation of the changes in the Plan's benefit obligation and fair value of assets for the years ended December 31, 2015 and 2014, and a statement of the funded status of the Plan as of December 31, 2015 and 2014:

	2015	2014
Changes in benefit obligation		
Benefit obligation, at beginning of year	$ (83,930)	$ (67,030)
Service cost	(522)	(328)
Interest cost	(3,176)	(3,332)
Actuarial gain (loss)	3,107	(16,009)
Benefits paid and expected expenses	3,038	2,769
Benefit obligation, at end of year	(81,483)	(83,930)
Changes in plan assets		
Fair value of plan assets, at beginning of year	60,475	58,217
Actual return on plan assets	(353)	3,222
Contributions	1,756	1,874
Benefits paid and actual expenses	(3,051)	(2,838)
Fair value of plan assets, at end of year	58,827	60,475
Funded status	$ (22,656)	$ (23,455)
Amounts recognized in the consolidated balance sheets consist of		
Noncurrent liabilities	$ (22,656)	$ (23,455)
Amounts recognized in unrestricted net assets consist of		
Gain (loss)	$ (29,502)	$ (31,022)

At December 31, 2015 and 2014, the accumulated benefit obligation is $81,483 and $83,930, respectively.

(in thousands)

The following table provides the components of the net periodic benefit cost for the Putnam Plan for the years ended December 31, 2015 and 2014:

	2015	2014
Net periodic benefit cost		
Service cost	$ 522	$ 328
Interest cost	3,176	3,332
Expected return on assets	(3,875)	(4,167)
Amortization of net loss	2,654	817
Net periodic benefit cost	2,477	310
Other changes in plan assets and benefit obligations recognized in unrestricted net assets		
Net (gain) loss	1,134	17,022
Less: Amortization of net (gain) loss	2,654	816
Total recognized in unrestricted net assets	(1,520)	16,206
Total recognized in net periodic benefit cost and unrestricted net assets	$ 957	$ 16,516

The calculation of the Putnam Plan's funded status and amounts recognized in the consolidated balance sheets as of December 31, 2015 and 2014 were based upon the actuarial assumptions as follows:

	2015	2014
Discount rate	4.19 %	3.84 %

The calculation of the net periodic benefit cost for the years ended December 31, 2015 and 2014 were based upon actuarial assumptions as follows:

	2015	2014
Discount rate	3.84 %	5.11 %
Expected return on plan assets	6.50 %	7.25 %

Amount in unrestricted assets expected to be recognized in 2016	
Amortization of net loss	$ (2,759)

(in thousands)

The expected long-term rate of return on plan assets assumption is based upon a building-block method, whereby the expected rate of return on each asset class is broken down into three components: (1) inflation, (2) the real risk-free rate of return, (i.e., the long-term estimate of future returns on default-free U.S. government securities), and (3) the risk premium for each asset class (i.e., the expected return in excess of the risk-free rate). All three components are based primarily on historical data, with modest adjustments to take into account additional relevant information that is currently available. For the inflation and risk-free return components, the most significant additional information is that provided by the market for nominal and inflation-indexed U.S. Treasury securities. That market provides implied forecasts of both the inflation rate and risk-free rate for the period over which currently-available securities mature. The historical data on risk premiums for each asset class is adjusted to reflect any systemic changes that have occurred in the relevant markets; e.g., the higher current valuations for equities, as a multiple of earnings, relative to the longer-term average for such valuations.

Contributions
Expected contribution to the plan for fiscal year 2016 is $1,600.

Benefit Payments
The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid out of the plan as follows:

Year	Pension Benefits
2016	$ 3,461
2017	3,757
2018	3,983
2019	4,243
2020	4,557
2021–2025	24,264

Plan Assets
PHC's weighted-average asset allocation at December 31, 2015 and 2014, by asset category are as follows:

	Plan Assets at December 31,	
Asset Category	2015	2014
Equity securities	55 %	56 %
Met Life assets	7	7
Bond funds	38	37
	100 %	100 %

Objective
The Putnam Plan's investment objectives seek a positive long-term total rate of return after inflation to meet PHC's current and future obligations. The asset allocations for the plan combines tested theory and informed market judgment to balance investment risks with the need for higher returns. The target allocation is approximately 60% equity and 40% fixed income securities.

(in thousands)

The following table presents the Putnam Plans' financial instruments as of December 31, 2015 and 2014, measured at fair value on a recurring basis using the fair value hierarchy defined in Note 6:

		Fair Value at December 31, 2015			Valuation
	Total	Level 1	Level 2	Level 3	Technique
Cash and cash equivalents	$ 57	$ 57	$ -	$ -	Market
Equity securities	2,237	2,237	-	-	Market
Mutual funds - Equity securities	30,236	-	30,236	-	Market
Mutual funds - Bond funds	22,191	-	22,191	-	Market
Met Life assets	3,953	-	3,953	-	Market
Short term investments	153	153	-	-	Market
Total	$ 58,827	$ 2,447	$ 56,380	$ -	

		Fair Value at December 31, 2014			Valuation
	Total	Level 1	Level 2	Level 3	Technique
Cash and cash equivalents	$ 62	$ 62	$ -	$ -	Market
Equity securities	2,399	2,399	-	-	Market
Mutual funds - Equity securities	31,382	-	31,382	-	Market
Mutual funds - Bond funds	22,326	-	22,326	-	Market
Met Life assets	4,205	-	4,205	-	Market
Short term investments	101	101	-	-	Market
Total	$ 60,475	$ 2,562	$ 57,913	$ -	

Certain employees of PHC, who have completed two years of service, participate in a defined contribution retirement plan whereby contributions are made on an annual basis equal to 6% of the employees' qualifying salary. Costs related to this plan were approximately $2,230 and $2,577 for the years ended December 31, 2015 and 2014, respectively.

Multi-employer Benefit Plan

VBMC and PHC participate in multi-employer defined benefit pension plans. VBMC and PHC make cash contributions to these plans under the terms of collective-bargaining agreements that cover its union employees based on a fixed rate and hours of service per week worked by the covered employees. The risks of participating in these multi-employer plans are different from other single-employer plans in the following aspects: (1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers and (3) if VBMC or PHC chooses to stop participating in some of its multiemployer plans, VBMC or PHC may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability. VBMC or PHC has contributed cash and recorded expenses for the multi-employer plans noted in the table below. The measurement dates for the following plans are as of December 31, 2015 and 2014, respectively.

Pension Fund	2015	2014
1199 SEIU Health Care Employees Pension Fund	$ 4,684	$ 4,447

VBMC and PHC contributions to the 1199 SEIU Health Care Employees Pension Fund represent approximately 0.4% of total plan contributions.

(in thousands)

The 1199 SEIU Health Care Employees Pension Fund covers employees of both VBMC and PHC and while it is only one plan, VBMC and PHC each have a separate EIN / Pension plan number. The following table includes additional disclosure information as it relates to the Pension Funds for VBMC and PHC, respectively:

EIN/Pension Plan Number	Pension Protection Act Zone Status 2015	2014	FIP/RP Status Pending/ Implemented	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
14-1338586	Green	Green	No	No	September 30, 2018
14-6019179	Green	Green	No	No	September 30, 2018

The Pension Protection Act zone status indicates the plan's funded status of either at least 80% funded (green) or less than 80% funded (red). A zone status of red requires the plan sponsor to implement a Funding Improvement Plan (FIP) or Rehabilitation Plan (RP).

Northern Dutchess Hospital
NDH maintains a defined contribution plan covering all full-time employees who have completed two years of service. NDH's pension contribution is 6% of eligible payroll for 2015 and 2014. Pension expense for the years ended December 31, 2015 and 2014 was $1,048 and $1,141, respectively.

Health Quest
Health Quest maintains a defined contribution plan covering all full-time employees who have completed two years of service. Health Quest's pension contribution is 6% of eligible payroll for 2015 and 2014. Pension expense for the years ended December 31, 2015 and 2014 was $5,887 and $5,987, respectively.

Health Quest
Health Quest has active 457B and 457F deferred compensation plans which are offered to select management based on title (Physicians and AVP or higher level). The employee contributions are capped at the annual Federal limit for deferred compensation and the employer portion does not carry a limit, however there are substantial risk of forfeitures which apply. In addition, there is a closed KEYSOP plan for deferred compensation which had been offered to executive employees of Health Quest, VBMC and RDSI. NDH currently has a liability for a deferred compensation plan for the previous administrators prior to the formation of Health Quest. This plan is currently closed. The assets related to these plans are included in other assets and amounted to $4,771 and $6,154 as of December 31, 2015 and 2014, respectively. The assets primarily consist of money market funds and other marketable securities which are considered Level 1 based on the fair value hierarchy described in Note 6. The liabilities that relate to these plans are included in estimated amounts due to third party payors and other liabilities and are $4,785 and $6,207 as of December 31, 2015 and 2014, respectively.

(in thousands)

10. Professional Liabilities

During 1988, Health Quest (then known as VBH Corporation) established VBH Insurance, a captive insurance company ("the Captive") to provide and augment the professional liability coverage for VBMC. Beginning August 1, 2005, PHC and NDH purchased insurance from the Captive. The Captive has provided various levels of coverage since inception to the three hospitals. On July 1, 2013, the Captive began to provide professional liability coverage for employed physicians. The hospitals and HQMP purchase commercial insurance to supplement the coverage provided by the Captive.

The hospitals purchased primary coverage through a commercial insurer through July 31, 2011. Effective August 1, 2011, the primary coverage is through the Captive with excess coverage through a commercial insurer. VBMC, PHC and NDH accrue premiums payable to the Captive based on the estimated ultimate cost of losses payable by the Captive at a discount rate of 2.5% at December 31, 2015 and 2014, respectively.

VBH Insurance loss reserves comprise estimates for known reported losses and loss expenses plus a provision for losses incurred but not reported. Losses are valued by an independent actuary retained by VBH Insurance and are based on the loss experience of the insured. In management's opinion recorded reserves are adequate to cover the ultimate net cost of losses incurred to date however, the provision is based on estimates and may ultimately be settled for a significantly greater or lesser amount. The actuarially determined estimated loss reserve payable at December 31, 2015 and 2014 was $31,929 and $28,518, respectively.

The Nursing Home purchases commercial insurance for professional liabilities on a claims made basis and HQHC purchases coverage through a commercial insurer on an occurrence basis. The balance of employed physicians is covered under an individual policy purchased through commercial carriers.

Total amounts accrued under these programs approximate $49,511 and $51,278 at December 31, 2015 and 2014, respectively, and are included in estimated amounts due to third-party payors and other liabilities in the consolidated balance sheets. Amounts recognized as anticipated insurance recoveries related to the claims approximate $23,119 and $26,860 at December 31, 2015 and 2014, respectively, and are included in other assets in the consolidated balance sheets. Insurance recoveries are measured on the same basis as the liability subject to the need for valuation allowance for uncollectible amounts.

11. Workers' Compensation Insurance

The Company is self-insured for workers' compensation claim losses and expenses effective April 1, 2006. Included in amounts due to third-party payors and other liabilities at December 31, 2015 and 2014 are accruals of $12,107 and $10,976, respectively for specific incidents to the extent that they have been asserted or are probable of assertion and can be reasonably estimated. This liability has been discounted at 2.5% at December 31, 2015 and 2014.

12. Medical Benefits

Effective January 1, 2006, the Company provides employee health and welfare benefits under a self-insured program. Included in other liabilities at December 31, 2015 and 2014 are accruals of $4,040 and $3,870, respectively, for claims that have been incurred but not reported.

(in thousands)

13. Functional Expenses

The Company provides health care services to residents within their geographic areas including general acute care with a full range of inpatient and outpatient services. Expenses related to providing these services for the years ended December 31, 2015 and 2014 are as follows:

	2015	2014
Health care services	$ 637,646	$ 586,713
General and administrative	195,784	191,421
	$ 833,430	$ 778,134

14. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at December 31, 2015 and 2014 are for the following purposes:

	2015	2014
Capital asset acquisition	$ 21,364	$ 18,810
Health care services	2,890	3,172
Health education	163	163
	$ 24,417	$ 22,145

Permanently restricted net assets are restricted at December 31, 2015 and 2014 to:

	2015	2014
Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as nonoperating income)	$ 5,384	$ 5,389

In September 2010, New York State enacted its version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Company has interpreted UPMIFA as requiring the preservation of the value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Company classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Company in a manner consistent with the standard of prudence prescribed by UPMIFA.

(in thousands)

15. Commitments and Contingencies

On June 23, 2015, the Company received a Civil Investigative Demand ("CID") from the Department of Justice ("DOJ") related to HQMP operations. The CID (which has been adjourned) identified nine areas of review, of which four matters remain under current review. In cooperation with the DOJ's request, the Company is performing additional audits related to the four matters. At December 31, 2015, the Company recorded an estimated liability for potential overpayments related to the four areas, however it is reasonably possible that a change in this estimate will occur in the future and the change could be material to the consolidated financial statements.

On April 15, 2016, the DOJ asserted that it would be pursuing investigation into two matters that were subjects of the Company's self-disclosure efforts (self-disclosures were filed by the Company in March 2016). The two matters relate to contracts entered into between VBMC and PHC and two separate physician groups. At December 31, 2015, the Company recorded an estimated liability for these two matters based on the self-disclosure process; however the ultimate resolution of the investigation is unknown. It is reasonably possible that a change in these estimates will occur in the future and the change could be material to the consolidated financial statements.

The Company is involved in litigations arising in the course of business. While the outcome of these suits cannot be determined at this time, management, based on the advice from legal counsel, currently believes that any loss which may arise from these actions will not have a material adverse effect on the Company's financial position or results of operations. The liabilities, if accrued, might be subject to change in the future based on new developments, or changes in circumstances, which could have a material impact on the Company's results of operations, financial position, and cash flows.

The health care industry is subject to numerous laws and regulations of Federal, state and local governments. Recently, government activity has increased with respect to investigations concerning possible violations by health care providers of fraud and abuse statutes and regulations. Compliance with such laws and regulations are subject to future government review and interpretations as well as potential regulatory actions.

The Company leases various equipment and facilities under operating leases. Total rent expense in 2015 and 2014 for all operating leases was approximately $10,883 and $9,609, respectively.

The following is a schedule by year of future minimum lease payments under operating leases as of December 31, 2015, that have initial or remaining lease terms in excess of one year.

Year	Amount
2016	$ 8,913
2017	7,527
2018	6,707
2019	5,684
2020	5,339
Thereafter	20,627
Total	$ 54,797

(in thousands)

16. Subsequent Events

Subsequent events have been evaluated through April 29, 2016, the date the consolidated financial statements were issued.

Supplemental Information

Health Quest Systems, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2015

(in thousands)

	HQ Obligated Group	VBH Insurance	Foundation for VBMC	PHC Foundation	NDH Foundation	NDRHCF	RDSI	HQ Med Practice	HQUMCP	HV Cardio Practice	Alamo	HQ Homecare	Wells Manor	RMSI	Total	Total Eliminations	Consolidated
Assets																	
Current assets																	
Cash and cash equivalents	$ 90,936	$ 1,280	$ 4,444	$ 4,819	$ 3,265	$ 1,405	$ 152	$ 1,550	$ 542	$ 609	$ -	$ 353	$ 4	$ -	$ 109,359	$ -	$ 109,359
Restricted cash	633	-	-	-	27	38	-	-	-	-	-	-	24	-	722	-	722
Investments	163,026	-	25,293	6,483	3,438	-	-	-	-	-	-	-	-	-	198,240	-	198,240
Assets whose use is limited and required for current liabilities															-	-	-
Externally restricted	2,013	-	-	-	-	-	-	-	-	-	-	-	-	-	2,013	-	2,013
Patient accounts receivable, net	81,513	-	-	-	-	789	473	5,205	503	1,816	-	749	-	-	92,048	-	92,048
Supplies and prepaid expenses	23,724	-	9	11	9	23	54	2,958	79	182	-	11	-	-	27,057	-	27,057
Other current assets	872	18,214	1,001	281	992	1	-	134	-	716	-	-	15	-	22,086	(14,546)	7,540
Amounts due from third party payors	8,664	-	-	-	-	-	-	-	-	-	-	-	-	-	8,664	-	8,664
Interest in Foundation, current	2,134	-	-	-	-	-	-	-	-	-	-	-	-	-	2,134	(2,134)	-
Due from affiliates, current portion	39,532	-	363	3	-	11	1,986	6,976	164	288	-	3	-	-	49,329	(49,329)	-
Total current assets	413,047	19,494	31,106	11,597	7,621	2,267	2,668	17,824	1,288	3,611	-	1,116	43	-	511,652	(66,009)	445,643
Interest in Foundation	25,512	-	-	-	-	-	-	-	-	-	-	-	-	-	25,512	(25,512)	-
Assets whose use is limited																	
Externally restricted	21,595	-	-	-	-	-	-	-	-	-	-	-	-	-	21,595	-	21,595
Investments held by captive	-	28,076	-	-	-	-	-	-	-	-	-	-	-	-	28,076	-	28,076
Long-term investments	8,447	-	-	-	406	-	-	-	-	-	-	-	-	-	8,853	-	8,853
Property, plant and equipment, net	396,379	-	60	5	17	2,271	5	8,940	1,776	1,416	-	92	1,117	-	412,080	-	412,080
Goodwill	26,039	-	-	-	-	-	-	1,068	-	3,342	-	298	-	-	30,747	-	30,747
Other assets	16,189	-	2,705	433	3,335	-	540	14,198	-	755	-	-	536	-	38,691	-	38,691
Due from affiliates, net of current	34,212	-	-	-	-	49	-	-	-	-	-	-	-	-	34,261	(34,261)	-
Total assets	$ 941,420	$ 47,570	$ 33,871	$ 12,005	$ 11,379	$ 4,587	$ 3,213	$ 42,030	$ 3,066	$ 9,124	$ -	$ 1,506	$ 1,696	$ -	$ 1,111,467	$ (125,782)	$ 985,685
Liabilities and net assets																	
Current liabilities																	
Current portion of long-term debt	$ 17,428	$ -	$ -	$ -	$ -	$ -	$ -	$ 98	$ -	$ -	$ -	$ -	$ 122	$ -	$ 17,648	$ -	$ 17,648
Accounts payable and accrued expenses	99,366	6,079	118	15	6	1,007	307	8,514	421	5,678	33	440	120	-	122,104	(5,806)	116,298
Amounts due to third-party payors	7,417	-	-	-	-	255	-	1	-	-	-	-	-	-	7,673	-	7,673
Captive insurance loss reserve payable	-	8,147	-	-	-	-	-	-	-	-	-	-	-	-	8,147	-	8,147
Due to affiliates, current portion	10,844	-	1,698	1,971	995	1,164	2,078	18,251	999	10,467	420	9,233	-	-	58,120	(58,120)	-
Total current liabilities	135,055	14,226	1,816	1,986	1,001	2,426	2,385	26,864	1,420	16,145	453	9,673	242	-	213,692	(63,926)	149,766
Long-term debt, net of current portion	190,726	-	-	-	-	-	-	41	-	-	-	-	1,814	-	192,581	-	192,581
Postretirement benefit obligations	75,521	-	-	-	-	-	-	-	-	-	-	-	-	-	75,521	-	75,521
Amounts due to third-party payors and other liabilities	88,826	31,988	-	-	-	-	541	17,298	-	782	-	5,737	-	-	145,172	(26,390)	118,782
Due to affiliates, net of current portion	5,181	-	-	-	-	190	-	1,524	790	1	124	10	-	-	7,820	(7,820)	-
Total liabilities	495,309	46,214	1,816	1,986	1,001	2,616	2,926	45,727	2,210	16,928	577	15,420	2,056	-	634,786	(98,136)	536,650
Net assets																	
Unrestricted	417,513	1,356	23,214	5,546	650	1,785	287	(3,772)	856	(7,804)	(577)	(13,914)	(360)	-	425,780	(6,546)	419,234
Temporarily restricted	24,098	-	8,393	2,659	9,292	186	-	75	-	-	-	-	-	-	44,703	(20,286)	24,417
Permanently restricted	4,500	-	446	814	436	-	-	-	-	-	-	-	-	-	5,196	(814)	5,384
Total net assets	446,111	1,356	32,055	10,019	10,378	1,971	287	(3,697)	856	(7,804)	(577)	(13,914)	(360)	-	476,681	(27,646)	449,035
Total liabilities and net assets	$ 941,420	$ 47,570	$ 33,871	$ 12,005	$ 11,379	$ 4,587	$ 3,213	$ 42,030	$ 3,066	$ 9,124	$ -	$ 1,506	$ 1,696	$ -	$ 1,111,467	$ (125,782)	$ 985,685

Health Quest Systems, Inc. and Subsidiaries
Consolidating Balance Sheet – Obligated Group
December 31, 2015

(in thousands)

	VBMC	PHC	NDH	Health Quest	Total	Eliminations	HQ Obligated Group
Assets							
Current assets							
Cash and cash equivalents	$ 42,207	$ 17,232	$ 29,538	$ 1,959	$ 90,936	$ -	$ 90,936
Restricted cash	-	633	-	-	633	-	633
Investments	131,744	26,037	5,245	-	163,026	-	163,026
Assets whose use is limited and required for current liabilities							
Externally restricted	800	494	719	-	2,013	-	2,013
Patient accounts receivable, net	58,474	15,214	7,825	-	81,513	-	81,513
Supplies and prepaid expenses	11,681	3,959	2,415	5,669	23,724	-	23,724
Other current assets	186	398	189	99	872	-	872
Amounts due from third party payors	5,180	2,052	1,432	-	8,664	-	8,664
Interest in Foundation, current	1,001	251	882	-	2,134	-	2,134
Due from affiliates, current portion	7,414	22,656	6,493	32,699	69,262	(29,730)	39,532
Total current assets	258,687	88,926	54,738	40,426	442,777	(29,730)	413,047
Interest in Foundation	7,356	9,768	8,388	-	25,512		25,512
Assets whose use is limited							
Externally restricted	8,382	6,544	6,669	-	21,595		21,595
Long-term investments	8,447	-	-	-	8,447		8,447
Property, plant and equipment, net	245,541	67,450	69,132	14,256	396,379		396,379
Goodwill	25,916	123	-	-	26,039		26,039
Other assets	3,578	902	842	10,867	16,189		16,189
Due from affiliates, net of current	22,813	7,209	5,908	30,642	66,572	(32,360)	34,212
Total assets	$ 580,720	$ 180,922	$ 145,677	$ 96,191	$ 1,003,510	$ (62,090)	$ 941,420
Liabilities and net assets							
Current liabilities							
Current portion of long-term debt	$ 14,852	$ 786	$ 1,139	$ 651	$ 17,428	$ -	$ 17,428
Accounts payable and accrued expenses	44,121	14,507	8,838	31,900	99,366		99,366
Amounts due to third-party payors	5,530	1,394	493	-	7,417		7,417
Due to affiliates, current portion	20,450	983	3,200	15,941	40,574	(29,730)	10,844
Total current liabilities	84,953	17,670	13,670	48,492	164,785	(29,730)	135,055
Long-term debt, net of current portion	112,754	30,791	47,181	-	190,726		190,726
Postretirement benefit obligations	52,865	22,656	-	-	75,521		75,521
Amounts due to third-party payors and other liabilities	48,245	12,626	9,897	18,058	88,826		88,826
Due to affiliates, net of current portion	2,211	948	411	33,971	37,541	(32,360)	5,181
Total liabilities	301,028	84,691	71,159	100,521	557,399	(62,090)	495,309
Net assets							
Unrestricted	266,550	91,803	63,490	(4,330)	417,513		417,513
Temporarily restricted	10,951	3,614	9,533	-	24,098		24,098
Permanently restricted	2,191	814	1,495	-	4,500		4,500
Total net assets	279,692	96,231	74,518	(4,330)	446,111	-	446,111
Total liabilities and net assets	$ 580,720	$ 180,922	$ 145,677	$ 96,191	$ 1,003,510	$ (62,090)	$ 941,420

Health Quest Systems, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2014

(in thousands)

	HQ Obligated Group	VBH Insurance	Foundation for VBMC	PHC Foundation	NDH Foundation	NDRHCF	RDSI	HQ Med Practice	HQUMCP	HV Cardio Practice	Alamo	HQ Homecare	Wells Manor	RMSI	Total	Total Eliminations	Consolidated
Assets																	
Current assets																	
Cash and cash equivalents	$ 54,339	$ 395	$ 6,155	$ 3,957	$ 2,646	$ 4,196	$ 476	$ 1,973	$ 98	$ 895	$ -	405	$ 23	$ -	$ 75,458	$ -	$ 75,458
Restricted cash	633	-	-	-	27	25	-	-	-	-	-	-	22	-	708	-	708
Investments	164,984	-	25,801	6,606	3,167	-	-	-	-	-	-	-	-	-	200,560	-	200,560
Assets whose use is limited and required for current liabilities																	
Externally restricted	2,014	-	-	-	-	-	-	-	-	-	-	-	-	-	2,014	-	2,014
Patient accounts receivable, net	75,055	-	-	-	-	918	388	4,791	586	2,655	-	611	-	-	85,004	-	85,004
Supplies and prepaid expenses	22,210	113	4	19	18	64	10	2,559	23	487	-	17	-	-	25,524	-	25,524
Other current assets	2,324	10,571	1,069	334	675	54	1	407	11	1,434	-	-	11	-	16,891	(6,873)	10,018
Amounts due from third party payors	9,749	-	-	-	-	-	-	-	-	-	-	-	-	-	9,749	-	9,749
Interest in Foundation, current	2,078	-	-	-	-	-	-	-	-	-	-	-	-	-	2,078	(2,078)	-
Due from affiliates, current portion	37,066	-	285	2	-	66	1,953	362	342	3,700	-	-	-	-	43,776	(43,776)	-
Total current assets	370,452	11,079	33,314	10,920	6,433	5,324	2,828	10,092	1,060	9,171	-	1,033	56	-	461,762	(52,727)	409,035
Interest in Foundation	23,292	-	-	-	-	-	-	-	-	-	-	-	-	-	23,292	(23,292)	-
Assets whose use is limited																	
Externally restricted	54,756	-	-	-	-	-	-	-	-	-	-	-	-	-	54,756	-	54,756
Investments held by captive	-	28,059	-	-	-	-	-	-	-	-	-	-	-	-	28,059	-	28,059
Long-term investments	8,618	-	-	-	414	-	-	-	-	-	-	-	-	-	9,032	-	9,032
Property, plant and equipment, net	346,839	-	64	10	23	2,011	9	7,390	1,855	754	-	84	1,143	-	362,182	-	362,182
Goodwill	123	-	-	-	-	-	-	1,501	-	3,342	-	298	-	-	5,264	-	5,264
Other assets	20,441	-	2,802	779	2,264	213	2,840	14,158	-	74	-	-	486	-	44,057	-	44,057
Due from affiliates, net of current	35,699	-	-	-	-	49	-	-	-	-	-	-	-	-	35,748	(35,748)	-
Total assets	$ 862,220	$ 39,138	$ 36,180	$ 11,709	$ 9,134	$ 7,597	$ 5,677	$ 33,141	$ 2,915	$ 13,341	$ -	$ 1,415	$ 1,685	$ -	$ 1,024,152	$ (111,767)	$ 912,385
Liabilities and net assets																	
Current liabilities																	
Current portion of long-term debt	$ 13,460	$ -	$ -	$ -	$ -	$ -	$ -	$ 98	$ -	$ -	$ -	$ -	$ 111	$ -	$ 13,669	$ -	$ 13,669
Accounts payable and accrued expenses	91,052	423	66	32	7	1,011	292	5,610	567	3,498	34	393	116	-	103,111	(31)	103,080
Amounts due to third-party payors	5,510	-	-	-	-	255	-	134	-	-	-	-	-	-	5,899	-	5,899
Captive insurance loss reserve payable	-	7,626	-	-	-	-	-	-	-	-	-	-	-	-	7,626	-	7,626
Due to affiliates, current portion	4,365	-	2,978	699	1,743	3,387	1,241	12,787	756	17,962	371	4,779	-	-	50,668	(50,668)	-
Total current liabilities	114,397	8,049	3,044	731	1,750	4,653	1,533	18,629	1,323	21,460	405	5,172	227	-	180,973	(50,699)	130,274
Long-term debt, net of current portion	186,090	-	-	-	-	-	-	139	-	-	-	-	1,937	-	188,166	-	188,166
Postretirement benefit obligations	75,124	-	-	-	-	-	-	-	-	-	-	-	-	-	75,124	-	75,124
Amounts due to third-party payors and other liabilities	80,927	28,518	-	-	-	212	2,833	14,533	-	80	-	9,228	-	-	136,331	(24,418)	111,913
Due to affiliates, net of current portion	8,668	-	-	-	-	232	-	1,510	753	-	107	10	-	2,932	14,212	(14,212)	-
Total liabilities	465,206	36,567	3,044	731	1,750	5,097	4,366	34,811	2,076	21,140	512	14,410	2,164	2,932	594,806	(89,329)	505,477
Net assets																	
Unrestricted	370,516	2,571	24,021	6,706	1,167	2,314	1,311	(1,680)	839	(7,799)	(512)	(12,995)	(479)	(2,932)	383,148	(3,774)	379,374
Temporarily restricted	21,893	-	8,667	3,453	5,781	186	-	10	-	-	-	-	-	-	39,990	(17,845)	22,145
Permanently restricted	4,505	-	448	819	436	-	-	-	-	-	-	-	-	-	6,208	(819)	5,389
Total net assets	397,014	2,571	33,136	10,978	7,384	2,500	1,311	(1,670)	839	(7,799)	(512)	(12,995)	(479)	(2,932)	429,346	(22,438)	406,908
Total liabilities and net assets	$ 862,220	$ 39,138	$ 36,180	$ 11,709	$ 9,134	$ 7,597	$ 5,677	$ 33,141	$ 2,915	$ 13,341	$ -	$ 1,415	$ 1,685	$ -	$ 1,024,152	$ (111,767)	$ 912,385

Health Quest Systems, Inc. and Subsidiaries
Consolidating Balance Sheet – Obligated Group
December 31, 2014

(in thousands)

	VBMC	PHC	NDH	Health Quest	Total	Eliminations	HQ Obligated Group
Assets							
Current assets							
Cash and cash equivalents	$ 24,245	$ 13,431	$ 10,582	$ 6,081	$ 54,339	$ -	$ 54,339
Restricted cash	-	633	-	-	633	-	633
Investments	133,487	26,363	5,134	-	164,984	-	164,984
Assets whose use is limited and required for current liabilities							
Externally restricted	802	494	718	-	2,014	-	2,014
Patient accounts receivable, net	49,686	17,041	8,328	-	75,055	-	75,055
Supplies and prepaid expenses	11,161	3,617	2,408	5,024	22,210	-	22,210
Other current assets	818	222	162	1,122	2,324	-	2,324
Amounts due from third party payors	6,474	2,091	1,184	-	9,749	-	9,749
Interest in Foundation, current	1,069	334	675	-	2,078	-	2,078
Due from affiliates, current portion	10,148	15,621	5,721	20,610	52,100	(15,034)	37,066
Total current assets	237,890	79,847	34,912	32,837	385,486	(15,034)	370,452
Interest in Foundation	7,565	10,643	5,084	-	23,292	-	23,292
Assets whose use is limited							
Externally restricted	8,300	6,844	39,612	-	54,756	-	54,756
Long-term investments	8,618	-	-	-	8,618	-	8,618
Property, plant and equipment, net	221,989	70,446	40,508	15,896	348,839	-	348,839
Goodwill	-	123	-	-	123	-	123
Other assets	4,572	1,034	920	13,915	20,441	-	20,441
Due from affiliates, net of current	23,046	7,347	5,633	30,256	66,282	(30,583)	35,699
Total assets	$ 511,980	$ 176,284	$ 126,669	$ 92,904	$ 907,837	$ (45,617)	$ 862,220
Liabilities and net assets							
Current liabilities							
Current portion of long-term debt	$ 9,521	$ 1,500	$ 1,165	$ 1,274	$ 13,460	$ -	$ 13,460
Accounts payable and accrued expenses	39,119	14,285	6,526	31,132	91,062	-	91,062
Amounts due to third-party payors	4,297	671	542	-	5,510	-	5,510
Due to affiliates, current portion	6,910	2,095	150	10,244	19,399	(15,034)	4,365
Total current liabilities	59,847	18,551	8,383	42,650	129,431	(15,034)	114,397
Long-term debt, net of current portion	104,139	32,979	48,321	651	186,090	-	186,090
Postretirement benefit obligations	51,669	23,455	-	-	75,124	-	75,124
Amounts due to third-party payors and other liabilities	44,000	10,806	8,313	17,808	80,927	-	80,927
Due to affiliates, net of current portion	2,107	842	319	35,983	39,251	(30,583)	8,668
Total liabilities	261,762	86,633	65,336	97,092	510,823	(45,617)	465,206
Net assets							
Unrestricted	236,701	84,380	53,723	(4,188)	370,616	-	370,616
Temporarily restricted	11,326	4,452	6,115	-	21,893	-	21,893
Permanently restricted	2,191	819	1,495	-	4,505	-	4,505
Total net assets	250,218	89,651	61,333	(4,188)	397,014	-	397,014
Total liabilities and net assets	$ 511,980	$ 176,284	$ 126,669	$ 92,904	$ 907,837	$ (45,617)	$ 862,220

Health Quest Systems, Inc. and Subsidiaries
Consolidating Statement of Operations
Year Ended December 31, 2015

(in thousands)

	HQ Obligated Group	VBH Insurance	Foundation for VBMC	PHC Foundation	NDH Foundation	NDRHCF	RDSI	HQ Med Practice	HQUMCP	HV Cardio Practice	Alamo	HQ Homecare	Wells Manor	RMSI	Total	Eliminations	Consolidated
Operating revenue																	
Net patient service revenue	$ 771,276	$ -	$ -	$ -	$ -	$ 9,998	$ 2,835	$ 54,695	$ 4,493	$ 21,210	$ -	$ 4,386	$ -	$ -	$ 868,893	$ -	$ 868,893
Provision for bad debts	(20,822)	-	-	-	-	(1)	(283)	(3,378)	(188)	(886)	-	(33)	-	-	(25,591)	-	(25,591)
Net patient service revenue less provisions for bad debts	750,454	-	-	-	-	9,997	2,552	51,317	4,305	20,324	-	4,353	-	-	843,302	-	843,302
Other revenue	36,498	8,553	1,529	665	263	29	938	28,608	8	(94)	-	8	934	2,932	80,871	(53,378)	27,493
Net assets released from restriction for operations	54	-	-	-	-	-	-	-	-	-	-	-	-	-	54	-	54
Total operating revenue	787,006	8,553	1,529	665	263	10,026	3,490	79,925	4,313	20,230	-	4,361	934	2,932	924,227	(53,378)	870,849
Operating expenses																	
Salaries and fees	292,693	-	522	209	132	5,651	2,383	62,665	2,950	24,906	-	3,211	-	-	395,322	-	395,322
Employee benefits	95,641	-	106	53	38	1,798	311	10,010	559	3,206	48	790	-	-	112,560	-	112,560
Supplies	126,624	-	1	1	1	1,063	1	2,574	174	1,050	-	84	-	-	131,573	-	131,573
Other expenses	141,080	9,786	543	264	440	2,609	785	22,684	2,060	5,134	17	1,153	541	-	187,096	(50,446)	136,650
Interest	9,206	-	-	-	-	-	-	-	-	-	-	-	185	-	9,391	-	9,391
Depreciation and amortization	45,013	-	9	4	7	202	3	2,118	155	292	-	42	89	-	47,934	-	47,934
Total operating expenses	710,257	9,786	1,181	531	618	11,323	3,483	100,051	5,898	34,588	65	5,280	815	-	883,876	(50,446)	833,430
Operating income (loss)	76,749	(1,233)	348	134	(355)	(1,297)	7	(20,126)	(1,585)	(14,358)	(65)	(919)	119	2,932	40,351	(2,932)	37,419
Investment (loss) income	(3,307)	18	(1,155)	(294)	(162)	-	-	-	-	-	-	-	-	-	(4,900)	-	(4,900)
Gain on sale of property, plant and equipment	252	-	-	-	-	-	-	-	-	-	-	-	-	-	252	-	252
Excess (deficiency) of revenue over expenses	73,694	(1,215)	(807)	(160)	(517)	(1,297)	7	(20,126)	(1,585)	(14,358)	(65)	(919)	119	2,932	35,703	(2,932)	32,771
Pension related changes other than net periodic pension costs	4,271	-	-	-	-	-	-	-	-	-	-	-	-	-	4,271	-	4,271
Net assets released from restrictions for capital expenditures	2,815	-	-	-	-	-	-	-	-	-	-	-	-	-	2,815	-	2,815
Grant revenue for capital expenditures	203	-	-	-	-	-	-	-	-	-	-	-	-	-	203	-	203
Change in interest in foundation	(160)	-	-	-	-	-	-	-	-	-	-	-	-	-	(160)	160	-
Transfers of equity	(33,726)	-	-	-	-	768	(1,031)	18,034	1,602	14,353	-	-	-	-	-	-	-
Increase (decrease) in unrestricted net assets	$ 46,897	$ (1,215)	$ (807)	$ (160)	$ (517)	$ (529)	$ (1,024)	$ (2,092)	$ 17	$ (5)	$ (65)	$ (919)	$ 119	$ 2,932	$ 42,832	$ (2,772)	$ 39,860

Health Quest Systems, Inc. and Subsidiaries
Consolidating Statement of Operations – Obligated Group
Year Ended December 31, 2015

(in thousands)

	VBMC	PHC	NDH	Health Quest	Eliminations	HQ Obligated Group
Operating revenue						
Net patient service revenue	$ 520,204	$ 158,716	$ 92,356	$ -	$ -	$ 771,276
Provision for bad debts	(15,147)	(3,941)	(1,734)	-	-	(20,822)
Net patient service revenue less provisions for bad debts	505,057	154,775	90,622	-	-	750,454
Other revenue	10,184	4,120	1,982	156,354	(136,142)	36,498
Net assets released from restriction for operations	-	-	54	-	-	54
Total operating revenue	515,241	158,895	92,658	156,354	(136,142)	787,006
Operating expenses						
Salaries and fees	138,281	50,054	27,652	76,706	-	292,693
Employee benefits	49,781	19,293	7,984	18,583	-	95,641
Supplies	78,379	25,699	14,561	7,985	-	126,624
Other expenses	158,142	45,886	24,282	48,912	(136,142)	141,080
Interest	5,495	1,952	1,425	334	-	9,206
Depreciation and amortization	27,488	9,209	4,338	3,978	-	45,013
Total operating expenses	457,566	152,093	80,242	156,498	(136,142)	710,257
Operating income (loss)	57,675	6,802	12,416	(144)	-	76,749
Investment loss	(2,679)	(543)	(85)			(3,307)
Gain on sale of property, plant and equipment	246	1	3	2		252
Excess (deficiency) of revenue over expenses	55,242	6,260	12,334	(142)	-	73,694
Pension related changes other than net periodic pension costs	2,751	1,520	-	-	-	4,271
Net assets released from restrictions for capital expenditures	1,541	760	314	-	-	2,615
Grant revenue for capital expenditures	-	6	197	-	-	203
Change in interest in foundation	-	(160)	-	-	-	(160)
Transfers of equity	(29,685)	(963)	(3,078)	-	-	(33,726)
Increase (decrease) in unrestricted net assets	$ 29,849	$ 7,423	$ 9,767	$ (142)	$ -	$ 46,897

Health Quest Systems, Inc. and Subsidiaries
Consolidating Statement of Operations
Year Ended December 31, 2014

(in thousands)

	HQ Obligated Group	VBH Insurance	Foundation for VBMC	PHC Foundation	NDH Foundation	NDRHCF	RDSI	HQ Med Practice	HQUMCP	HV Cardio Practice	Alamo	HQ Homecare	Wells Manor	RMSI	Total	Eliminations	Consolidated
Operating revenue																	
Net patient service revenue	$ 709,174	$ -	$ -	$ -	$ -	$ 10,059	$ 2,421	$ 45,576	$ 4,088	$ 26,751	$ -	$ (4,580)	$ -	$ -	$ 793,489	$ -	$ 793,489
Provision for bad debts	(25,554)	-	-	-	-	(75)	(319)	(3,014)	(217)	(1,138)	-	(35)	-	-	(30,352)	-	(30,352)
Net patient service revenue less provisions for bad debts	683,620	-	-	-	-	9,984	2,102	42,562	3,871	25,613	-	(4,615)	-	-	763,137	-	763,137
Other revenue	37,903	6,611	2,065	847	698	84	1,349	25,839	97	1,389		21	928		77,831	(44,331)	33,500
Net assets released from restriction for operations	83	-	-	-	-	-	-	-	-	-	-	-	-	-	83	-	83
Total operating revenue	721,606	6,611	2,065	847	698	10,068	3,451	68,401	3,968	27,002	-	(4,594)	928	-	841,051	(44,331)	796,720
Operating expenses																	
Salaries and fees	271,326	-	192	-	44	5,575	2,266	50,520	2,914	25,989	-	3,522	-	-	362,348	-	362,348
Employee benefits	90,272	-	45	-	12	2,373	275	9,163	551	4,248	(1)	865	-	-	107,814	-	107,814
Supplies	115,681	-	2	-	1	1,148	-	1,209	134	1,166	-	68	-	-	119,389	-	119,389
Other expenses	132,460	9,310	869	606	546	2,831	919	20,796	2,275	6,286	16	974	805	-	178,293	(44,331)	133,962
Interest	8,268	-	-	-	-	-	-	-	-	-	-	-	194	-	8,460	-	8,460
Depreciation and amortization	43,155	-	6	5	8	233	3	1,604	154	782	1	122	88	-	46,161	-	46,161
Total operating expenses	661,140	9,310	1,114	611	611	11,860	3,463	83,292	6,038	38,472	16	5,551	887	-	822,465	(44,331)	778,134
Operating income (loss)	60,466	(2,699)	951	236	87	(1,892)	(12)	(14,891)	(2,070)	(11,470)	(16)	(10,145)	41	-	18,586	-	18,586
Investment income	10,212	1,468	354	12	13	2	-	-	-	-	-	-	-	-	12,061	-	12,061
Loss on sale/disposal of property, plant and equipment	(16)	-	-	-	-	-	-	(6)	-	-	-	-	-	-	(22)	-	(22)
Excess (deficiency) of revenue over expenses	70,662	(1,231)	1,305	248	100	(1,890)	(12)	(14,897)	(2,070)	(11,470)	(16)	(10,145)	41	-	30,625	-	30,625
Pension related changes other than net periodic pension costs	(28,016)	-	-	-	-	-	-	-	-	-	-	-	-	-	(28,016)	-	(28,016)
Net assets released from restrictions for capital expenditures	2,254	-	-	-	-	-	-	-	-	-	-	-	-	-	2,254	-	2,254
Grant revenue for capital expenditures	197	-	-	-	-	-	-	-	-	-	-	-	-	-	197	-	197
Change in interest in foundation	248	-	-	-	-	-	-	-	-	-	-	-	-	-	248	(248)	-
Transfers of equity	(23,645)	-	-	-	-	1,824	-	15,972	2,178	3,671	-	-	-	-	-	-	-
Increase (decrease) in unrestricted net assets	$ 21,700	$ (1,231)	$ 1,305	$ 248	$ 100	$ (66)	$ (12)	$ 1,075	$ 108	$ (7,799)	$ (16)	$ (10,145)	$ 41	$ -	$ 5,308	$ (248)	$ 5,060

Health Quest Systems, Inc. and Subsidiaries
Consolidating Statement of Operations – Obligated Group
Year Ended December 31, 2014

(in thousands)

	VBMC	PHC	NDH	Health Quest	Eliminations	HQ Obligated Group
Operating revenue						
Net patient service revenue	$ 465,664	$ 158,256	$ 85,254	$ -	$ -	$ 709,174
Provision for bad debts	(18,591)	(4,994)	(1,969)	-	-	(25,554)
Net patient service revenue less provisions for bad debts	447,073	153,262	83,285	-	-	683,620
Other revenue	12,726	5,323	2,632	151,246	(134,024)	37,903
Net assets released from restriction for operations	41	1	41	-	-	83
Total operating revenue	459,840	158,586	85,958	151,246	(134,024)	721,606
Operating expenses						
Salaries and fees	124,896	48,161	24,960	73,309	-	271,326
Employee benefits	46,058	17,445	8,339	18,430	-	90,272
Supplies	70,087	24,733	13,191	7,650	-	115,661
Other expenses	145,576	46,256	22,857	51,795	(134,024)	132,460
Interest	5,264	1,833	764	405	-	8,266
Depreciation and amortization	26,520	8,775	4,052	3,808	-	43,155
Total operating expenses	418,401	147,203	74,163	155,397	(134,024)	661,140
Operating income/(loss)	41,439	11,383	11,795	(4,151)	-	60,466
Investment income	8,602	1,304	306	-	-	10,212
Gain/(Loss) on sale of property, plant and equipment	-	-	20	(36)	-	(16)
Excess of revenue over expenses	50,041	12,687	12,121	(4,187)	-	70,662
Pension related changes other than net periodic pension costs	(11,810)	(16,206)	-	-	-	(28,016)
Net assets released from restrictions for capital expenditures	1,661	271	322	-	-	2,254
Grant revenue for capital expenditures	-	-	197	-	-	197
Change in interest in foundation	-	248	-	-	-	248
Transfers of equity	(18,926)	(728)	(3,991)	-	-	(23,645)
Increase (decrease) in unrestricted net assets	$ 20,966	$ (3,728)	$ 8,649	$ (4,187)	$ -	$ 21,700

(in thousands)

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidating balance sheets and consolidating statements of operations by business unit as of December 31, 2015 and 2014 are provided for purposes of additional analysis and is not required as part of the basic consolidated financial statements. The information is presented on the accrual basis of accounting and is prepared net of related eliminations. This schedule is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America as a result of the exclusion of the changes in temporarily restricted and permanently restricted net assets.

The accompanying obligated group information has been prepared to satisfy debt covenant requirements and is not required as part of the basic consolidated financial statements. The Obligated Group consists of VBMC, PHC, NDH, and Health Quest. The information is prepared on the accrual basis of accounting and is prepared net of related eliminations. These schedules are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America as a result of the exclusion of entities that would otherwise be required to be consolidated under GAAP.

EXHIBIT K

Applicant Name: Combined Practice
Financial Worksheet (B)

FOR-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:	(1) FY 2015 Actual Results	(1a) FY 2016 Actual (est) Results	(2) FY 2017 Projected W/out CON	(3) FY 2017 Projected Incremental	(4) FY 2017 Projected With CON	(5) FY 2018 Projected W/out CON	(6) FY 2018 Projected Incremental	(7) FY 2018 Projected With CON	(8) FY 2019 Projected W/out CON	(9) FY 2019 Projected Incremental	(10) FY 2019 Projected With CON	(11) FY 2020 Projected W/out CON	(12) FY 2020 Projected Incremental	(13) FY 2020 Projected With CON
	Description														
A.	**OPERATING REVENUE**														
1	Total Gross Patient Revenue	$12,944,584	$13,476,909	$18,070,342	$1,484,047	$19,554,389	$18,275,987	$6,205,416	$24,481,403	$18,484,083	$8,846,985	$27,331,028	$18,894,600	$10,224,498	$29,119,098
2	Less: Allowances	$7,175,469	$7,739,056	$10,693,763	$786,545	$11,480,307	$10,800,700	$3,288,870	$14,089,570	$10,908,707	$4,688,891	$15,597,599	$11,017,794	$5,418,984	$16,436,778
3	Less: Charity Care	$0	$0	$0	$14,840	$14,840	$0	$62,054	$62,054	$0	$88,470	$88,470	$0	$102,245	$102,245
4	Less: Other Deductions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Net Patient Service Revenue	**$5,769,115**	**$5,737,853**	**$7,376,579**	**$682,662**	**$8,059,241**	**$7,475,287**	**$2,854,491**	**$10,329,778**	**$7,575,356**	**$4,069,604**	**$11,644,960**	**$7,876,806**	**$4,703,269**	**$12,380,075**
5	Medicare	$892,137	$1,233,061	$1,682,066	$137,829	$1,819,895	$1,701,257	$576,322	$2,277,579	$1,720,675	$821,653	$2,542,328	$1,740,322	$949,590	$2,689,912
6	Medicaid (CT & NY)	$902,771	$1,051,653	$1,330,424	$122,811	$1,453,235	$1,348,966	$513,523	$1,862,489	$1,367,773	$732,122	$2,099,894	$1,386,846	$846,118	$2,232,964
7	CHAMPUS & TriCare	$19,192	$21,211	$26,247	$2,185	$28,401	$26,604	$9,135	$35,738	$26,996	$13,023	$40,019	$27,395	$15,051	$42,445
8	Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Government	**$1,814,099**	**$2,305,925**	**$3,038,708**	**$262,825**	**$3,301,532**	**$3,076,827**	**$1,098,979**	**$4,175,806**	**$3,115,443**	**$1,566,797**	**$4,682,241**	**$3,154,563**	**$1,810,759**	**$4,965,322**
9	Commercial Insurers	$3,825,630	$3,316,208	$4,183,312	$401,405	$4,584,717	$4,242,031	$1,678,441	$5,920,472	$4,301,591	$2,392,927	$6,694,518	$4,362,003	$2,765,522	$7,127,525
10	Uninsured	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11	Self Pay	$106,077	$89,548	$117,228	$14,336	$131,564	$118,724	$59,944	$178,669	$120,241	$85,462	$205,703	$121,777	$98,769	$220,546
12	Workers Compensation	$23,309	$26,173	$37,332	$4,096	$41,428	$37,705	$17,127	$54,832	$38,082	$24,418	$62,500	$38,463	$28,220	$66,683
13	Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Non-Government	**$3,955,016**	**$3,431,928**	**$4,337,872**	**$419,837**	**$4,757,709**	**$4,398,461**	**$1,755,512**	**$6,153,973**	**$4,459,914**	**$2,502,806**	**$6,962,720**	**$4,522,243**	**$2,892,510**	**$7,414,753**
	Net Patient Service Revenue[a] (Government+Non-Government)	**$5,769,115**	**$5,737,853**	**$7,376,580**	**$682,662**	**$8,059,241**	**$7,475,288**	**$2,854,491**	**$10,329,779**	**$7,575,357**	**$4,069,604**	**$11,644,960**	**$7,676,806**	**$4,703,269**	**$12,380,075**
14	Less: Provision for Bad Debts	$302,914	$191,674	$234,735	$22,261	**$256,995**	$237,082	$93,081	**$330,163**	$239,453	$132,704	**$372,157**	$241,847	$153,367	**$395,215**
	Net Patient Service Revenue less provision for bad debts	**$5,466,201**	**$5,546,179**	**$7,141,845**	**$660,401**	**$7,802,246**	**$7,238,205**	**$2,761,410**	**$9,999,615**	**$7,335,903**	**$3,936,899**	**$11,272,803**	**$7,434,958**	**$4,549,902**	**$11,984,860**
15	Other Operating Revenue	$383,259	$313,239	$1,105,570	$0	**$1,105,570**	$938,326	$0	**$938,326**	$941,109	$0	**$941,109**	$943,920	$0	**$943,920**
17	Net Assets Released from Restrictions	$0	$0	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**
	TOTAL OPERATING REVENUE	**$5,849,460**	**$5,859,418**	**$8,247,415**	**$660,401**	**$8,907,816**	**$8,176,531**	**$2,761,410**	**$10,937,941**	**$8,277,012**	**$3,936,899**	**$12,213,912**	**$8,378,878**	**$4,549,902**	**$12,928,780**
B.	**OPERATING EXPENSES**														
1	Salaries and Wages	$4,391,221	$3,818,245	$5,263,607	$860,842	$6,124,448	$5,368,879	$2,917,848	$8,286,726	$5,476,256	$3,043,742	$8,519,998	$5,585,781	$3,441,592	$9,027,373
2	Fringe Benefits	$246,545	$439,629	$863,140	$150,369	$1,013,509	$880,403	$510,928	$1,391,331	$898,011	$532,865	$1,430,876	$915,971	$601,699	$1,517,670
3	Physicians Fees	$729,234	$629,294	$1,097,370	$0	$1,097,370	$1,097,370	$0	$1,097,370	$1,097,370	$0	$1,097,370	$1,097,370	$0	$1,097,370
4	Supplies and Drugs	$357,973	$485,588	$550,310	$49,260	$599,570	$577,826	$191,530	$769,355	$606,717	$252,945	$859,663	$637,053	$285,452	$922,505
5	Depreciation and Amortization	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6	Provision for Bad Debts-Other[b]	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7	Interest Expense	($100)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	Malpractice Insurance Cost	$3,314	$183,287	$283,287	$50,178	$333,465	$283,287	$177,652	$460,939	$283,287	$188,529	$471,816	$283,287	$205,448	$488,735
9	Lease Expense	$233,609	$365,349	$421,328	$37,969	$459,296	$433,968	$151,875	$585,843	$446,987	$154,913	$601,899	$460,396	$156,431	$616,827
10	Other Operating Expenses	$3,017,248	$3,317,375	$3,467,276	$162,766	$3,630,042	$3,501,949	$632,857	$4,134,806	$3,536,969	$835,789	$4,372,758	$3,572,338	$843,198	$4,515,536
	TOTAL OPERATING EXPENSES	**$8,979,044**	**$9,218,767**	**$11,946,318**	**$1,311,383**	**$13,257,701**	**$12,143,681**	**$4,582,690**	**$16,726,371**	**$12,345,596**	**$5,008,782**	**$17,354,379**	**$12,552,197**	**$5,633,819**	**$18,186,016**
	INCOME/(LOSS) FROM OPERATIONS	**($3,129,584)**	**($3,359,349)**	**($3,698,903)**	**($650,983)**	**($4,349,886)**	**($3,967,150)**	**($1,821,280)**	**($5,788,430)**	**($4,068,584)**	**($1,071,883)**	**($5,140,467)**	**($4,173,319)**	**($1,083,118)**	**($5,257,237)**
	NON-OPERATING INCOME	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Income before provision for income taxes	**($3,129,584)**	**($3,359,349)**	**($3,698,903)**	**($650,983)**	**($4,349,886)**	**($3,967,150)**	**($1,821,280)**	**($5,788,430)**	**($4,068,584)**	**($1,071,883)**	**($5,140,467)**	**($4,173,319)**	**($1,083,118)**	**($5,257,237)**
	Provision for income taxes[c]	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	NET INCOME	**($3,129,584)**	**($3,359,349)**	**($3,698,903)**	**($650,983)**	**($4,349,886)**	**($3,967,150)**	**($1,821,280)**	**($5,788,430)**	**($4,068,584)**	**($1,071,883)**	**($5,140,467)**	**($4,173,319)**	**($1,083,118)**	**($5,257,237)**
C.	**Retained Earnings, beginning of year**	$0	$0	($3,359,349)	$0	($3,359,349)	($2,244,246)	$0	($2,244,246)	($8,032,675)	$0	($8,032,675)	($13,173,142)	$0	($13,173,142)
	Retained Earnings, end of year	$0	($3,359,349)	($7,058,252)	$4,814,006	($2,244,246)	($6,211,396)	($1,821,280)	($8,032,675)	($12,101,260)	($1,071,883)	($13,173,142)	($17,346,461)	($1,083,918)	($18,430,379)
	Principal Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D.	**PROFITABILITY SUMMARY**														
1	Hospital Operating Margin	**-53.5%**	**-57.3%**	**-44.8%**	**-98.6%**	**-48.8%**	**-48.5%**	**-66.0%**	**-52.9%**	**-49.2%**	**-27.2%**	**-42.1%**	**-49.8%**	**23.8%**	**-40.7%**
2	Hospital Non Operating Margin	**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%**
3	Hospital Total Margin	**-53.5%**	**-57.3%**	**-44.8%**	**-98.6%**	**-48.8%**	**-48.5%**	**-66.0%**	**-52.9%**	**-49.2%**	**-27.2%**	**-42.1%**	**-49.8%**	**23.8%**	**-40.7%**
E.	**FTE**	**37**	**33**	**34**	**6**	**40**	**34**	**19**	**53**	**34**	**20**	**54**	**34**	**22**	**56**
F.	**VOLUME STATISTICS[d]**														
1	Inpatient Discharges	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Outpatient Visits	27,197	32,235	42,276	4,625	**46,901**	42,818	17,984	**60,802**	43,362	23,751	**67,113**	43,795	26,803	**70,598**
	TOTAL VOLUME	**27,197**	**32,235**	**42,276**	**4,625**	**46,901**	**42,818**	**17,984**	**60,802**	**43,362**	**23,751**	**67,113**	**43,795**	**26,803**	**70,598**

[a] Total amount should equal the total amount on cell line "Net Patient Revenue" Row 14.
[b] 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.
[c] Provide the amount of income taxes as defined by the Internal Revenue Services for for-profit entities.
[d] 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.

Applicant: Health Quest Systems, Inc
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	(1)	(2)		(4)		(6)	(7)		(9)	(10)	(11)	(12)	(13)
		FY16	FY17	FY17 (3 mo.)	FY17	FY18	FY18	FY18	FY19	FY19	FY19	FY20	FY20	FY20
		Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	Description	Results	W/out CON	Incremental	With CON	W/out CON	Incremental	With CON	W/out CON	Incremental	With CON	W/out CON	Incremental	With CON
A.	**OPERATING REVENUE**													
1	Total Gross Patient Revenue	$2,543,236,000	$2,655,559,000	$44,336,780	$2,699,895,780	$2,740,023,000	$210,994,558	$2,951,017,558	$2,899,092,000	$220,009,851	$3,119,101,851	$2,944,688,000	$225,153,201	$3,169,841,201
2	Less: Allowances	$1,519,221,000	$1,564,843,260	$27,597,330	$1,592,440,590	$1,583,734,393	$130,070,368	$1,713,804,761	$1,650,457,357	$135,512,819	$1,785,970,176	$1,643,449,110	$138,587,680	$1,782,036,790
3	Less: Charity Care	$41,274,000	$41,686,740	$150,959	$41,837,699	$42,103,607	$754,826	$42,858,433	$42,524,643	$800,617	$43,325,260	$42,949,890	$823,960	$43,773,850
4	Less: Other Deductions			$228,366	$228,366		$1,074,407	$1,074,407		$1,104,457	$1,104,457		$1,119,295	$1,119,295
	Net Patient Service Revenue	**$982,741,000**	**$1,049,029,000**	**$16,360,125**	**$1,065,389,125**	**$1,114,185,000**	**$79,094,957**	**$1,193,279,956**	**$1,206,110,000**	**$82,591,958**	**$1,288,701,958**	**$1,258,289,000**	**$84,622,266**	**$1,342,911,266**
5	Medicare	$461,888,270	$493,043,630	$6,742,407	$499,786,037	$523,666,950	$32,416,786	$556,083,736	$566,871,700	$33,637,809	$600,509,509	$591,395,830	$34,353,066	$625,748,896
6	Medicaid	$186,720,790	$199,315,510	$1,610,398	$200,925,908	$211,695,150	$7,840,489	$219,535,639	$229,160,900	$8,267,567	$237,428,467	$239,074,910	$8,513,233	$247,588,143
7	CHAMPUS & TriCare	$0	$0	$31,040	$31,040	$0	$150,493	$150,493	$0	$158,415	$158,415	$0	$163,003	$163,003
8	Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Government	**$648,609,060**	**$692,359,140**	**$8,383,844**	**$700,742,984**	**$735,362,100**	**$40,407,769**	**$775,769,868**	**$796,032,600**	**$42,063,791**	**$838,096,391**	**$830,470,740**	**$43,029,302**	**$873,500,042**
9	Commercial Insurers	$9,827,410	$10,490,290	$6,562,686	$17,052,976	$11,141,850	$31,884,839	$43,026,689	$12,061,100	$33,482,697	$45,543,797	$12,582,890	$34,404,743	$46,987,633
10	Uninsured	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11	Self Pay	$19,654,820	$20,980,580	$861,872	$21,842,452	$22,283,700	$4,152,440	$26,436,140	$24,122,200	$4,305,555	$28,427,755	$25,165,780	$4,395,245	$29,561,025
12	Workers Compensation	$9,827,410	$10,490,290	$268,572	$10,758,862	$11,141,850	$1,292,601	$12,434,451	$12,061,100	$1,339,541	$13,400,641	$12,582,890	$1,367,037	$13,949,927
13	Other	$294,822,300	$314,708,700	$283,152	$314,991,852	$334,255,500	$1,357,309	$335,612,809	$361,833,000	$1,400,375	$363,233,375	$377,486,700	$1,425,940	$378,912,640
	Total Non-Government	**$334,131,940**	**$356,669,860**	**$7,976,281**	**$364,646,141**	**$378,822,900**	**$38,687,189**	**$417,510,089**	**$410,077,400**	**$40,528,168**	**$450,605,568**	**$427,818,260**	**$41,592,965**	**$469,411,225**
	Net Patient Service Revenuea (Government+Non-Government)	**$982,741,000**	**$1,049,029,000**	**$16,360,125**	**$1,065,389,125**	**$1,114,185,000**	**$79,094,958**	**$1,193,279,957**	**$1,206,110,000**	**$82,591,959**	**$1,288,701,958**	**$1,258,289,000**	**$84,622,267**	**$1,342,911,267**
14	Less: Provision for Bad Debts	$29,727,000	$32,544,000	$699,451	**$33,243,451**	$34,432,000	$3,359,654	**$37,791,654**	$36,059,000	$3,481,972	**$39,540,972**	$37,403,000	$3,545,798	**$40,948,798**
	Net Patient Service Revenue less provision for bad debts	**$953,014,000**	**$1,016,485,000**	**$15,660,674**	**$1,032,145,674**	**$1,079,753,000**	**$75,735,303**	**$1,155,488,303**	**$1,170,051,000**	**$79,109,987**	**$1,249,160,986**	**$1,220,886,000**	**$81,076,468**	**$1,301,962,468**
15	Other Operating Revenue	$26,732,000	$29,243,000	$420,781	**$29,663,781**	$31,326,000	$1,521,655	**$32,847,655**	$33,485,000	$1,530,272	**$35,015,272**	$33,749,000	$1,538,975	**$35,287,975**
17	Net Assets Released from Restrictions				**$0**		$0	**$0**		$0	**$0**		$0	**$0**
	TOTAL OPERATING REVENUE	**$979,746,000**	**$1,045,728,000**	**$16,081,455**	**$1,061,809,455**	**$1,111,079,000**	**$77,256,958**	**$1,188,335,958**	**$1,203,536,000**	**$80,640,258**	**$1,284,176,258**	**$1,254,635,000**	**$82,615,443**	**$1,337,250,443**
B.	**OPERATING EXPENSES**													
1	Salaries and Wages	$420,595,000	$441,418,000	$6,099,585	$447,517,585	$462,515,000	$27,824,657	$490,339,657	$484,167,000	$28,681,967	$512,848,967	$506,211,000	$29,592,582	$535,803,582
2	Fringe Benefits	$121,017,000	$127,910,000	$1,192,905	$129,102,905	$133,845,000	$5,409,397	$139,254,397	$140,383,000	$5,577,278	$145,960,278	$146,960,000	$5,747,000	$152,707,000
3	Physicians Fees	$31,033,000	$60,668,000	$923,607	$61,591,607	$60,735,000	$3,906,213	$64,641,213	$60,806,000	$3,933,716	$64,739,716	$60,818,000	$3,943,243	$64,761,243
4	Supplies and Drugs	$148,115,000	$163,223,000	$1,746,217	$164,969,217	$177,599,000	$8,684,276	$186,283,276	$196,440,000	$9,306,211	$205,746,211	$204,992,000	$9,818,687	$214,810,687
5	Depreciation and Amortization	$54,515,000	$61,446,000	$345,913	$61,791,913	$69,031,000	$1,403,734	$70,434,734	$88,874,000	$2,138,693	$91,012,693	$95,504,000	$2,874,274	$98,378,274
6	Provision for Bad Debts-Otherb			$0	**$0**		$0	**$0**		$0	**$0**		$0	**$0**
7	Interest Expense	$8,604,000	$9,004,000	$7,419	$9,011,419	$12,604,000	$29,676	$12,633,676	$23,597,000	$29,676	$23,626,676	$22,994,000	$29,676	$23,023,676
8	Malpractice Insurance Cost			$307,509	$307,509		$1,617,386	$1,617,386		$1,647,171	$1,647,171		$1,667,709	$1,667,709
9	Lease Expense			$164,885	$164,885		$656,864	$656,864		$672,920	$672,920		$687,848	$687,848
10	Other Operating Expenses	$135,456,000	$111,820,000	$5,388,720	$117,208,720	$116,016,000	$23,292,954	$139,308,954	$122,984,000	$23,844,549	$146,828,549	$124,726,000	$24,212,853	$148,938,853
	TOTAL OPERATING EXPENSES	**$919,335,000**	**$975,489,000**	**$16,176,760**	**$991,665,760**	**$1,032,345,000**	**$72,825,156**	**$1,105,170,156**	**$1,117,251,000**	**$75,832,182**	**$1,193,083,182**	**$1,162,205,000**	**$78,573,873**	**$1,240,778,873**
	INCOME/(LOSS) FROM OPERATIONS	**$60,411,000**	**$70,239,000**	**($95,305)**	**$70,143,695**	**$78,734,000**	**$4,431,802**	**$83,165,802**	**$86,285,000**	**$4,808,077**	**$91,093,076**	**$92,430,000**	**$4,041,570**	**$96,471,570**
	NON-OPERATING REVENUE	**$12,720,000**	**$12,720,000**	**$0**	**$12,720,000**	**$12,720,000**	**$0**	**$12,720,000**	**$12,720,000**	**$0**	**$12,720,000**	**$12,720,000**		**$12,720,000**
	EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES	**$73,131,000**	**$82,959,000**	**($95,305)**	**$82,863,695**	**$91,454,000**	**$4,431,802**	**$95,885,802**	**$99,005,000**	**$4,808,077**	**$103,813,076**	**$105,150,000**	**$4,041,570**	**$109,191,570**
	Principal Payments				**$0**			**$0**			**$0**			**$0**
C.	**PROFITABILITY SUMMARY**													
1	Hospital Operating Margin	**6.1%**	**6.6%**	**-0.6%**	**6.5%**	**7.0%**	**5.7%**	**6.9%**	**7.1%**	**6.0%**	**7.0%**	**7.3%**	**4.9%**	**7.1%**
2	Hospital Non Operating Margin	**1.3%**	**1.2%**	**0.0%**	**1.2%**	**1.1%**	**0.0%**	**1.1%**	**1.0%**	**0.0%**	**1.0%**	**1.0%**	**0.0%**	**0.9%**
3	Hospital Total Margin	**7.4%**	**7.8%**	**-0.6%**	**7.7%**	**8.1%**	**5.7%**	**8.0%**	**8.1%**	**6.0%**	**8.0%**	**8.3%**	**4.9%**	**8.1%**
D.	**FTEs**	4,739	4,832	74	**4,906**	4,878	322	**5,200**	4,918	329	**5,247**	4,930	331	**5,261**
E.	**VOLUME STATISTICSc**													
1	Inpatient Discharges	34,888	35,603	700	**36,303**	36,060	3,686	**39,746**	38,677	3,781	**42,458**	39,085	3,835	**42,920**
2	Outpatient Visits	2,232,267	2,781,929	35,552	**2,817,481**	3,070,814	163,344	**3,234,158**	3,333,985	172,428	**3,506,413**	3,384,166	177,493	**3,561,659**
	TOTAL VOLUME	**2,267,155**	**2,817,532**	**36,252**	**2,853,784**	**3,106,874**	**167,030**	**3,273,904**	**3,372,662**	**176,209**	**3,548,871**	**3,423,251**	**181,328**	**3,604,579**

a Total amount should equal the total amount on cell line "Net Patient Revenue" Row 14.
b 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.
c 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.

ATTACHMENT V

Supplemental CON Application Form

Transfer of Ownership of a Group Practice

Conn. Gen. Stat. § 19a-638(a)(3)

Applicant: **Vassar Health Connecticut, Inc.; Regional Healthcare Associates, LLC, Tri State Women's Services, LLC**

Project Name: **Transfer of Ownership of Regional Healthcare Associates, LLC and Tri State Women's Services, LLC**

1. **Project Description: Transfer of Ownership of a Group Practice**

   a. Is the proposed transfer the result of a request for proposal or other similar voluntary offer for sale? Please explain in detail and provide dates and documentation.

RESPONSE:

Not applicable.

   b. Explain how each Applicant determined the public's need for the proposal to occur and discuss the benefits of this proposal for the public (discuss each separately).

RESPONSE:

See Responses to Question 1 (Project Description) in the CON Application Main Form.

   c. Describe the transition plan and how the Applicants will ensure continuity of services to the patient population. Provide a copy of any transition plan, if available.

RESPONSE:

As previously mentioned, Health Quest began providing management services to Sharon (and in turn the Physician Practices) effective October 1, 2016, after the Asset Purchase Agreement was signed. As part of these services, Health Quest is evaluating how Hospital and Physician Practice operations will be transitioned to Vassar Connecticut and the Medical Foundation and how these entities will be integrated into the Health Quest system. The result of this evaluation will be a detailed transition plan. The plan is being spearheaded by Claudine Fasse, Health Quest's AVP for Operations, who is working closely with Peter Cordeau, the President of Sharon, and his staff. Teams involved with transition planning include Finance and Accounting, HR, Lab, Facilities, Clinical Contracts, Non-Clinical Contracts, Medical Staff Office, and IT. Retaining the existing management team at Sharon is critical to the successful transition of the Hospital and Physician Practices, and this has been achieved. Moreover, having Health Quest provide management services to Sharon and the Physician Practices while the CONs are pending will allow an orderly transfer of the Hospital and Physician Practices and ensure continuity of care for the people in the Sharon service area. In addition, Vassar Connecticut has agreed to hire all eligible employees of Sharon. These employees know the market. They know the patients. They know the facility. They are part of the

community and are committed to the community. They are familiar faces for the patients. Health Quest has also agreed to retain all services at Sharon. Patients will not have to seek care that they are used to getting at Sharon elsewhere. All of these factors will also help to ensure a smooth transition and continuity of care.

d. 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. List of owners and the % ownership and shares of each.

RESPONSE:

Attached as Exhibit L are corporate organizational charts for the Physician Practices and the Health Quest system before and after the proposed transaction. Currently, RHA and TWS are limited liability companies comprised of and managed by their physician members. The Medical Foundation will be incorporated in accordance with Section 33-182bb of the Connecticut General Statues and governed by a Board of Directors that meets the requirements of the statute.

e. Does this proposal avoid the corporate practice of medicine? Explain in detail.

RESPONSE:

Section 33-182bb of the Connecticut General Statutes permits a hospital or health system to "organize and become a member of a nonprofit medical foundation … for the purpose of practicing medicine and providing health care services …," thereby avoiding the corporate practice of medicine prohibition.

f. Has the Applicant notified the Attorney General's office in writing of the proposed "material change," as defined Conn. Gen Stat. § 19a-486i(c)?

RESPONSE:

Notification will be made no later than thirty (30) days prior to the closing of the transaction, in accordance with Section 19a-486i(c) of the Connecticut General Statutes. The Attorney General's Office is aware of the proposed transaction involving Sharon and the Physician Practices.

2. Financial Information

a. Describe how this proposal is cost effective and provide an itemization of anticipated cost savings that will result from this proposal.

RESPONSE:

See Response to Question 9(c) (Public Need & Access to Care) in the CON Application Main Form. It is not possible, prior to assuming ownership and operation of the Physician Practices, to itemize anticipated cost savings.

3. 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:

Not applicable. The proposed transaction does not require anti-trust review.

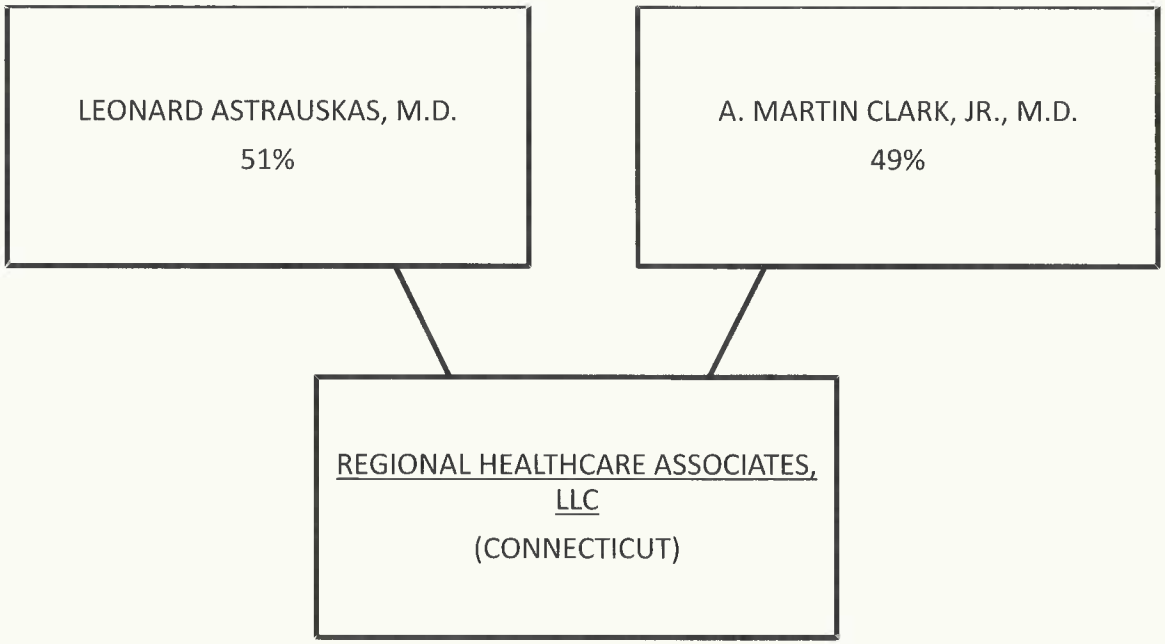
b. Is the proposal being submitted due to provisions of the Patient Protection and Affordable Care Act (PPACA)? Explain in detail.

RESPONSE:

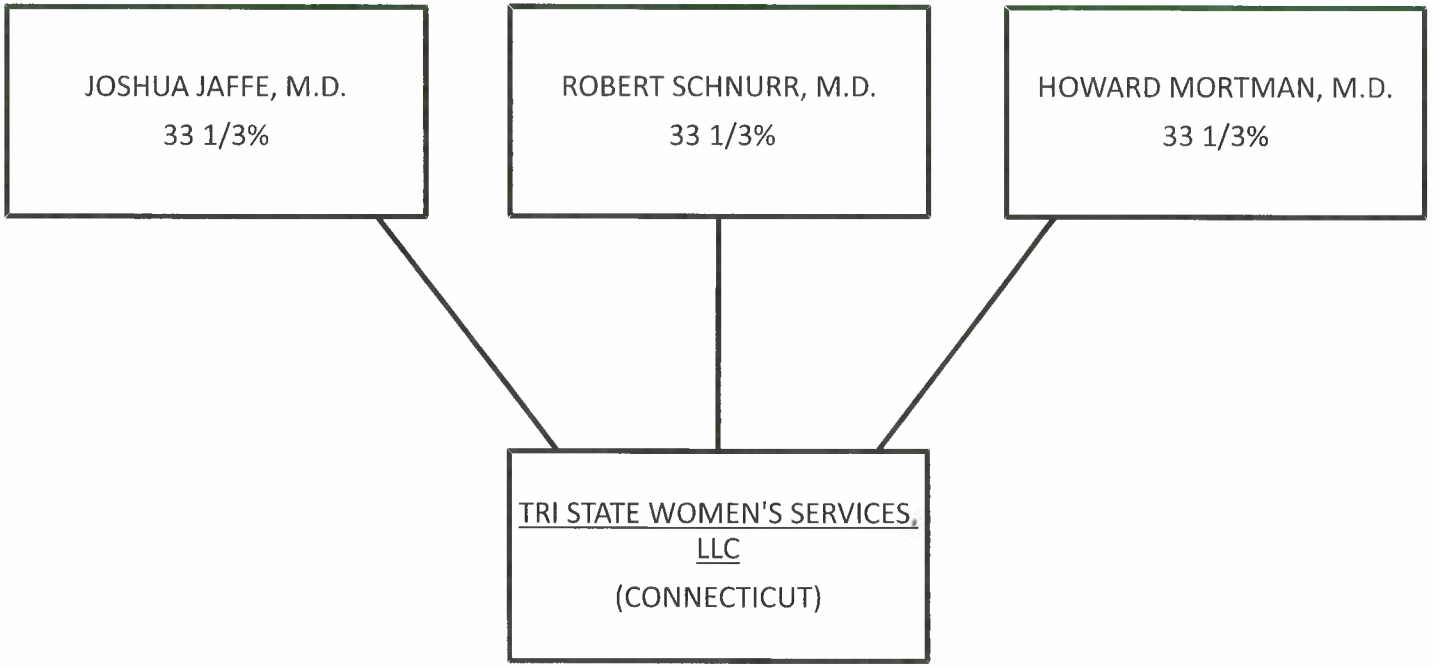
While the proposal is not being submitted due to provisions of PPACA, it will achieve certain objectives of the law including enhancements to quality and the operating efficiencies that come with regionalized healthcare. In addition, Health Quest has contracts with most of the providers on the New York exchange. The company anticipates developing contracts with the providers on the Connecticut exchange as well.

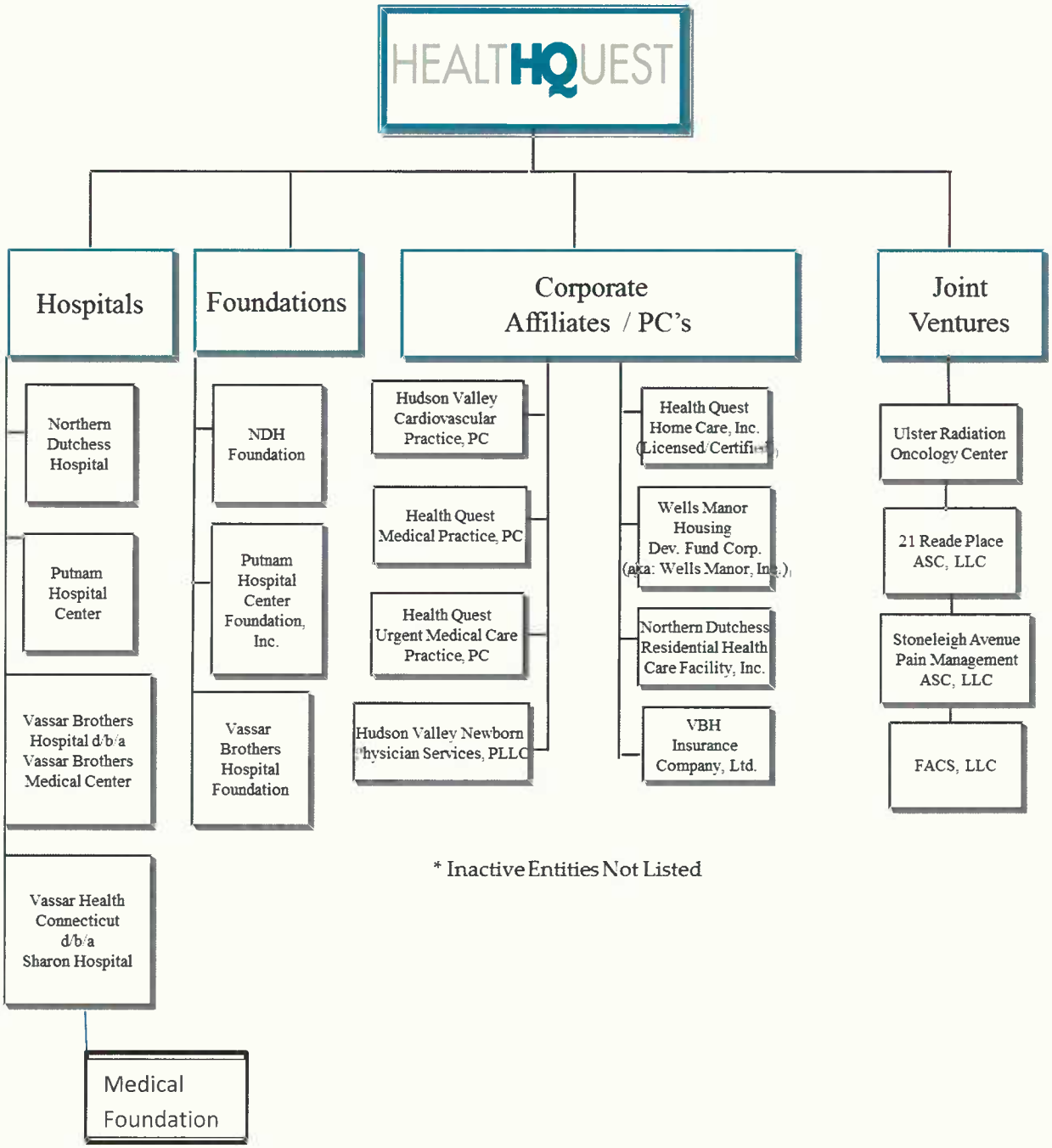
EXHIBIT L

REGIONAL HEALTHCARE ASSOCIATES, LLC
ORGANIZATIONAL CHART



TRI STATE WOMEN'S SERVICES, LLC
ORGANIZATIONAL CHART





* Inactive Entities Not Listed

Greer, Leslie

From: Fernandes, David
Sent: Friday, December 02, 2016 3:14 PM
To: dping@health-quest.org
Cc: Greer, Leslie; Riggott, Kaila; Schaeffer-Helmecki, Jessica; Foster, Tillman; Lazarus, Steven
Subject: 16-32132-CON and 16-32133-CON Completeness Letters
Attachments: 16-32132 CON Completeness.docx; 16-32133-CON Final Completeness letter.docx

Good afternoon Mr. Ping,

Please see the attached completeness letters in the matter of the proposed transfer of ownership of Sharon Hospital and Regional Healthcare Associates, LLC to Vassar Health, Inc., a subsidiary of Health Quest Systems, Inc. In responding to the completeness letters, please follow the instructions included in the letters and provide the response document as an attachment only (no hard copies required). Please provide your written responses to OHCA by February 1, 2017.

Email to OHCA@ct.gov and cc:David.Fernandes@ct.gov , Jessica.Schaeffer-Helmecki@ct.gov, Steven.Lazarus@ct.gov, Tillman.Foster@ct.gov and Kaila.Riggott@ct.gov.

If you have any questions regarding the completeness letters, please contact David Fernandes at (860) 418-7032 or Jessica Schaeffer-Helmecki at (860) 418-8075.

Please confirm receipt of this email.

Thank You,

David Fernandes
Planning Analyst (CCT)
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, Hartford, Connecticut 06134
P: (860) 418-7032|F: (860) 418-7053|E: David.Fernandes@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 2, 2016 Via Email Only

dping@health-quest.org
Mr. David Ping
Health Quest Systems, Inc.
Senior Vice President of Strategic Planning & Business Development
1351 Route 55, Suite 200
LaGrangeville, NY 12540

RE: Certificate of Need Application: Docket Number: 16-32133-CON
Transfer ownership interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.
Certificate of Need Completeness Letter

Dear Mr. Ping:

On November 3, 2016, OHCA received the Certificate of Need application from Regional Healthcare Associates, LLC ("RHA") and Vassar Health Connecticut ("Vassar") seeking authorization to transfer ownership interest in RHA to Vassar. OHCA requests additional information pursuant to Connecticut General Statutes §19a-639a(c). *Please electronically confirm receipt of this email as soon as you receive it.* Provide responses to the questions below in both a Word document and PDF format as an attachment to a responding email. ***Please email your responses to each of the following email addresses: OHCA@ct.gov, david.fernandes@ct.gov, steven.lazarus@ct.gov, tillman.foster@ct.gov and kaila.riggott@ct.gov.***

Paginate and date your response (i.e., each page in its entirety). Repeat each OHCA question before providing your response. Information filed after the initial CON application submission (e.g., completeness response letter, prefiled testimony, late file submissions, etc.) must be numbered sequentially from the Applicant's preceding document. Begin your submission using **Page 564** and reference "**Docket Number: 16-32133-CON**."

Pursuant to Section 19a-639a(c) of the Connecticut General Statutes, you must submit your response to this request for additional information no later than sixty days after the date this request was transmitted. Therefore, please provide your written responses to OHCA no later than **January 31, 2017**, otherwise your application will be automatically considered withdrawn.

Phone: (860) 418-7001 • Fax: (860) 418-7053
410 Capitol Avenue, MS#13HCA
Hartford, Connecticut 06134-0308
www.ct.gov/dph

1. When is the formation of the Connecticut Medical Foundation expected to be completed? How will patients be notified of the change?

2. Will the Connecticut Medical Foundation employ all the physicians from RHA?

3. How will RHA physicians work in conjunction with Health Quest Medical Practice to benefit their current patients?

4. The application states that Essent was unable to recruit new physicians, which was a primary cause of the decline in utilization at the Hospital. Explain in detail how Health Quest will be more successful in recruiting physicians.

5. How was the need for endocrinology services identified, as stated on page 25 of the application? Are there other medical services identified as a need? If so, how specifically were they identified? Please provide documentation.

6. What initiatives or best practices did Health Quest implement to ensure the success of Health Quest Medical Practice, as stated on page 25 of the application? Please provide examples.

7. Clarify the statement on page 28 of the application regarding the transfer of patients for a higher level of care. To what specific higher levels of care would patients be transferred? Where are the service area patients as noted on Table 8a (page 57) currently receiving these services?

8. Discuss any impact on patient costs and the insurance implications regarding the transfer of patients out of state.

9. How specifically would technology in physician offices be enhanced by this proposal? Provide examples.

10. Provide further details on what is meant by support structures as mentioned on page 25 of the application.

11. Please specify the amount of the $6M Working Capital Grant that will be allocated to the physician practices.

12. Provide RHA's current uncompensated care policy (charity care and bad debt).

13. Please provide updated tables utilizing RHA data for the following: Projected Incremental Revenues and Expenses Table 4, Projected Utilization by Service Table 6a and Projected Payer Mix Table 7a.

14. Of the incremental revenues, expenses and volume as reported on page 553, please indicate what is specifically attributable to acquiring RHA by Health Quest Systems, Inc. Be specific.

15. How did the Applicants arrive at the FY 2016 actual amounts for revenues, expenses and utilization for the Health Quest, Inc. system Financial Worksheet (B) when the system's fiscal year will not end until December 31, 2016? Resubmit the Financial Worksheet (B) for Health Quest, Inc., which includes FY 2015 actual numbers for revenues, expenses and utilization.

16. Please elaborate on the nature and purpose of the “conversion” foundation. Is it distinguishable from a traditional foundation and are there any additional restrictions on foundation expenditures?

If you have any questions concerning this letter, please feel free to contact me at (860) 418-7032.

Sincerely,

David Fernandes
Planning Analyst (CCT)

Greer, Leslie

From: Ping, David <DPing@Health-quest.org>
Sent: Tuesday, December 06, 2016 1:16 PM
To: Fernandes, David; Jennifer Groves Fusco (jfusco@uks.com)
Cc: Greer, Leslie; Riggott, Kaila; Schaeffer-Helmecki, Jessica; Foster, Tillman; Lazarus, Steven
Subject: RE: 16-32132-CON and 16-32133-CON Completeness Letters

Mr. Fernandes –

Thanks so much for sending this information to us. It went into my spam filter today and I pulled it out and added all of the people on this email to my address book so that should not happen again. I am not sure why the delay between Friday and today, but I am glad that we are in receipt of the information. We will begin working through our responses and will be in touch.

Dave

From: Fernandes, David [mailto:David.Fernandes@ct.gov]
Sent: Friday, December 02, 2016 3:14 PM
To: Ping, David
Cc: Greer, Leslie; Riggott, Kaila; Schaeffer-Helmecki, Jessica; Foster, Tillman; Lazarus, Steven
Subject: 16-32132-CON and 16-32133-CON Completeness Letters

Good afternoon Mr. Ping,

Please see the attached completeness letters in the matter of the proposed transfer of ownership of Sharon Hospital and Regional Healthcare Associates, LLC to Vassar Health, Inc., a subsidiary of Health Quest Systems, Inc. In responding to the completeness letters, please follow the instructions included in the letters and provide the response document as an attachment only (no hard copies required). Please provide your written responses to OHCA by February 1, 2017.

Email to OHCA@ct.gov and cc:David.Fernandes@ct.gov , Jessica.Schaeffer-Helmecki@ct.gov, Steven.Lazarus@ct.gov, Tillman.Foster@ct.gov and Kaila.Riggott@ct.gov.

If you have any questions regarding the completeness letters, please contact David Fernandes at (860) 418-7032 or Jessica Schaeffer-Helmecki at (860) 418-8075.

Please confirm receipt of this email.

Thank You,

David Fernandes
Planning Analyst (CCT)
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, Hartford, Connecticut 06134
P: (860) 418-7032|F: (860) 418-7053|E: David.Fernandes@ct.gov

Greer, Leslie

Subject: FW: 16-32132-CON and 16-32133-CON Completeness Letters

From: Jennifer Groves Fusco [mailto:jfusco@uks.com]
Sent: Tuesday, December 06, 2016 1:27 PM
To: Fernandes, David; Ping, David
Cc: Greer, Leslie; Riggott, Kaila; Schaeffer-Helmecki, Jessica; Foster, Tillman; Lazarus, Steven
Subject: RE: 16-32132-CON and 16-32133-CON Completeness Letters

Thanks, everyone. We look forward to working with you on these matters.

Greer, Leslie

From: Jennifer Groves Fusco <jfusco@uks.com>
Sent: Tuesday, January 17, 2017 2:38 PM
To: User, OHCA; Fernandes, David; Lazarus, Steven; Foster, Tillman; Riggott, Kaila
Subject: Regional Healthcare Associates -- Completeness Question Responses (Docket No. 16-32133-CON)
Attachments: DOCS-#1462075-v1-HEALTH_QUEST_SHARON_HOSPITAL_CQ_UPDATED_FINANCIALS.xlsx; DOCS-#1440313-v3-HEALTH_QUEST_RHA_COMPLETENESS_QUESTIONS.docx; RHA Completeness Question Responses.pdf

All:

Attached are the completeness question responses in Docket No. 16-32133-CON regarding the transfer of ownership of Regional Healthcare Associates. The PDF file includes narrative responses and all exhibits. I was unable to scan/email the document in color given its size, so I am overnighting a color copy to David's attention. There are only a few color pages. The color copy will not have page numbers (given the difficulty we had scanning it), so if you need select color exhibits numbered please let me know and I will email those to you separately.

I have also included a Word version of the response and an Excel workbook with the updated financials. Note that for this docket the relevant financials are included in the tabs labeled "RHA Only" and "HQ RHA." The other tabs pertain to Docket No. 16-32132-CON. Completeness questions in that docket are being submitted in a separate email.

Please confirm receipt and let me know if you need any additional information.

Thanks,
Jen

Jennifer Groves Fusco, Esq.
Principal
Updike, Kelly & Spellacy, P.C.
One Century Tower
265 Church Street
New Haven, CT 06510
Office (203) 786.8316
Cell (203) 927.8122
Fax (203) 772.2037
www.uks.com

Transfer of Ownership of Regional Healthcare Associates, LLC to a Subsidiary of Vassar Health Connecticut, Inc.

Docket No. 16-32133-CON

Completeness Question Responses

1. When is the formation of the Connecticut Medical Foundation expected to be completed? How will patients be notified of the change?

RESPONSE:

Health Quest anticipates forming the Connecticut Medical Foundation prior to closing on the transaction contemplated in the Asset Purchase Agreement. Existing RHA patients will be notified of the transfer of ownership by letter sent within 30 days after the closing of the transaction. No interruption in service is expected with the transfer of ownership.

2. Will the Connecticut Medical Foundation employ all the physicians from RHA?

RESPONSE:

The Connecticut Medical Foundation expects to employ virtually all of the physicians currently employed by RHA. There is a possibility that one RHA physician may join a closely affiliated orthopedic group.

3. How will RHA physicians work in conjunction with Health Quest Medical Practice to benefit their current patients?

RESPONSE:

Because the Connecticut Medical Foundation will be an affiliate of HQMP and part of the Health Quest system, RHA physicians will be able to take advantage of HQMP's growing infrastructure and processes that will benefit providers, employees and patients. These include, but are not limited to, the following:

- Service Excellence – HQMP has instituted patient satisfaction surveying in all of its practices and is actively working to improve access to care and the overall experience for patients. HQMP's goal is to be a top-decile destination for its patients in terms of access and patient satisfaction. The same standards will be applied to Health Quest physicians practicing within the Connecticut Medical Foundation.

- Quality – HQMP has instituted dozens of quality measures within the practice and is actively working to improve the results on all of these measures. HQMP expects to

be top-decile in its quality performance as well. The same measures and objectives will be applied to Health Quest physicians practicing within the Connecticut Medical Foundation.

- Innovation– HQMP is working to institute both innovative processes and innovative technology in its practices. HQMP is working to have each primary care practice certified as Patient Centered Medical Home (PCMH), adding care management to all primary care practices, and focusing on use of pathways and protocols in each specialty. HQMP will add telemedicine technology in FY 2017 and anticipates changing its EMR platform to Cerner in FY 2017 – FY 2018, which will allow the practices and hospitals to share a common platform. Health Quest expects to extend these same processes and technological improvements to the Connecticut Medical Foundation.

- Teamwork – HQMP is working to create a top-decile working environment for its providers and employees by measuring their satisfaction yearly and then creating and completing action plans to improve services and communication for these providers and employees. These initiatives will be extended to the Connecticut Medical Foundation as well.

- Growth - HQMP is actively recruiting primary care and specialty physicians to the areas it serves to fill shortages and add new services for its patients, who want to receive the highest touch and highest tech services close to home. Recruitment will be a high priority for the Sharon area, as mentioned throughout the CON submissions. Some physicians will be recruited to work directly for the Connecticut Medical Foundation, while existing and newly recruited HQMP physicians will also be used to augment certain specialty needs in the Sharon service area.

All of these HQMP processes and initiatives as extended to the Connecticut Medical Foundation will benefit current RHA patients as they are implemented without delay in the current RHA practices, allowing improved service, quality, technology, and new specialties and services.

4. The application states that Essent was unable to recruit new physicians, which was a primary cause of the decline in utilization at the Hospital. Explain in detail how Health Quest will be more successful in recruiting physicians.

RESPONSE:

HQMP has been very successful in recruiting physicians of all specialties to practice in the Hudson Valley Region, having recruited 47 physicians (13 primary care and 34 specialists) in FY 2016 alone. HQMP is now the largest medical group in Dutchess and Ulster Counties in New York. Several of HQMP's offices are located in rural areas and medically underserved communities. The practice has had success recruiting practitioners to these areas, which speaks well of its ability to do the same for Sharon. Examples of this are HQMP's offices in

Woodstock and Boiceville, New York. These are federally underserved areas and HQMP has successfully recruited two (2) physicians and two (2) midlevel practitioners to practice at these locations.

Heath Quest has a dedicated team of in-house physician recruiters whose only role is to identify physician recruits and make them part of the Health Quest system. The Connecticut Medical Foundation will be part of the Health Quest system and will utilize Health Quest's recruiting services. HQMP uses a physician-led approach to practice and offers a competitive compensation and benefits package, which is attractive to recruits and a contributing factor in the decision of many physicians to join the practice. In addition, HQMP offers physicians a sense of community and being part of a large, successful organization through its use of quarterly physician meetings, a physician-led committee structure, and the like. HQMP has found that creating a vision breeds success where recruiting is concerned. This vision will extend to practice locations in the Sharon area under the ownership of a Connecticut Medical Foundation. As such, Health Quest expects to be equally successful in recruiting the needed doctors to practice at and around the Hospital.

5. How was the need for endocrinology services identified, as stated on page 25 of the application? Are there other medical services identified as a need? If so, how specifically were they identified? Please provide documentation.

RESPONSE:

The reference to endocrinology is an example of the need for specialists in the area that help to provide a well-balanced medical community. Recent market data shows that there were 155 discharges in FY 2014 of Medicare patients in the Sharon service area where an endocrinologist would have been of service (i.e. patients with diabetes and other endocrine issues). Additionally, recent physician interviews have identified that it would be helpful to consult an endocrinologist for related conditions. The nearest endocrinologist is in Torrington and there is an approximate 3 to 5 week waiting period for a visit given that this is the only endocrinologist practicing in Northwestern Connecticut. Endocrinologists are able to consult on a wide variety of conditions including diabetes, obesity, thyroid disorders, and infertility/reproductive medicine.

The example of the need for endocrinology is a snapshot of the greater need for physician specialists in the community including cardiologists, pulmonologists, neurologists and hematologists/oncologists. Cardiology, pulmonology and neurology currently have one (1) provider each practicing in the Sharon service area (all of which are aging). Hematology/oncology had a very successful practice in Sharon that was lost upon the retirement of Dr. Jerry Kruger. This caused a significant downstream impact to all areas of the Hospital including surgery and ancillary services. Patients expect that they will receive their surgery for a cancer condition at the same location where their oncologist is located. These are all disciplines that patients and physicians need to have access to in a competitive acute care hospital market.

6. What initiatives or best practices did Health Quest implement to ensure the success of Health Quest Medical Practice, as stated on page 25 of the application? Please provide examples.

RESPONSE:

Health Quest brought in new HQMP leadership in early 2016. This included Glenn Loomis, M.D., Chief Medical Operations Office of Health Quest and President of HQMP. A copy of Dr. Loomis' C.V. was included in the CON Application as Exhibit D. HQMP also recently hired a new Chief Operating Officer, Timothy Gramann, and Chief Medical Officer, Gerda Maissel, M.D., for the practice (Curriculum Vitae attached as Completeness Exhibit A).

Since 2016, HQMP has completely changed its governance processes to be more physician-led, with a board and committees made up of HQMP physicians, which oversee all operational policies and decisions for HQMP. In addition, HQMP has hired new talent to optimize its revenue cycle operation; changed numerous administrators to increase its operational expertise; and it is now recruiting physician leaders to improve the ability of physicians and administrators to lead in a dyad leadership model (pairing a physician leader with an administrator) at all levels of the organization.

HQMP is entering the second year of a five-year strategic plan that is focused on improving Patient Experience (started CG-CAHPS patient satisfaction measurement), improving Quality outcomes (now following nearly 100 quality measures), decreasing the Total Cost of Care, recruiting and acquiring talent for Growth (expect to double in size over five years), and Innovating through the use of technology (Telemedicine) and new models of care (PCMH accreditation). HQMP's 2017 Strategic Objectives are attached as Completeness Exhibit B.

7. Clarify the statement on page 28 of the application regarding the transfer of patients for a higher level of care. To what specific higher levels of care would patients be transferred? Where are the service area patients as noted on Table 8a (page 57) currently receiving these services?

RESPONSE:

Applicants expect that patients would be transferred to Vassar Brother Medical Center ("VBMC"), when clinically appropriate, for services including but not limited to open heart surgery, interventional cardiac catheterization, neonatal intensive care services, neuro-interventional/stroke treatment, neurosurgery, high-risk obstetric care, advanced robotic surgery capabilities, trauma, high-acuity intensive care, and other tertiary services. Some patients from the Sharon area already receive these services at VBMC. Others receive these services at Connecticut-based tertiary providers located in Hartford, Waterbury, Danbury, New Haven and Bridgeport. Patients will continue to have a choice in where they receive tertiary care and we expect that some will continue to receive these services in Connecticut.

However, for those who do seek tertiary care at VBMC they will have the added benefit of care coordination through the Health Quest system.

8. Discuss any impact on patient costs and the insurance implications regarding the transfer of patients out of state.

RESPONSE:

We do not anticipate any unusual impact on patient costs or insurance as a result of the transfer of patients out of state for a several reasons: (1) Medicare patients, the Hospital's largest payer group, is not impacted by state borders; (2) Sharon's largest commercial payer (Empire Blue Cross) is a New York-based plan; (3) prevalence of national insurers (United Healthcare, Cigna and Aetna) which already cross borders; and (4) the intent to contract with all significant insurance plans across the Health Quest system.

9. How specifically would technology in physician offices be enhanced by this proposal? Provide examples.

RESPONSE:

HQMP expects to enhance EMR technology in the RHA physician offices by transitioning to Cerner's Ambulatory EMR by early 2018. This will allow a seamless experience for patients between offices in Connecticut, Sharon Hospital, offices in New York, HQMP urgent cares, other Health Quest emergency departments, and other Health Quest system hospitals. HQMP will also be looking to bring chemotherapy infusion to Sharon and will evaluate other technological and programmatic additions as physicians are added and specialties are expanded.

10. Provide further details on what is meant by support structures as mentioned on page 25 of the application.

RESPONSE:

The support structures RHA considered when describing the difficulty in physician recruitment included, but were not limited to, the following:

a. Revenue from volume to support a physician's practice operations to include: physician salary, office staff salary, non-salary operating expenses. The practice becomes more efficient as volume grows and as the number of physicians increases in the practice. For this reason it is very difficult to recruit physicians that will be independent providers in their specialty unless they are part of a larger group. Operating a small private practice has become increasingly more expensive through the implementation of EMRs and new government programs

such as MACRA/MIPS. Younger providers are looking for larger support structures/practices to provide help meeting these requirements. As part of Health Quest, the Connecticut Medical Foundation physicians will be part of a larger entity, which allows costs to be spread over a wider footprint and includes significant practice management tools and support structures.

b. Collegial support structure. In a community that has only one physician in many specialties, it becomes increasingly difficult to recruit providers in that same discipline or providers in other disciplines that rely on support from a particular discipline. The right collegial support structure in larger practices favors recruitment of younger, less experienced providers who are looking for mentors to grow. As part of HQMP, physicians attend quarterly meeting with their peers from throughout the system to socialize and learn from each other. In addition, single specialists in more isolated locations are attached to a larger specialty practice where they have access to colleagues and monthly practice meetings that provide collegial support structure. The same is expected for Health Quest physicians practicing as part of the Connecticut Medical Foundation.

c. Disciplines that need hospital call coverage require a critical mass of providers to cover the service line. Many times it takes 3 to 4 providers to be able to cover the call schedule, but there is not enough volume to support employing full-time physicians. The Hospital has had to recruit locum tenens (part-time) physicians to help cover call in these instances. The additional burden of call has led to difficulty in full-time recruitment. HQMP, as a large multispecialty group, has more flexibility to draw on other physicians for call coverage or other necessary coverage, which creates a better practice environment for the physicians in smaller hospitals. HQMP call coverage will extend to the Connecticut Medical Foundation physician practice locations.

d. Ability to recruit qualified staff to a remote area has become increasingly difficult. Clinical positions may require specialized credentials which limit the recruitment pool for all practices in the community. This places an additional demand on a provider wanting to establish a private practice in the community. As with other issues, being part of a larger group and system, and being affiliated with a larger specialty practice, makes recruitment to a more rural location much easier.

11. Please specify the amount of the $6M Working Capital Grant that will be allocated to the physician practices.

RESPONSE:

Health Quest is unable to specify the amount of the $6 million Working Capital Grant that will be allocated to the Connecticut Medical Foundation. However, there are initiatives including an EMR transition and the renovation of medical oncology and infusion space that will directly benefit physicians and are scheduled to take place in FYs 2017 and 2018. The

EMR upgrade, which includes both the Hospital and the Connecticut Medical Foundation, is estimated to cost between $3 and $3.5 million.

12. Provide RHA's current uncompensated care policy (charity care and bad debt).

RESPONSE:

RHA's bad debt policy, which applies to all affiliates, is attached as Completeness Exhibit C. RHA does not maintain a separate charity care policy; however, they operate under the same guidelines as the Hospital. In other words, whatever qualifying discount a patient receives under the Hospital charity program they will also receive with RHA. The Connecticut Medical Foundation will adopt Health Quest's Financial Assistance Policy, which is attached to the CON Application as Exhibit I.

13. Please provide updated tables utilizing RHA data for the following: Projected Incremental Revenues and Expenses Table 4, Projected Utilization by Service Table 6a and Projected Payer Mix Table 7a.

RESPONSE:

Table 4 remains unchanged as all of the incremental growth is forecasted in RHA, while Tristate Women's Services ("TWS") is projected to be stable. Tables 6 and 7 have been revised to reflect RHA only and are included below.

TABLE 6 - CONNECTICUT MEDICAL FOUNTATION (RHA ONLY)
PROJECTED UTILIZATION BY SERVICE

Service	**Projected Volume**			
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**
Physician Office Visits - Multi-specialty	36,892	50,574	56,667	60,048
Total	**36,892**	**50,574**	**56,667**	**60,048**

TABLE 7 - RHA ONLY COMBINED ACTUAL/CONNECTICUT
MEDICAL FOUNDATION PROJECTED

Payer	FY 2016		Projected					
			FY 2017		FY 2018		FY 2019	
	Visits	%	Visits	%	Visits	%	Visits	%
Medicare*	6,282	28.0%	10,324	28.0%	14,152	28.0%	15,857	28.0%
Medicaid*	3,793	16.9%	6,233	16.9%	8,545	16.9%	9,574	16.9%
Champus & Tricare	59	0.3%	97	0.3%	133	0.3%	149	0.3%
Total Government	**10,134**	**45.1%**	**16,654**	**45.1%**	**22,830**	**45.1%**	**25,581**	**45.1%**
Commercial	11,778	52.5%	19,356	52.5%	26,534	52.5%	29,731	52.5%
Uninsured	380	1.7%	624	1.7%	856	1.7%	959	1.7%
Workers Compensation	157	0.7%	258	0.7%	354	0.7%	396	0.7%
Total Non-Government	**12,315**	**54.9%**	**20,238**	**54.9%**	**27,744**	**54.9%**	**31,086**	**54.9%**
Total Payer Mix	**22,449**	**100.0%**	**36,892**	**100.0%**	**50,574**	**100.0%**	**56,667**	**100.0%**

*Includes managed care activity

14. Of the incremental revenues, expenses and volume as reported on page 553, please indicate what is specifically attributable to acquiring RHA by Health Quest Systems, Inc. Be specific.

RESPONSE:

The Health Quest Financial Worksheet A combined the results of Sharon Hospital and its related group practices (RHA/TWS) in the incremental columns to reflect the total incremental impact of this transaction to the system. The Financial Worksheet for Health Quest has been revised to reflect RHA results only in the incremental columns (Completeness Exhibit E). All of the incremental revenue, expenses and volumes in the attached Financial Worksheet A are attributable to RHA. FY 2017 has been prorated assuming a July 1, 2017 closing date.

Note also that a revised Financial Worksheet B is attached as Completeness Exhibit F. The document now reflects RHA results only, independent of TWS.

15. How did the Applicants arrive at the FY 2016 actual amounts for revenues, expenses and utilization for the Health Quest, Inc. system Financial Worksheet (B) when the system's fiscal year will not end until December 31, 2016? Resubmit the Financial Worksheet (B) for Health Quest, Inc., which includes FY 2015 actual numbers for revenues, expenses and utilization.

RESPONSE:

Health Quest used FY 2015 (January 1 through December 31) as a proxy for FY 2016 in Financial Worksheet A so as to have "actual" data against which to project FY 2017 and future years. Per OHCA's request, Health Quest has restated Financial Worksheet A to include the following:

- FY 2015 "actual" results based on Health Quest's audited fiscal year of January 1 through December 31.
- FY 2016 "actual" results based on a fiscal year beginning October 1, 2015 and ending September 30, 2016.
- Projected FYs 2017 through 2020 based on a fiscal year of October 1 through September 30.

FY 2015 results are stated for Health Quest's actual fiscal year so that they can be checked against the company's audited financial statements as provided in the CON submission. FY 2016 results, and FY 2017 through FY 2020 projections, are stated on an October 1 through September 30 fiscal year so that they will tie with RHA's financial results and projections, which are reported to OHCA on an October/September fiscal year through Sharon's audited financial statements.

See Completeness Exhibit E.

16. Please elaborate on the nature and purpose of the "conversion" foundation. Is it distinguishable from a traditional foundation and are there any additional restrictions on foundation expenditures?

RESPONSE:

The Foundation for Community Health ("FCH") is actually not a "foundation" if OHCA is using that phrase to refer to "private foundations" which are 501(c)(3) organizations that, as a general rule, make grants but do not directly conduct charitable activities. FCH is a "public charity" within the meaning of Code 501(c)(3) and 509(a). It is what is known as a supporting organization (Code 509(a)(3)) which derives its tax exempt status from the support (either financial or activities) it provides its supported organization(s) in conducting charitable activities (Berkshire Taconic, Community Foundations of the Hudson Valley, and The Community Foundation of Northwest Connecticut, Inc.- each of which is a public charity described in Code 501(c)(3) and 509(a)(1) or (a)(2)).

By virtue of being a supporting organization, FCH must exclusively support its three supported organizations. That restriction is mandated by federal law (Code and Treasury regulations issued thereunder) and formalized in FCH's governance documents which outline the purposes that FCH may support (geographic limits and community health). Support includes financial support (i.e., expenditures). FCH has analyzed and confirmed that yes, Treasury regulation 1.509(a)-4(e)(3) permits indirect support, i.e., FCH is deemed to be supporting the interests and charitable purposes of the supported organizations when providing grants to Health Quest for the acquisition of Sharon Hospital assets and ongoing working capital needs because that grant is consistent with the purposes of its supported organizations (which, among other things, is enhancing community health in the Sharon Hospital catchment area). Therefore, while this type of grant is acceptable, FCH could not conduct an activity unrelated to the purposes of the supported organizations even where the activity is undoubtedly charitable (e.g., working to saving marine wildlife).

COMPLETENESS EXHIBIT A

Timothy G. Gramann

Alexandria, VA 22314 | tguc11@gmail.com | Mobile: 513-703-1058 | https://www.linkedin.com/in/timgramann

25+ year track record driving revenue growth, efficiency, quality, physician retention, and patient satisfaction for large, complex, multi-specialty healthcare systems in both high-growth and turnaround situations

SENIOR HEALTHCARE MANAGEMENT EXECUTIVE: CEO / PRESIDENT / COO

Multi-Specialty Physician Practice Management ❖ Business & Strategic Planning ❖ M&A's
Business Development ❖ P&L Management ❖ LEAN/Operational Process & Performance Improvement

Expertise Spanning Broad Hospital-Based Functions & Physician Practice Management in Nearly All Recognized Specialties Includes:

Integrated Health Delivery Systems • Practice Optimization • Physician Recruitment & Retention • Facility Management
Capital Improvements • Workflow Redesign • Growth Initiatives • Leadership Development
Patient-Centered Care Initiatives • Culture Change • Clinical Integration • Patient Satisfaction • Performance Systems
Physician Compensation Systems • Evidence-Based Practice • Population Health

"Well done is better than well said." — Benjamin Franklin

Operational excellence-focused, entrepreneurial spirited healthcare management executive with reputation for leading large, complex healthcare organizations to surpass all expectations—while having fun doing it in a collaborative team culture. A true fiscal disciple with MBA in Corporate Finance, proven leadership in measured quality, and ability to ensure solid execution of core operations through adept "blocking and tackling." Accustomed to P&L and revenue cycle responsibility for operations of up to $150M, 1,000+ employees and 500 primary care, hospital support, specialist, destination service, and safety net professionals.

Selected Highlights

- Drove double-digit percent growth, productivity, and patient satisfaction improvements in 30 months for $150M operation.
- Led multispecialty group turnaround, bettering first FY budget by $2M and exceeding that result each of next 5 years.
- Progressed multispecialty group from episodic care to population management, garnering CMS and AMGA recognition.
- Recruited/retained 300+ physicians, many in hard-to-recruit specialties for communities in major need of improved access.
- Acquired and integrated more than 30 strategically important physician groups in diverse specialties in just 3 years.

PROFESSIONAL EXPERIENCE

INOVA HEALTH SYSTEM, Falls Church, VA

~$150M division of $5B primarily regional physician practice offering primary care, hospital support, specialty, destination and safety net services to all of Northern Virginia and parts of Maryland and DC.

Vice President, Inova & Chief Operating Officer, Inova Medical Group (IMG) 2013 – Present

Recruited to transform complacent, inflexible organization in one of nation's wealthiest markets that was under duress from pending government cuts and in aggressive acquisition mode—while lacking sufficient expertise or manpower for their operation. Report to Inova EVP/CMO and manage P&L for $150M operation with 1,000+ employees, with charter to improve operations and lead market share/patient population growth and development plan for IMG and Physician Services Division. Scope includes strategic initiatives, medical office operations, facility management, physician and clinical scheduling, quality/outcomes management, staff management/compensation, billing, referral management, HIS, and staff development.

Crafted goals, objectives, and strategy for execution of multi-year plan for IMG's core businesses, and led operationalization and strategic deployment to drive patient base expansion and profitability while setting quality metrics and reengineering healthcare processes to improve delivery and practice of medicine:

- *Ensured operating effectiveness/efficiency* with 50-100 physician annual growth rate, including patient flow management, staff/physician utilization, operational controls, and patient experience.
- *Built new IMG during period of market consolidation,* acquiring 30+ strategically aligned physician groups totaling more than 150 physicians in numerous specialties over 3 years.
- *Expanded patient access and grew market share* through focused growth plan, budget, processes, and infrastructure, including hiring/onboarding of roughly 100 physicians per year over 3 years.

30+ Physician Groups Acquired
❖
$Millions in New Net Income
❖
Lean Six Sigma & Quality Metrics

- *Boosted below national median physician productivity by more than 20%* to yield $5M additional net income while maintaining industry-low turnover, through revamped compensation plan designed to motivate desired outcomes.
- *Introduced consistent, ACO/CMS-compliant patient satisfaction monitoring* and transparency policy for publishing and socializing scores and patient comments; initially lower specialist scores ultimately advanced from 2nd to top quartile.
- *Centralized and automated inconsistent, inefficient patient scheduling* across all locations, enabling IMG to leverage available access across 20+ primary care locations for double-digit abandon rate reduction and appointment increase.
- *Upgraded senior leadership team,* recruiting top talent for CFO, AVP of Growth, Director of Decision Support as well as senior practice leaders for primary care, ortho/sports, surgery, cancer, cardiology, and OB/GYN.
- *Spearheaded over 20 Lean Six Sigma performance improvement initiatives* yielding substantial ongoing progress, e.g., reduced appointment days out, lower bad debt, increased pre-surgical collections, and more referrals, among others.

TRIHEALTH/TRIHEALTH PHYSICIAN PARTNERS, Cincinnati, OH

TriHealth Physician Partners (TPP) is comprised of primary care and specialty physician practices across greater Cincinnati.

Chief Operating Officer 2005 – 2013

Brought in from Group Health to lead transition into TriHealth family and solidify role of multispecialty group practice model within larger system, while leading difficult turnaround of large multispecialty organization in need of cost, process, and P&L control, leadership team upgrade, and workforce refocusing/culture change. Reporting at various times to CEO, President/Chairman of the Board, and ultimately EVP of System Development with full accountability for P&L and revenue cycle, oversaw operations of 8 medical centers with 800+ ancillary business employees, plus 130 physicians in 18 specialties generating collections of over $130M.

Demonstrated leadership cited by President/Chairman as "outstanding" in transitioning Group Health into TriHealth while creating most recognized physician brand in Cincinnati, solidifying role of multispecialty group practice model within larger system, and creating new Patient Centered Medical Home (PCMH) network that garnered runner-up for the AMGA's 2012 "Acclaim Award":

- *Developed plan to cut costs by $5.1M,* beating budget by $2M first fiscal year and adding $9M+ surplus to budget over next 7 years.
- *Recruited 60 physicians over 6 years in 12 specialties,* positioning organization as market leader in several key specialties.
- *Initiated Lean process improvement initiatives* to redesign processes and build sustainable, dependable business processes around access, service, appointment scheduling, staffing, etc.
- *Created one of first certified Patient Centered Medical Home (PCMH) networks,* used by major employers as tier one benefits platform; centralized 24-hour, 100 FTE appointment/messaging center yielded consistent, measured service levels and markedly increased appointments.
- *Led $30M 5-year capital improvement project* for new 70K sf flagship medical center, one of most progressive in country in design elements (presented at industry conference). Also:
  - Expanded locations for physical therapy, infusion, ultrasound, and several other services.
  - Planned/managed development of six progressive multispecialty medical centers ranging to 70K sf.
  - Co-developed regional freestanding urgent care business plan, with two site implementations slated for 2013.
- *Implemented Epic Practice Management System* that enhanced EMR handling, including new MyChart patient portal that garnered 20,000 active users within 18 months.
- *Served actively on more than six health system committees* including Physician Managed Care Advisory, Physician Compliance, Medical Plan Oversight, 403B Investment, Board of Directors Management, and Quality Committees.

$11M+ in Budget Surpluses
❖
New Certified PCMH Network
❖
60 New Physician Specialists

$30M+ in Capital Improvements

GROUP HEALTH ASSOCIATES, Cincinnati, OH

One of region's largest multi-specialty medical groups, providing continuum of care for more than 200,000 patients each year.

Vice President of Business Operations 2003 – 2005

Promoted to operational and P&L responsibility for $30M operation comprised of multiple ancillary businesses including imaging, physical therapy, pharmacy, and urgent care with 150 personnel. Scope included patient service, business development, performance measurement, e-commerce implementation, HIPAA transaction compliance, and MRI/CT timeshare agreements.

- Negotiated market-leading reimbursements with Anthem, Humana, and United Healthcare.
- Delivered $150K cost savings and maintained net collection rate exceeding 96% over 10 years.

- Achieved consistent top 10th percentile ranking with Medical Group Management Association (MGMA "Better Performer" for AR/collections management 2005) and GE/IDX Client Metrics Program on AR management benchmarks (e.g., charge & claim lag, time-of-service collection, days receivable, and net collection rate), by piloting development of revenue cycle operations.
- Developed and executed strategies for various ancillary businesses with results including:
  - Physical Therapy turnaround plan yielding $500K profitability increase.
  - Pharmacy marketing plan driving internal script capture rate from 32% to 44%.
  - Improved patient service/compliance and $500K profit for Cardiac Echo and Nuclear Services.
- Prepared for conversion of 25% of business from capitation to fee-for-service by restructuring billing operations and ancillary business strategies.
- Bettered MGMA mean AR of 28% at 9% with AR improvement project; facilitated days receivable reduction from 52 to 36.

Top 10th Percentile AR Management Rank MGMA
❖
$1M+ Profit Increases
❖
10-Year 96%+ Net Collection Rate

Director of Business Services

1990 – 2003

Held operational and administrative responsibility for all aspects of patient accounting and HMO claim processing. Broad administrative responsibilities included AR management, reimbursement analysis, fee schedules, payer contracting, compliance management, systems application management, and data reporting and analysis. Managed EMR (Electronic Medical Record) system selection process.

- Launched/directed Coding and Compliance Committee.
- Created/rolled out high-profit/zero product loss DME service line.
- Slashed inventory claims from 110,000 to 15,000 with operations revamp and claims processing move from external provider to internal.
- Applied cutting-edge transaction editing/patient statement technologies to GE/IDX billing app.
- Reduced costs and maximized revenue capture by introducing electronic billing and swipe cards, leading to multiple industry publication interviews.

86% reduction in inventory claims
❖
High Profit Service Line
❖
Cutting-Edge Billing Technology

EDUCATION

UNIVERSITY OF CINCINNATI, Cincinnati, Ohio
Master of Business Administration, ***Major in Finance***
Bachelor of Science, ***Benjamin Philhashy Academic Scholarship*** *(program completed in 3 years)*

PROFESSIONAL DEVELOPMENT

Health Management Academy MACRA Collaborative 2016, Lean Champion Training (2012 & 2013)
The Art and Science of Exceptional Leadership, Indiana University (2007)
Executive Leadership Training, Catholic Health Initiatives (2006)
HIPAA Compliance Training, Health Care Compliance Strategies (2003)

PROFESSIONAL AFFILIATIONS

American Medical Group Association (AMGA), COO Leadership Council (2011–Present)
Healthcare Financial Management Association (HFMA) | The Advisory Board
Preceptor for MHA Program, Xavier University (2007 & 2003)
Medical Group Management Association (MGMA) | United Way Health Impact Council Member (2012–2013)

GERDA S. MAISSEL, MD

413 426 8508
grdmaissel@gmail.com

"Converging care improvements, culture changes and payment reform to create value through leadership and program implementation"

Skilled physician leader transforming siloed care processes into integrated systems that improve the health of the population. Career progression has resulted from personal interest in developing safe person centered care. Strengths include thriving in a matrixed environment, physician / hospital integration, physician practice development and change expertise. Able to design and implement care processes that engage and align physicians, hospitals and community partners towards population based care delivery.

Chief Medical Officer, St. Elizabeth Physicians (SEP) 3/2015 - present

SEP is a 450 provider practice part of St Elizabeth Healthcare (SEH), a 5 hospital market dominant system in northern Kentucky/ Cincinnati.
Currently driving key projects and cultural development. Have surpassed provider, staff and patient engagement and quality targets.

- Selected metric achievements include
  - Provider engagement at 82nd percentile (previous measurement 46th)
  - Staff engagement 96th percentile (previously 92nd)
  - Patient likelihood to recommend 62nd percentile (previously 42nd)
- Developed SEP Project Template and led selection of 5 priority 2016 projects. Currently actively co-sponsoring of 4/5 projects:
  - Provider staffing and facility planning
  - ED utilization reduction
  - Hospital medicine redesign
  - Urgent care redesign
  - Advanced Practice Provider (APP) models
- Led redesign and standardization of recruitment processes and contracts, resulting in 50% more recruits compared to previous year (59 in 2015). Currently on track for 70+ recruits in 2016. Currently leading new decentralized recruiting process.
- Leading SEP and SEH transformation of care from volume to value, including
  - Development of Physician Hospital Organizations (St Elizabeth Physician Network and Health Solutions Network). Serving as chair of 2 committees, board member of both boards, and member of 5 committees)
  - Alternative Payment Model contracting (CPC+/ MSSP)
  - Population Health infrastructure (Medical homes, care management, care navigators, pharmacy, evidence based medicine, informatics, education)
  - Redesign of Quality processes to align with payer metrics
  - Community engagement- anti smoking campaign with KMA, substance use disorder treatment continuum
  - Senior sponsor for Advanced Practice Professionals, SEP Credentials Committee, Quality Committee

- Developing culture of supported accountability for providers
  - Mentoring of AVPs resulting in cascading of normative behaviors and accountabilities, resulting enhanced desirable retention (overall turnover rate 4.5%)
  - Developed and implemented policies for provider accountabilities (record closure, phone call return, behavior)
  - Increased use of real time feedback, peer education and when needed, written improvement plans

Prior to St. Elizabeth Physicians- the following were overlapping roles:

Chief Medical Officer, Baystate Health Northern Region 2010- 1/2015

CMO Baystate Medical Practices (BMP), northern region

Leader of 70 providers with in a 650 provider group. Drove program development, standardization and culture of service to surpass economic, patient satisfaction and quality targets.

- Established an engaged, high performing practice group
  - Designed practice management infrastructure and created functioning teams
  - Achieved staff and provider engagement Gallup scores .47 above hospital & .37 above medical group averages
  - Established and mentored effective physician and practice leadership
    - Recruited 52 providers in first 3 years.
  - Collaborated with Baystate Health (BH) chairs to plan and implement centrally deployed specialists in low volume fields in 5 medical/ 3 surgical specialties
- Built foundational population health infrastructure
  - Achieved NCQA- 3 medical homes certification in all primary care practices
  - Added care managers, imbedded behavioral health in pcp offices
  - Co-Chair of Franklin County Health Care Subcommittee on Opioids
  - Led successful $1.8 million grant application targeting dual dx substance abuse/ mental illness with community partners
  - Led extension of health info exchange to 3 private practices & 3 nursing homes
- Developing a patient driven culture
  - Improvements in CGCAP and HCAHPs above targets
  - Co- designed and led implementation of patient service initiative involving 1,000 people in northern region (with COO)
    - Received President's Award- Distinguished Performer for design and implementation of the program
  - Improved access to care in multiple specialties and pcp practices above targets
  - Implemented tele medicine consults in 5 specialties
- Improved quality performance
  - Improved HEDIS measures performance
  - Used LEAN to improve primary care processes in medical homes
  - Inpatient clinical effectiveness score at 98% (above goal)
    - Projects on CAUTI, stroke care, surgical site infections
- Reducing total cost of care
  - Through PHO, aligned contracting and financial performance incentives between hospital, employed and private MDs
- Implemented 5 residency rotations

CMO Baystate Franklin Medical Center 2010- 1/2015

100 bed community hospital part of Baystate Health System

- Aligned hospital and private medical community
  - Involved private doctors in medical staff leadership
  - Improved hospitalist responsiveness to community practice needs
  - Improved excellent rating of hospitalists by primary care practices by 40 points
  - Started collaborative Physician – Nursing Grand Rounds with free CME
- Transformed medical staff functions
  - Redesigned and implemented new medical staff office structure
  - Modernized peer review and credentialing to align Medical Staff and Quality
  - Redesigned and implemented new committee structure with enhanced accountability, role clarity and improved intervention tracking
- Improving metrics
  - Lowered readmission rates below state averages
  - Reducing hospital LOS
- Quality awards-Thompson Reuters top Integrated Delivery System, Get With the Guidelines (stroke)- Gold Plus, Grade A Leapfrog

Baycare Health Partners (Physician Hospital Organization) 1995 – 1/2015

Vice President and member of Risk & Reimbursement, Clinical Integration, Contract Advisory Council, and Nominations Committees

- Driving alignment of clinical and financial outcomes for private and employed physicians and Baystate Health hospitals through:
  - Risk contract development and deployment
  - Reimbursement distribution models
  - Physician contract alignment strategies
  - Clinical integration models

Executive leader for Baystate Health- Northampton 2011- 2013

Planned, developed and opened first integrated ambulatory center in a strategically critical market

- Led the development and implementation of first advanced primary care site.
- Led team that developed strategic options, budgets, located property, completed facility design, and developed business lines
- Developed a unique patient centered culture
- Received 2014 President's Award- Distinguished Performer for establishing a culture of patient centeredness

The following were overlapping roles prior to CMO Northern Region role:

Chief, Division of Physical Medicine & Rehabilitation 1994 –2010

Founded division that grew to 5 MDs and 5 PAs/NPs at Baystate Medical Center (BMC).

- Drove reduced LOS and cost, and improved outcomes of rehabilitation, stroke service line, trauma, intensive care
- Developed clinical protocols for stroke and other conditions, established robust inpatient and outpatient practices.
- Established clinical rotations for residents and medical students

Medical Director, Post Acute Care BH 1996– 2010

Founded post-acute medicine division and held multiple leadership positions at entities both internal and external to BH (Subacute, Visiting Nurse and Hospice, LTACH, Inpatient Rehabilitation, Long Term Care)

- Established post-acute outcome review processes resulting in reduced conflict and improved care metrics
- Founder of division of employed medical staff for LTACH and visiting home physician
- Facilitated development of care pathways between post-acute entities and hospital
- AMDA certified medical director

President, Medical Staff, BMC **2003 – 2004**

1,800 person medical staff, academic medical center

- Served in a variety of leadership and committee roles. Improved MD accountability for care protocols, record keeping and legibility.
- Led peer review and credentialing processes.
- Supported performance improvement projects.
- Assisted with reorganization of medical staff office

Medical Director, Baystate Medical Associates **1999 – 2004**

Outpatient medical practices, BMP

- Responsible for improving and running the outpatient specialty practices for the department of medicine (Endocrine, GI, Neurology, PMR, Cardiology, and Pulmonary)
- Improved processes for resolving space conflicts, improved financial and scheduling accountability of physicians
- Improved appointment scheduling and test scheduling systems

Medical Director, Rehabilitation Services **1994 – 2010**

Physician advisor to Physical, Occupational and Speech Therapy

- Expanded to 5 locations with multiple programs

Prior to Baystate Health

Director of Outpatients **1993 – 1994**

Department of Rehabilitation Medicine
Thomas Jefferson University Hospital, Philadelphia, PA

Attending Physician 1991 – 1994
Thomas Jefferson University Hospital, Philadelphia, PA

Education:

Physical Medicine and Rehabilitation 1991
Thomas Jefferson University Hospital, Philadelphia, PA

Internal Medicine Internship 1988
Crozier Chester Medical Center, Chester, PA

Medical Doctorate 1987
SUNY Health Sciences Center, Syracuse, NY

Bachelor of Science, Summa Cum Laude, Pharmacology 1983
University of Connecticut, Storrs, Connecticut

Certification and licensure:

American College of Physician Executives: Certified Physician Executive 2015
American Medical Directors Association: Certified Medical Director 2009

American Board of Physical Medicine & Rehabilitation (no expiration) 1992
License, Commonwealth of Kentucky 2015
License, Commonwealth of Massachusetts 1994
License, Commonwealth of Pennsylvania 1990

Community Service:

Executive Leadership Team, Heart Chase NKY, American Heart Association	2016
Board Member YMCA, Greenfield, Ma	2014
Leading Lady, American Heart Association	2014
Green River Music Festival, Medical Tent Director	2011 - 2014
Wheeling for Healing, Greenfield, Ma	2013 - 2014
Organizer, BFMC contingent Pride Parade	2013 - 2014
STCC Clinical Advisory Board	2000 - 2007
School Board Heritage Academy	2001
JGS Physician Advisory Committee	1999 - 2004
Girl Scout Physician Mentor	1999
Board Member, Ruth's House, JGS	1998 - 2001
Community Advisor, Spectrum Services	1998 - 2001

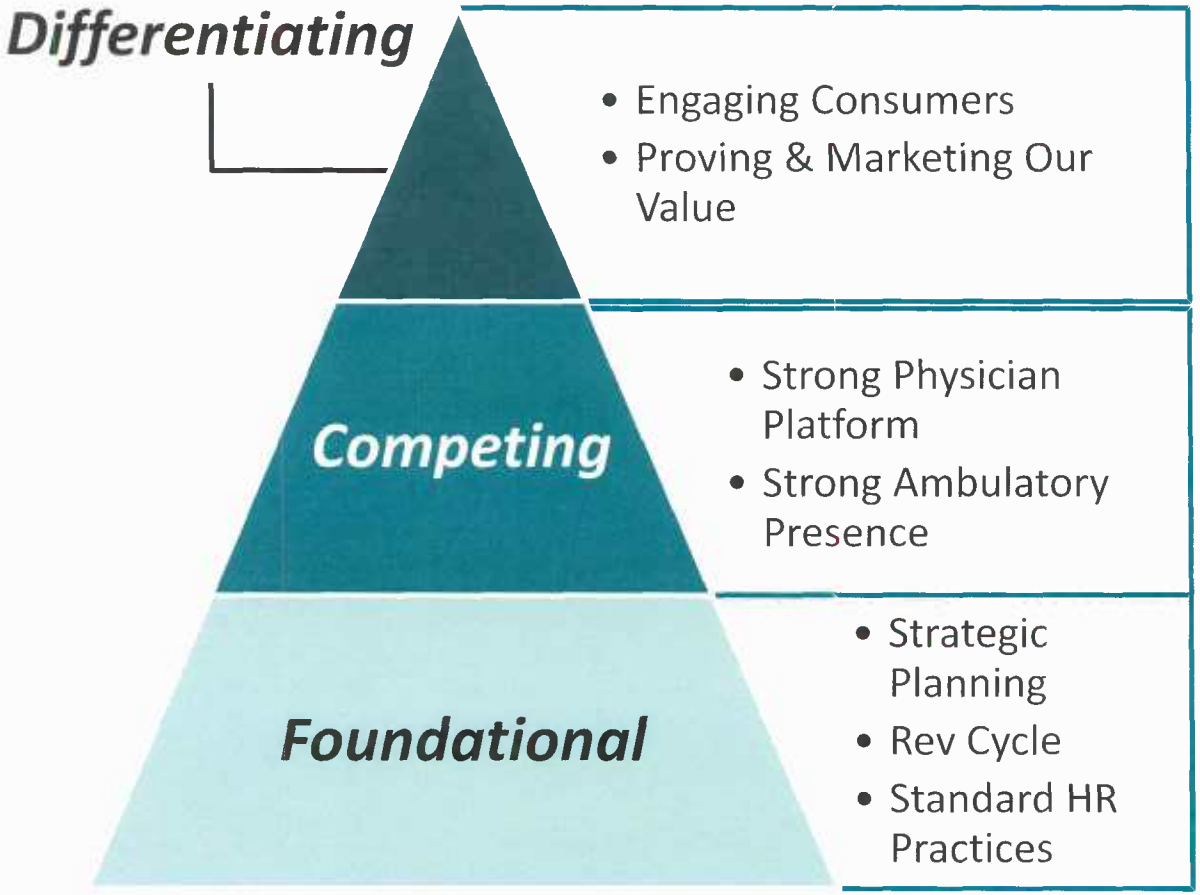
COMPLETENESS EXHIBIT B

HQMP Strategic Planning

HEALTHQUEST

To become the provider of choice, we must address foundational needs and build towards excellence.

HQMP's Hierarchy of Needs



Innovation *transforming HQMP to best-in-class; providing an integrated health experience*

Growth *to allow us to compete with other large practices*

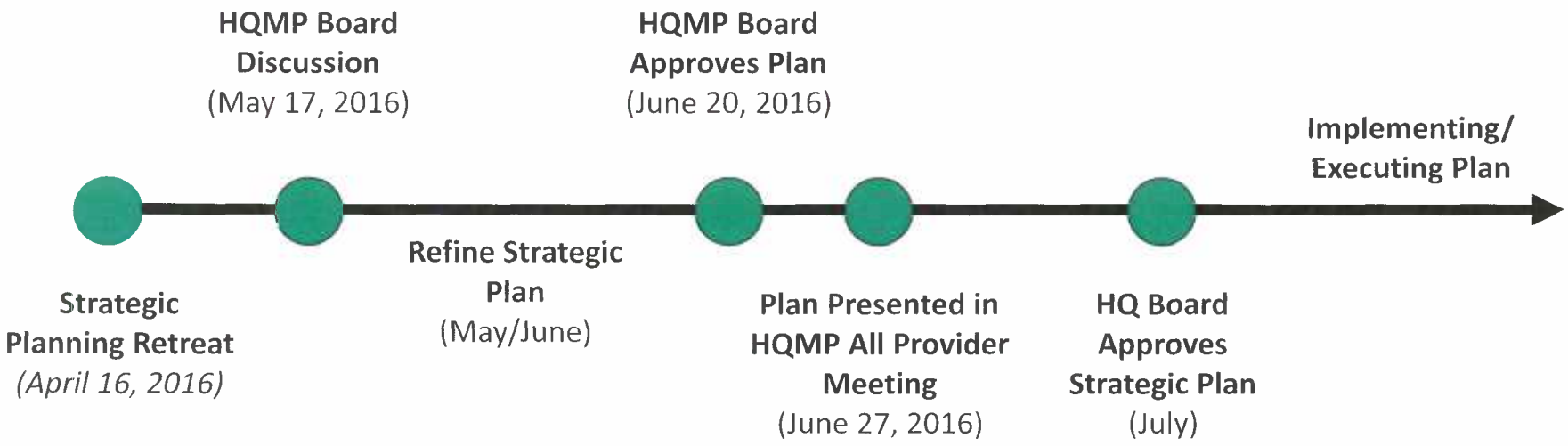
Core functions *that must be executed to succeed*

PP000585
01/17/2017

Developing Our Foundational Strategic Plan

From February through July, we worked with physicians, administrators and the HQMP Board to create the 5 year HQMP strategic plan.

Building Out an Enterprise Physician Strategic Plan in Just 6 Months



PP000586
01/17/2017

Setting the Planning Agenda – Strategic Pillars

The strategic plan has six key characteristics typically associated with high performing multi-specialty group practices.

1. Patient Centered Service
2. Teamwork
3. Finance
4. Growth/Community
5. Quality
6. Innovation

PP000587
01/17/2017

Strategic Plan – 2016 Objectives DRAFT (2016-2020)

	Patient-Centered	Teamwork	Finance	Growth	Quality	Innovation
Long Term Strategic Goals (2016-2020)	• **Deliver Top Quartile Customer Service** Consistently deliver excellent customer service, demonstrated by exceeding the 75th percentile on the CG-CAHPS "Overall Provider Rating" measure by 12/31/2020 • **Develop Top Quartile Patient Access** Consistently provide superior access to services, demonstrated by exceeding the 75th percentile on the CG-CAHPS "Access to Care" domain by 12/31/2020	• **Deliver a Top Quartile Work Environment** Provide a great workplace environment for providers and employees, demonstrated by exceeding the 75th percentile on Provider and Associate Satisfaction measures by 12/31/2020 • **Promote a Culture of Teamwork and Development** Promote a culture of teamwork and development by improving hiring, training, mentoring, evaluation, discipline and termination for providers and associates	• **Become a Transparent Organization** Provide accurate and timely data on all measures of success with transparency to the individual level • **Improve Revenue Cycle Effectiveness / Integrity** Achieve MGMA best quartile performance on revenue cycle measures by 12/31/2020 • **Improve Group Efficiency** Achieve MGMA best quartile performance on efficiency and productivity measures while minimizing referral leakage by 12/31/2020	• **Attain Growth in Patient, Provider and Geographic Platforms** Define and implement a strategy (including geographic expansion, increased patient volume and provider recruitment/ acquisition strategies) to grow to ≥100 PCPs and ≥400 Providers by 12/31/2020 • **Build Brand** Create the most respected medical group brand in the region by 12/31/2020	• **Deliver Top Quartile Quality Outcomes** Identify and report clinical quality outcome measures for each specialty and consistently improve performance to exceed national 75th percentile benchmarks (if this data is available) by 12/31/2020 • **Standardize Care Delivery** Identify, disseminate and adhere to best practices for common or costly diagnoses / procedures, as evidenced by implementing and adhering to standardized pathways	• **Improve Care Management** Build care management resources to support value-based contracting and improve patient outcomes by 12/31/2017 • **Explore innovative technologies** Explore innovative technologies and approaches to patient care on a yearly basis, which move HQMP to the forefront of patient care innovation
Measures	• **"Overall Provider Rating" measure on the CG-CAHPS Survey** • **"Access to Care" domain on the CG-CAHPS Survey**	• "Overall Satisfaction" measure on the AMGA Provider Engagement Survey • "Place to Work" measure on the PRC Employee Engagement Survey	• Transparent data reports • 10 MGMA Revenue Cycle Measures best practice benchmarks • 10 MGMA Efficiency Measures best practice benchmarks	• Number of unique patients • Total number of PCPs and total number of Providers • Internal referral rate • NRC preference results	• Quality measures above national best quartile benchmarks • At least 1 clinical pathway per specialty implemented	• **Level 7 on the HIMSS EMR Adoption Model (EMRAM) achieved** • **Number of patients cared for by care management** • **At least 1 new technology investigated**
2016 Objectives	• **Deliver Top Quartile Customer Service** - Begin CG-CAHPS measurement and set baseline for CG-CAHPS "Overall Provider Rating" measure by 12/31/16 - Develop a customer service training program for all HQMP providers and employees • **Develop Top Quartile Patient Access** - Begin CG-CAHPS measurement and set baseline for CG-CAHPS "Access to Care" measure by 12/31/16	• Deliver a **Top Quartile Work Environment** - Begin AMGA provider satisfaction measurement and set baseline for Overall Satisfaction" measure - Achieve ≥ 25th percentile on PRC "Place to Work" measure - Develop a unified Provider Compensation Plan and Contract by 12/31/16 - Implement a Staff Bonus Plan to incentivize top performance by all HQMP employees by 12/31/16 • **Promote a Culture of Teamwork and Development** - Develop and implement a new Employee and Provider onboarding and mentoring program by 12/31/16 - Conduct at least one more round of town hall meetings by 12/31/16	• Become a **Transparent Organization** - Implement HQMP wide platform to share monthly results and Board minutes by 12/31/16 • **Improve Revenue Cycle Effectiveness / Integrity** - Meet or exceed 7/10 MGMA Revenue Cycle best practice benchmarks by MTD December 2016 • **Improve Group Efficiency** - Meet or exceed HQMP budgeted Net Operating Margin (December YTD) - Define and set baselines for 10 MGMA best practice Efficiency Measures, including referral leakage, by 12/31/16	• **Attain Growth in Patient, Provider and Geographic Platforms** - Increase number of unique patients by 3% over 2015 - Recruit 11 new PCPs and 22 new specialists in 2016 - Develop and implement accurate and timely internal referral reports by 12/31/16 - Complete plan for expansion of facilities and providers throughout the HQ service area, including Ulster County • **Build Brand** - Approve a brand strategy by 12/31/16 for execution in 2017 - Begin NRC brand preference testing by 12/31/16	• Deliver **Top Quartile Quality Outcomes** - Define quality measures for all specialties and have HQMP Quality Committee assign benchmarks by 12/31/2016 • **Standardize Care Delivery** - Each specialty designs and implements at least one disease or procedure specific pathway/protocol and appoints a quality coach to oversee quality improvement efforts for the specialty by 12/31/16	• **Improve Care Management** - Begin the PCMH certification process for all PCP practices by 12/31/16 - Create a plan for Care Management and build it into the 2017 budget • **Explore Innovative Technologies** - Evaluate and decide on move to Cerner Ambulatory Platform and a single portal by 12/31/16 - Evaluate and decide on whether to implement Cerner Population Health by 12/31/16

Tracking Performance Against Objectives – Patients and Teamwork

HQMP has made significant progress since July on the elements of the strategic plan.

2016 Strategic Objectives

HQ = Completed ✔ = On Track ? = At Risk ✖ = Out of Compliance

Status	Patient Centered	Owner	Committee
✔	CG-CAHPS measurements – **surveys to start in Q4**	COO/DP	Ops
✔	Customer Service Training Program – **first training complete; comprehensive program in development**	COO/SM / MB/SC	Ops
✔	CG-CAHPS "Access to Care" measurements – **surveys to start in Q4**	COO/DP	Ops

Status	Teamwork	Owner	Committee
✔	AMGA provider satisfaction measurements – **survey in process**	CMO/FS	Ops
?	PRC "Place to Work" measure – **survey in 2017**	COO/FS	Ops
✔	Provider Compensation Plan and Contract – **both are in process**	GL/NB	Comp
?	Staff Bonus Plan – **likely to be implemented 2017, planning complete**	COO	Ops
?	Employee and Provider onboarding and mentoring program – **in development, implementation likely in 2017**	COO/FS	Ops
✔	Town hall meetings– **scheduled for October**	GL/KCJ	Ops

PP000589
01/17/2017

Tracking Performance Against Objectives – Finance and Growth

HQMP has made significant progress since July on the elements of the strategic plan.

2016 Strategic Objectives

HQ = Completed ✔ = On Track ? = At Risk ✖ = Out of Compliance

Status	Finance	Owner	Committee
✔	Sharing monthly results and board minutes – **first version of strategic update shared in September**	GL/KC	Board
?	MGMA Revenue Cycle best practice benchmarks – **need to revamp revenue cycle to address issues, currently meeting 5 out of 10**	JK/TD	Finance
✔	Net Operating Margin Targets – **on track**	CMO/COO	Finance
✔	MGMA Efficiency Measures – **on track to set benchmarks in Q4**	JK/Ops	Finance

Status	Growth	Owner	Committee
✔	Increase number of unique patients – **currently >5% increase**	COO/Ops	Ops
✔	Recruit new PCPs/Specialists –**9 PCPs and 26 specialists added in 2016**	CMO/JU	Ops
?	Internal Referral Reports– **report is in development for Q4**	CMO/KR	Ops
✔	Expansion of Facilities and Providers – **plan is nearly complete**	GL/MS	Board
?	Brand Strategy – **may be delayed until 2017/2018 (HQ Decision)**	GL/MS	Board
?	NRC Brand Preference Testing– **in process for Q4**	MS/BW	Ops

PP000590
01/17/2017

Tracking Performance Against Objectives – Quality and Innovation

HQMP has made significant progress since July on the elements of the strategic plan.

2016 Strategic Objectives

HQ = Completed ✔ = On Track ? = At Risk ✘ = Out of Compliance

Status	Quality	Owner	Committee
✔	Quality Measures and Benchmarks– **measures defined, with first data coming in Q4**	CMO/KR	Qual
?	Pathway/Protocol Development – **in process**	CMO/KR	Qual

Status	Innovation	Owner	Committee
✔	PCMH Certification– **started for all PCPs**	CMO/DS	Ops
✔	Care Management – **completed plan and working through budget**	CMO/DS /KR	Ops
✔	Cerner Ambulatory Platform – **working on pricing**	CMO/KR	EHR
✔	Decision on Cerner Population Health– **deciding between 2 platforms**	CMO/KR	EHR

PP000591
01/17/2017

Competing Through Growth

Growing into a competitive physician group will allow us to build on our foundational improvements.

HQMP's Hierarchy of Needs

Innovation *transforming HQMP into a best-in-class physician practice*

Growth *to allow us to compete with other large multi-specialty practices in the region*

Core functions *that must be executed to succeed*

PP000592
01/17/2017

Setting the Stage for Growth

In its current state, HQMP is limited in its ability to serve the community.

Rationale for Growth

Our current physician network is **overly-dependent on non-HQMP physicians** and has a **limited geographic reach**

Goal for Growth

To **grow our employed physician group** to 80 PCPs, 290 specialists, and 100 non-physician providers, **serving over 300,000 unique patients** by 2021

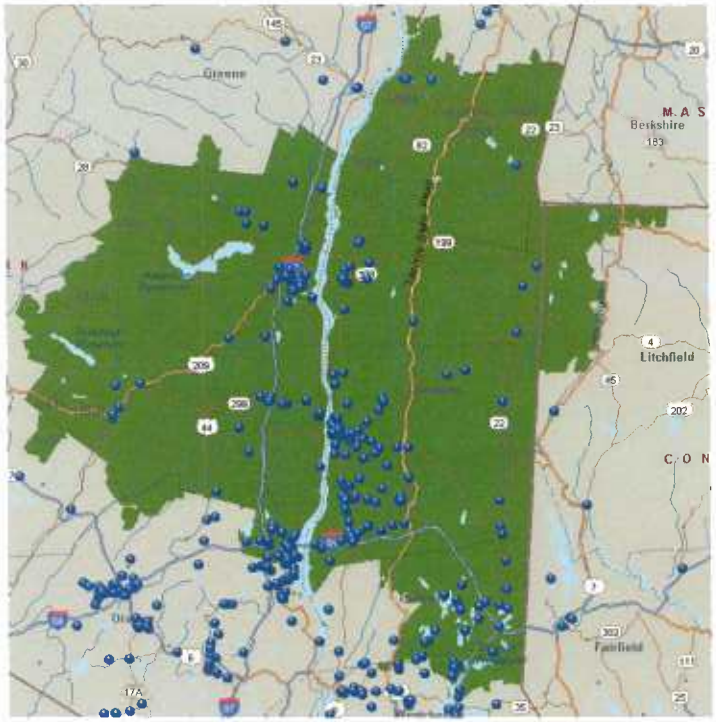
PP000593
01/17/2017

Highly Fragmented Physician Market

Outside of HQMP, CareMount and Crystal Run, the physician group market is relatively fragmented.

Current Physician Presence in the Region

- Adult population of ~940,000
- Over 800 PCPs and over 1,100 specialists



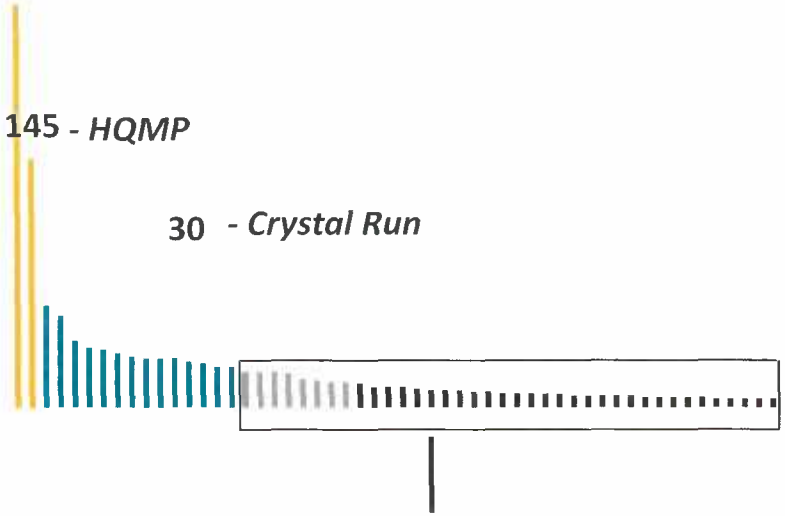
HQ Service Area Providers

Overview of Physician Consolidation in Health Quest's Service Area

235 - *CareMount*

145 - *HQMP*

30 - *Crystal Run*



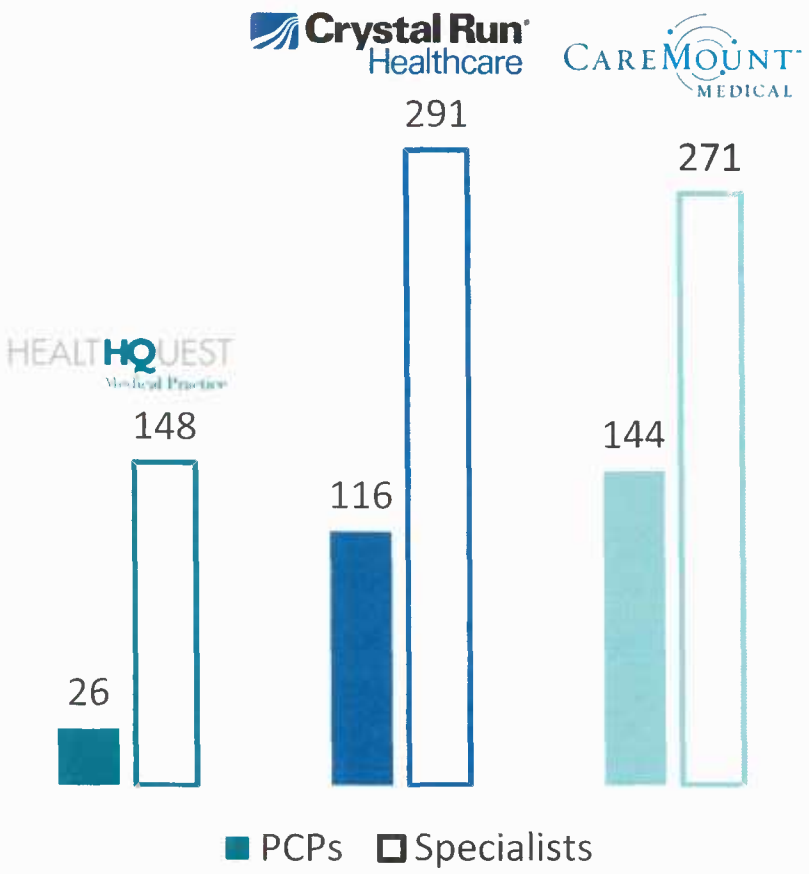
We want to be the physician group of choice for those that are interested in employment.

PP000594
01/17/2017

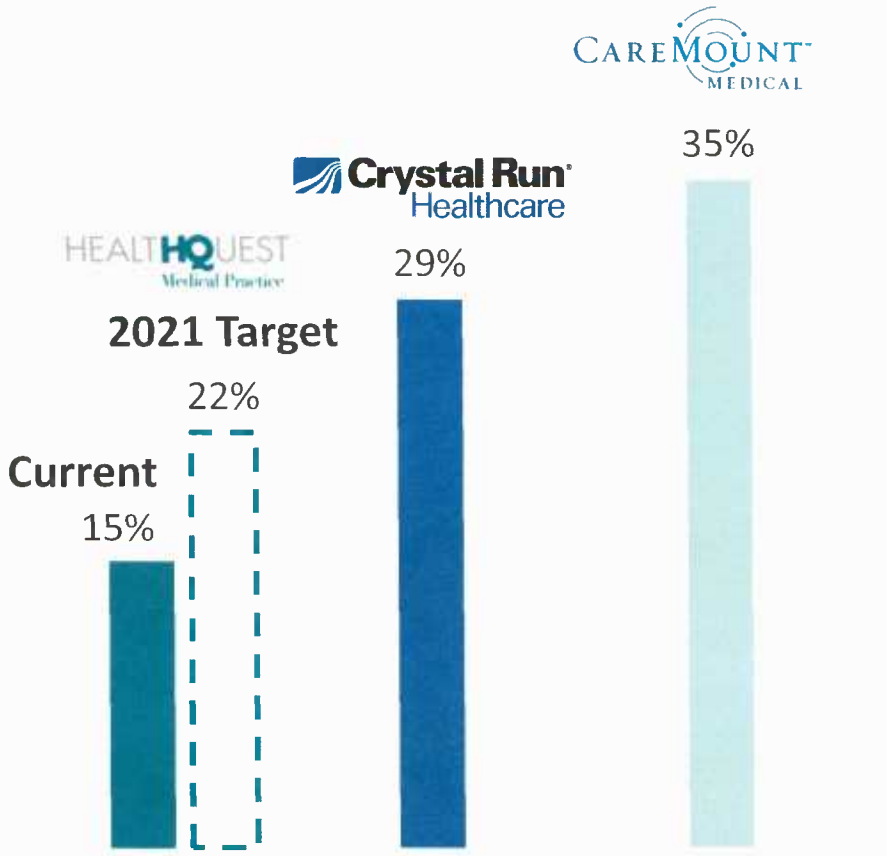
We Must Compete Against the Major Multi-Specialty Groups

To compete, we must grow the total number of physicians and increase our proportion of PCPs.

Total Number of Physicians
(As of August 2016)



Percentage of Physicians that Are PCPs



PP000595
01/17/2017

Larger Physician Groups Are Growing

In addition, the major physician groups in our market are consolidating and bolstering their physician presence.

	Crystal Run Healthcare	CareMount Medical	Premier	Northern Medical Specialists
Key Stats & Recent Trends	• >400 providers, >40 specialties • **Added 3 large (70,000 s.f.) centers** in past 18 months • **Added 23 physicians** to their practice in the past 3 months	• >500 providers, 40 specialties • **Acquired Mid-Hudson Medical Group** (~120 physicians) in 2015	• >50 providers, 6 specialties • **Recently added 7 physicians**	• >70 providers, 11 specialties • **Consolidated** with 3 other groups last year

PP000596
01/17/2017

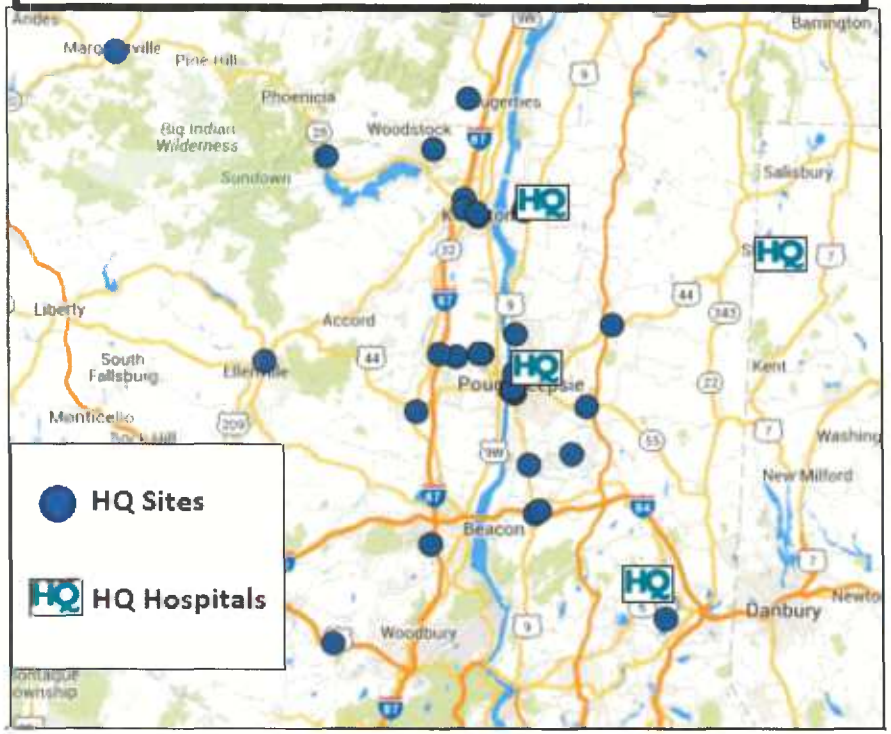
Our Current State

HQMP currently serves the Mid-Hudson Valley, with a wide range of physician specialties.

Components of Our Physician Platform

HEALTHQUEST Medical Practice	*Health Quest Urgent Care*
The HEART CENTER	*Hudson Valley Newborn*

HQMP Practice Locations (Includes Heart Ctr.)



HQ Physician Practices – At a Glance

- **253 Providers** (excludes Per Diems)
  - 161 Physicians
  - 92 Non-Physician Providers
- **660 Employees** (including providers)
- 29 Specialties & Services
- 55 Locations (13 Primary Care, 12 Cardio, 3 Hospitalist Programs, 5 OB/GYN, 2 Urgent Care) across 3 Counties
- Participating in the CMMI Comprehensive Primary Care Initiative

In 2015

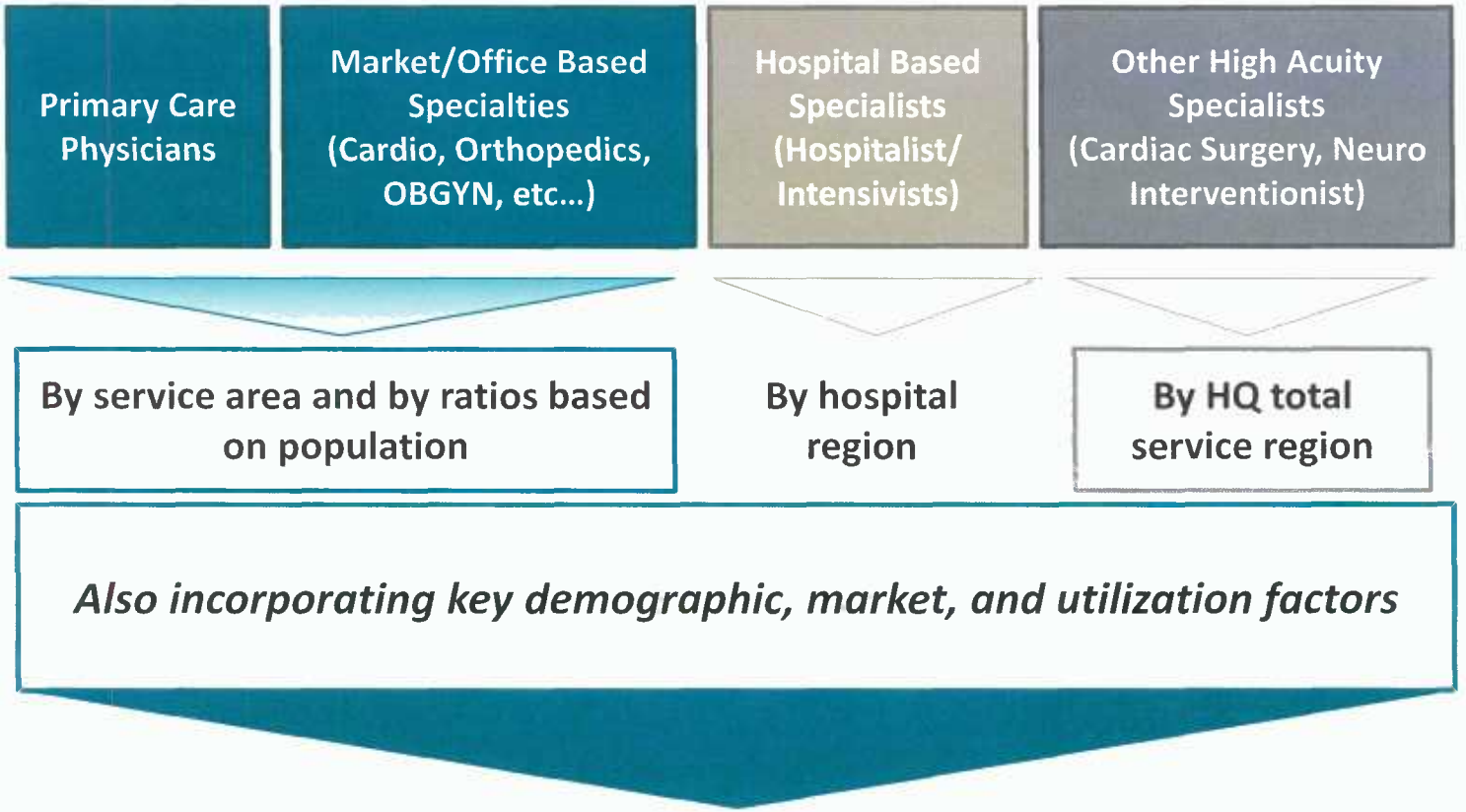
- **Over 240,000 individual patients served**
- **Over 428,000 visits**
- Over $72 Million in revenue

PP000597
01/17/2017

HQMP Growth Strategy

Many considerations factored into which areas needed recruitment for 2017.

Rationale/Methodology



Understanding communities' true needs by region and by physician type

PP000598
01/17/2017

Market factors and context are important when determining the best avenues for physician acquisition.

Growth Tactics

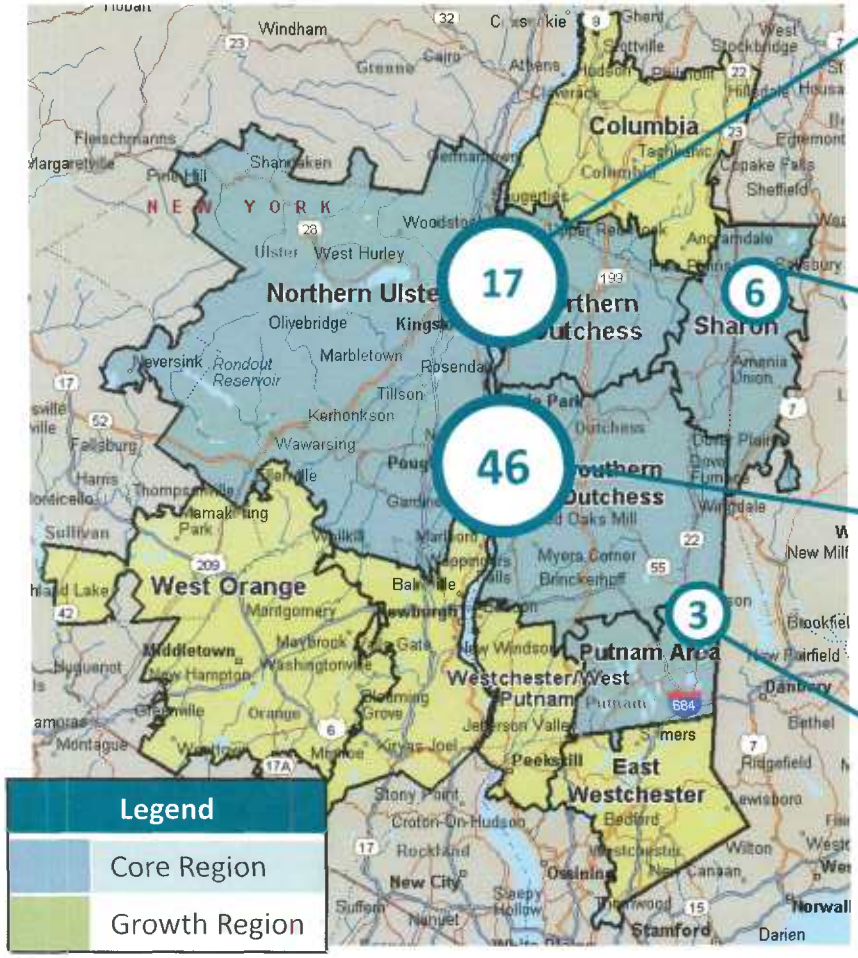
 Acquiring Existing Practices	 Aligning with Existing Physicians	 Recruiting New Physicians	 Seeding Physicians for Succession

PP000599
01/17/2017

Summary of 2017 Growth Targets by Region

Our strategy is to add PCP and specialty physicians in regions showing need.

2017 Targeted Growth by Region



NDH
(added 4 PCPs in 2016)
- PCP: 2
- Specialty: 15

Sharon
(will continue to evaluate region and refine estimate)
- PCP: 0
- Specialty: 6

VBMC
- PCP: 8
- Specialty: 38

PHC
(focused on partnerships)
- PCP: 1
- Specialty: 2

PCP: *internal medicine, family practice, pediatrics*

Specialist: *urgent care, hospitalists, intensivists and other specialties*

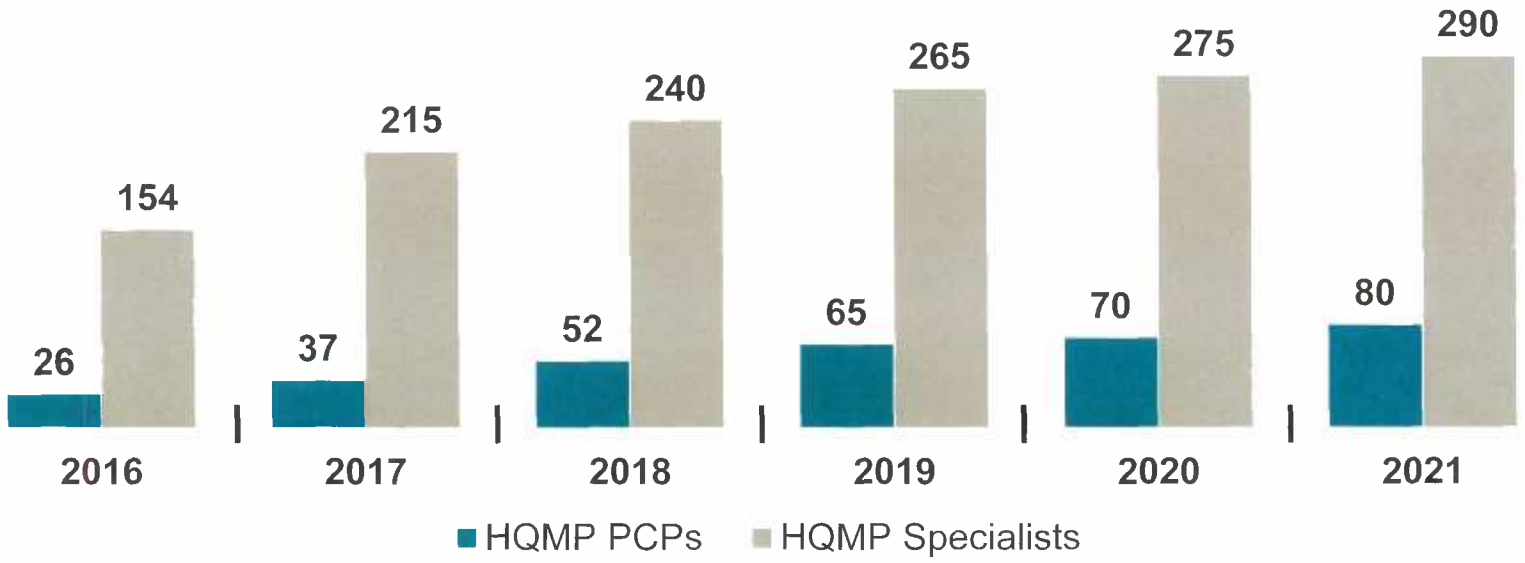
Total – 11 PCPs, 61 Specialists

PP000600
01/17/2017

Summarizing HQMP Growth Targets

HQMP will grow employed PCPs and specialists over the next 5 years to support patient access to HQ services.

Projected HQMP Physician Size



Growth Tactics

Acquiring Existing Practices

Aligning with Existing Physicians

Recruiting New Physicians

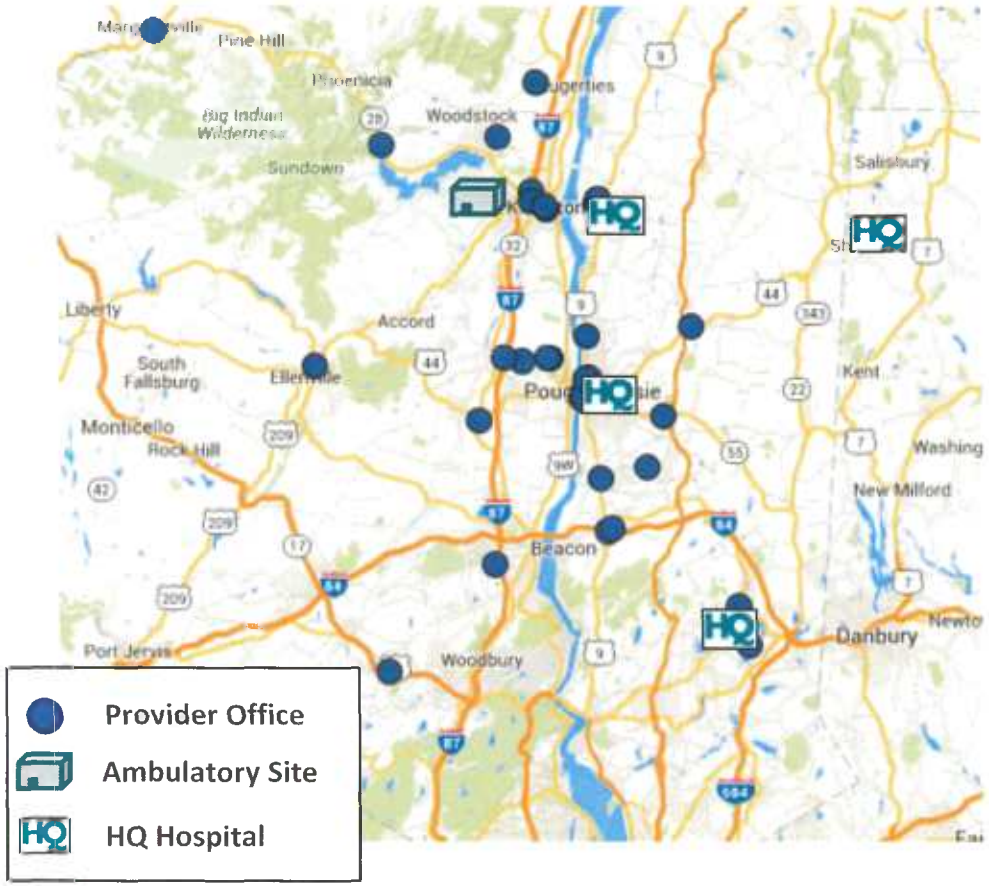
Seeding Physicians for Succession

PP000601
01/17/2017

Overview of HQMP Current Outpatient Locations

To support our physician growth, we will need to grow our ambulatory presence.

HQMP Practice Locations (Includes Heart Ctr.)



Overview of Current Needs

- Expand ambulatory site presence
- Consolidate undersized physician offices
- Accommodate projected physician growth
- Increase number of multi-specialty locations
- Increase access to outpatient ancillary services

PP000602
01/17/2017

We are Competing with Large Multi-Specialty Groups

As Crystal Run and CareMount increase their number of ambulatory sites, HQMP will need to keep pace.

Current Location & Facility Initiatives in the Market

Crystal Run Healthcare

- Opened a two-story, 70,000 s.f. medical facility in West Nyack in August
- Plans to develop more facilities in Monroe, Western Rockland and potentially Fishkill

West Nyack's new Crystal Run facility; opened in August

CareMount Medical

- 30 locations throughout Westchester, Putnam, Ulster and Dutchess County
- Opened a new urgent care center in Mount Kisco in April 2015

CareMount's Fishkill Office, where 37 physicians practice

PP000603
01/17/2017

Ambulatory Development Framework

We have developed the following framework to help us prioritize our ambulatory site planning.

Identifying Our Key Ambulatory Planning Priorities

Current State – *our current footprint*

- # of facilities
- Location of facilities
- Services provided by facility

+

Future Needs – *our future facility need*

- Projected physician growth
- Consolidation of locations
- Expansion of service offerings/geographies

=

Key Priorities – *our growth focus*

- By Region
- By Size
- By Services

PP000604
01/17/2017

Ambulatory Sites Categories

		Small Primary Care Office	Primary Care Center	Intermediate Outpatient Center	Advanced Outpatient Center
					
PCPs		1-3 PCPs	4-6 PCPs	4-6 PCPs	4-6 PCPs
Specialists		None	Limited Rotations	Mix of Dedicated and Rotating Specialists	Mix of Dedicated and Rotating Specialists
Onsite Ancillary Services	Lab	Onsite Lab Draw	Onsite Lab Draw	Onsite Lab Draw	Onsite Lab Draw
	Imaging	None	Basic Imaging (e.g. X-Ray)	Selected Diagnostic Imaging	Comprehensive Diagnostic Imaging
	Other Ancillary Services		Urgent Care	Urgent Care PT/OT/Sports Medicine Cardiac Testing/Rehab Retail Pharmacy	Urgent Care PT/OT/Sports Medicine Cardiac Testing/Rehab Retail Pharmacy Emergency Services Outpatient Surgery Oncology Services
Building Area		1,000 – 3,000 GSF	4,000 – 10,000 GSF	15,000 – 30,000 GSF	30,000 – 80,000 GSF
Pop. Base		2,000-4,000	5,000 – 12,500	15,000-25,000	40,000-60,000+
Travel Time		Up to 15 minutes in rural areas	Up to 15 minutes	Up to 20 minutes	Up to 30 minutes

Moving Away from Smaller Facilities

Areas of Future Focus for HQMP

PP000605
01/17/2017

Developing HQMP Ambulatory Facilities

Ambulatory expansion priorities are focused on developing five new advanced/intermediate sites.

New/Updated HQMP Site Developments

Rationale	Kingston Plaza	New Paltz	Pough-keepsie	Kingston MOB	Fishkill	Putnam
	Intermediate Outpatient Center	Intermediate Outpatient Center	Intermediate Outpatient Center	Advanced Outpatient Center	Advanced Outpatient Center	Intermediate Outpatient Center
Enhance access to care in the community	✓	✓	✓	✓	✓	✓
Consolidate existing locations to gain economies of scale	✓	✓	✓	✓	✓	✓
Add new services, improve access to ancillary services	✓	✓	✓	✓	✓	✓
2016 Opens In 2020	2016	2018	2017	2018	2019	2020
$ Projected Cost	✓ $3.2M	✓ $8.0M	$4.8M	$14.4M	TBD	TBD

Already paid for/board approved

Finance Cmte. Mtg. in November

PP000606
01/17/2017

Overview of the New Poughkeepsie Ambulatory Site

Property Features:

-Neighboring businesses of Home Depot, Ocean State Job Lot, Starbucks, McDonald's

-Frontage on Route 9, directly across the street from Marist College

-Approximately 1,400 parking spaces

PP000607
01/17/2017

Expanding Our Ambulatory and Physician Network

Increasing the reach of our ambulatory network is a top priority for 2016 and 2017.

New Locations and Timing

Overview of HQMP Growth

Physician Growth

Add nearly 200 physicians by 2021

Ambulatory Growth

Develop 6 new ambulatory sites by 2021

HQMP IN 2021

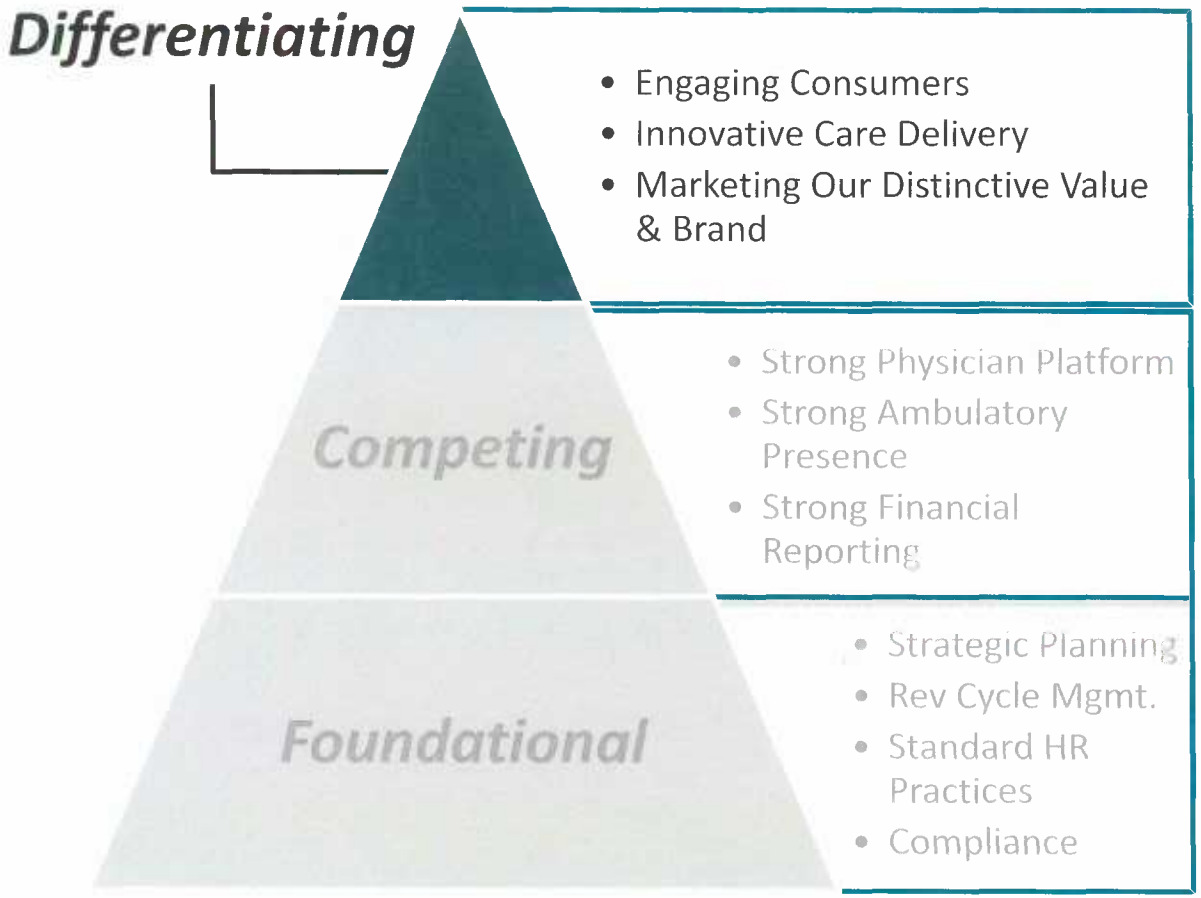
- ~47 locations across 4 counties, 2 states
- Consolidated services offerings
- Improved ancillary services

PP000608
01/17/2017

Differentiation Through Innovation and Marketing

Success will only come with differentiation in the market.

HQMP's Hierarchy of Needs



Innovation *transforming HQMP into a best-in-class physician practice*

Growth *to allow us to compete with other large multi-specialty practices in the region*

Core functions *that must be executed to succeed*

PP000609
01/17/2017

Marketing Our Physicians

Part of ensuring a consistent experience across HQMP physicians includes ensuring that their community knows them and the work they are doing.

HQMP's Marketing Tactics for New & Existing Physicians

Online Media Content

Quarterly Mailers & Panel Cards

**"Seen by one.
Cared for by many."**

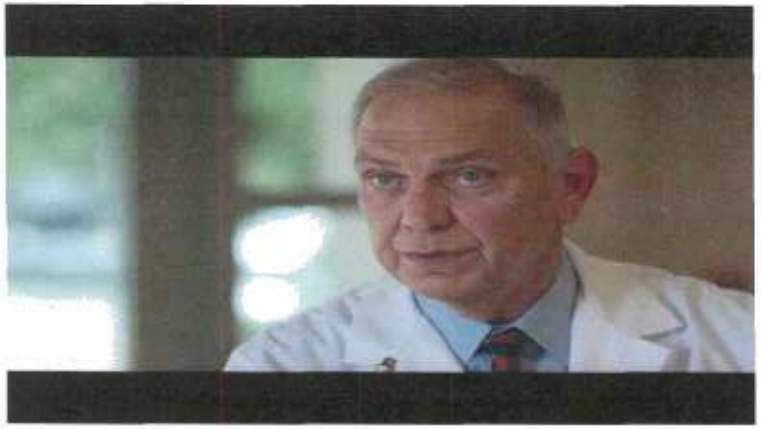
Outdoor Advertising

Paid Search & Search Engine Optimization

PP000610
01/17/2017

YouTube Physician Profiles

Dr. James Leonardo, Medical Oncology



Dr. Eric Stamberg, Primary Care Physician

Pandora and Local Radio Ad

PCPs & OB/GYNs

PP000611
01/17/2017

Our Commitment to Innovate

We are focusing on many areas to innovate and differentiate ourselves in the market.

Areas of Focus

Establishing a Single Electronic Health Record and Patient Portal Across the System

Implementing Telehealth Capabilities

Establishing New Ways for Patients to Access Care

PP000612
01/17/2017

Integrating Our Patient Portal

We need to move to a single patient portal across Health Quest.

Consumer Facing

Patient Portals

- Allows for **communicating with your provider online**, scheduling/changing/cancelling appointments, refilling prescriptions, receiving test results
- Allows **patient access to personal health records** in a secure manner
- **Enables payments for healthcare services**
- Allows for **email communication** with physicians

Cerner

PP000613
01/17/2017

Innovation Through Telehealth

We will need to develop telehealth capabilities to allow patients to directly interface with physicians.

Consumer Facing

Telehealth (Virtual Appointments)

- Patients can **securely visit a provider via video chat** from home, work, or anywhere care is needed
- Consumer preferences indicate an **emerging interest in home-based therapeutic services**
- Important for our **commuter patients and rural patients**

Dr DOCTOR ON DEMAND

VSee

LiveHealth ONLINE

MDLIVE

PP000614
01/17/2017

Expanding Our Access Points in the Community

Increasing patient access points will allow for improved patient engagement and satisfaction.

Consumer Facing

New Access Points

Kiosks (e.g. American Well)

- **Can be set up in grocery stores, office buildings**, or other high-traffic areas in the community
- **Aligns with consumers' increasing price-sensitivity** and emphasis on convenience

Urgent Care

- **Provides ease of access** and walk-in appointments
- **Can treat most common illnesses and injuries**, opening capacity at our hospital EDs

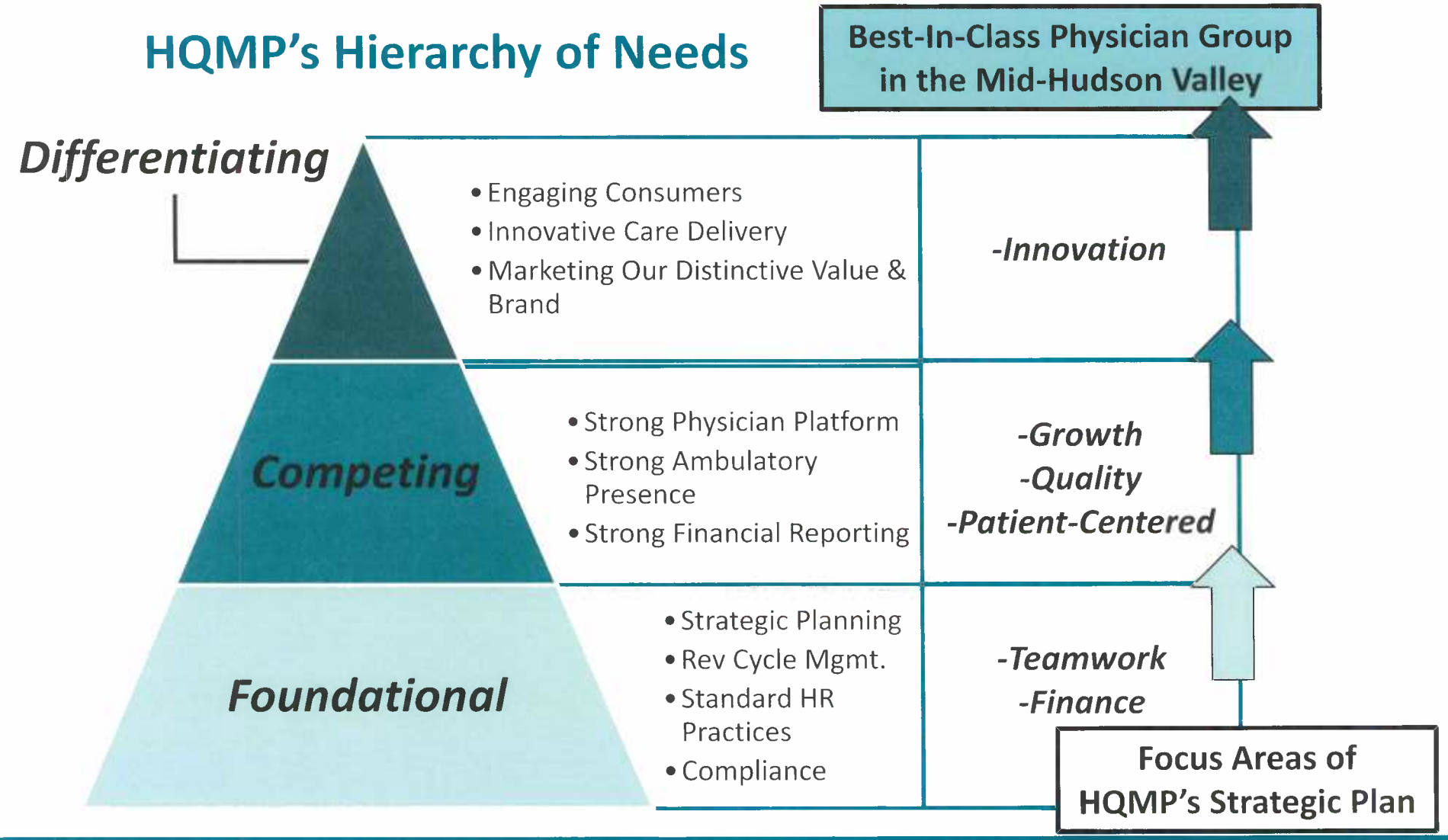
E-ONE URGENT CARE AND OCCUPATIONAL HEALTH

FirstCare WALK-IN MEDICAL CENTER

PP000615
01/17/2017

HQMP's Planning for Meeting All Needs

Our goal is to be the best-in-class physician group in the Mid-Hudson Valley by 2021.



PP000616
01/17/2017

COMPLETENESS EXHIBIT C

REGIONAL HEALTHCARE
Associates LLC | An Affiliate of Sharon Hospital

Title: Policy on Patient Responsibility for Fees

Date of Last Revision: February 15, 2015

Patient Name: _____ **Date:** _____

Thank you for choosing the physicians of Regional Healthcare Associates as your healthcare providers. We are committed to providing the best medical care for our patients. This policy will help our patients understand the responsibilities that they and their families have for payment of our fees. If at any time you have questions or concerns with our payment process, please don't hesitate to contact our billing department.

We charge customary fees that are consistent with other practices in our region and similar specialties. Please understand that payment of your bill is considered a part of your treatment.

- You must provide us with current, valid and accurate information regarding your insurance policy prior to receiving service. You must inform us immediately when that coverage changes. Each patient is responsible for verifying that our providers are participating with their insurance. You are financially responsible for payment for all services rendered if the information given is incorrect, or if you are not covered.
- **It is the patient's responsibility to know when a referral/authorization is needed, and to bring a valid paper referral or referral/authorization number at the time that services are rendered. If you do not know if your plan requires a referral, please contact your health plan.**
- Co-pays and any past due balances are due at the time of service (prior to being seen by the provider). Your appointment may be rescheduled if a co-pay is required and not made or a balance is not satisfied.
- We accept cash, MasterCard, Visa, American Express, Discover, personal checks and money orders.

As a courtesy to our patients, we will submit a claim to your insurance company. It is the patients' responsibility to call their carrier to be sure they will be covered for their visit with our providers.

Coding

Each individual health insurance policy is a contract between you and your insurance company, and we are not a party to your individual contract. Be aware that some of our services may not be covered by your insurance policy. Should any provided services not be covered by your insurance, we will not alter your claim, change your diagnosis, or report a different service than what was performed in order that your insurance will cover the charge. You will be responsible for the balance.

Surgery Policy for Self-Pay Patients

You will be contacted prior to your surgery with an estimated cost for the professional (physician) charges of your surgery. A down payment equal to **25%** of the total estimated amount is expected. The remaining balance will be due within 30 days from your date of Surgery. If you pay the balance within 30 days you will receive a 20% discount. If you are unable to pay the balance within 30 days you must set up a payment plan with our billing department prior to

surgery. Please remember that this is only for the professional (physician) part of your surgery. You will need to contact Sharon Hospital for their charges and billing policies.

Advanced Beneficiary Notice (ABN): For Medicare Patients Only
If you are receiving a procedure that may not be covered by your insurance (see statement under: *coding*) we will ask you to sign an ABN form. This form is for both Medicare and commercial insurance. The form will explain that a service that we recommend or that has been requested by the patient may not be covered. The procedure description and price will be on the form. As the patient you have a right to refuse the treatment or accept the treatment and potential fees. All ABN's are filed in your chart and you have a right to ask for a copy.

Pediatrics Policy for Guarantors
Guarantors will be required to keep dependent information updated on a yearly basis. We understand that this information may frequently change. **Please keep in mind that regardless of guarantor status, the party that presents with the patient is responsible for any co-pay at the time of visit.**

We offer a prompt pay discount
We offer a prompt pay discount of 20% to patients without health insurance for services in our offices which are paid in full at the time of service. The discount will not be offered after the date of service for any reason.

Payment Plans
We will offer payment plans for all balances and we will work with you on a reasonable monthly payment amount.

If you have received **3 statements** on your account and set up a payment plan to delay collections, your account will be sent to collections after 1 missed payment.

Writing off balances- Federal Programs
We will not write off any balances for patient's co pays, deductibles or co-insurances. In accordance with our payer contracts and federal regulations.

Hospital Billing
Our physicians will routinely send your labs, specimens, urinalysis to the hospital for further evaluation. Regional Healthcare also does the billing for other providers in the hospital that may render care to you as an outpatient or inpatient. Listed below are the physicians that may also be on your statement from Regional Healthcare Associates, LLC.

Pathologists
Winston Magno, MD
Rachel Must-Ettinger, MD
Dwight Miller, MD
Marc Eisenberg, MD
William Frederick, MD

Pro Fee Physicians*
David Kurish, MD
Michael Parker, MD
Leonard Astrauskas, MD
Donald Soucier, DO
Irving Smith, DO

Surgery
Joseph Catania, MD
Kristin Oliveira, MD
Robert Frisenda, MD
Alexander Martin Clark, Jr., MD
Emilia Genova, MD

Pediatricians
Virginia Gray-Clarke, MD
James Pribula, MD
Suzanne Lefebvre, MD
Rebecca Malone, APRN
Amy Tocco, MD (Peds/OB)

Wound Care
Joseph Catania, MD
Peter Reyelt, MD
Sara Case, MD
Emilia Genova, MD

** Pro Fee Physicians are local physicians that do readings for the hospitals cardiology department part time. They will evaluate and read EKG's, stress tests and other cardiac studies.

Collections
If a patient has not made payment on their accounts after **3 statements** your balance will be referred to an outside collection agency. Once an account is turned over to the collection agency, the patient or responsible party will have to settle the debt with the agency. Regional Healthcare Associates, LLC contracts with Frost Arnett and Company:

- Frost Arnett – 1-800-264-7156

Please be aware that if a balance remains unpaid, you and/or your immediate family members may be discharged from Regional Healthcare Associates, LLC. If this is to occur, you will be notified by regular and certified mail that you have 30 days to find alternative medical care. During the 30 day period, our providers will only be able to treat you on an emergency basis.

Cancellations/No Shows/Missed Appointments
If you need to reschedule your appointment, please notify our office within 24 hours of the scheduled appointment. A fee of ***$25.00*** may be charged for appointments not cancelled at least 24 hours in advance.

Returned Checks
The charge for a returned check is ***$30.00*** payable by cash or credit card. This will be applied to your account in addition to the insufficient funds amount. You may be placed on a cash only basis following any returned checks.

Billing Services
Our billing office is located in Boston, Massachusetts as noted on your statements.
You may also call 860-364-4471 with any billing questions.

Policy on Patient Responsibility for Fees

Patient Name: _____ **Date:** _____

I understand and agree that regardless of my insurance status, I am ultimately responsible for the balance on my account for any professional services rendered. I have read the above patient financial policy and have provided the practice with true and correct insurance information. I will promptly notify you of any changes in my health insurance coverage, address and name changes, and

I have been given a copy of Regional Healthcare Associates, LLC financial policy.

Patient/Guarantor

Signature_____ **Date**_____

Relationship to patient (if required)_____

Care
HOSPITAL PARTNERS

Accounting Policy Guide

Policy Description:	Allowance for Doubtful Accounts
Policy No:	104
Replaces Policy Dated:	March 1, 2012
Effective Date:	October 1, 2014

Bad Debt Write-Offs

A patient account is considered to be a bad debt of the facility when there is no likelihood of collection within a reasonable period of time using normal and customary collection procedures and resources, including outside collection agencies. These collection efforts should be consistent between all payors and must be documented in the patient's account.

An account sent to the primary collection agency is not considered uncollectible until all collection efforts have been exhausted by the primary collection agency and the account is no longer an active claim at the collection agency. Accounts should be written off as a bad debt when it is returned from the primary collection agency. This applies to all payors. See **Reimbursement Policy** for Medicare bad debt write off recoveries.

Documentation should be maintained to evidence the date the account is placed with the primary collection agency and the date that it is returned to the facility (i.e. collection agency reports or communications indicating active and returned accounts).

All bad debt write-offs should be recorded as a debit to the allowance for doubtful accounts and a credit to accounts receivable on the balance sheet.

Proper documentation of the amount written off and the approvals obtained should be maintained by month. Any accounts receivable bad debt write-offs (net amount due) must be approved as follows:

- Billing Manager – All write-offs
- Business Office Director - $10,000 and over
- Facility CFO - $20,000 and over

EXHIBITS:

Exhibit A – AFDA Calculation for Hospitals and Hospital Based Clinics
Exhibit B – AFDA Calculation for Non-Hospital Based Clinics
Exhibit C – Approval of Exceptions to Allowance for Doubtful Accounts Policy

Approvals:

Michael Browder, EVP and CFO — Date: 10/20/14

Steve Wilson, VP and Corporate Controller — Date: 10/20/14

COMPLETENESS EXHIBIT D

NON-PROFIT

Applicant: Heath Quest Systems - RHA

Financial Worksheet (A)

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:	(1) FY15 Actual Results	(1) FY16 (10/15-9/16) Actual Results	(2) FY17 Projected W/out CON	(3) FY17 (3 mo.) Projected Incremental	(4) FY17 Projected With CON	(5) FY18 Projected W/out CON	(6) FY18 Projected Incremental	(7) FY18 Projected With CON	(8) FY19 Projected W/out CON	(9) FY19 Projected Incremental	(10) FY19 Projected With CON	(11) FY20 Projected W/out CON	(12) FY20 Projected Incremental	(13) FY20 Projected With CON
	Description														
A.	**OPERATING REVENUE**														
1	Total Gross Patient Revenue	$2,374,832,000	$2,604,438,000	$2,655,559,000	$3,641,500	$2,659,200,500	$2,740,023,000	$19,418,190	$2,759,441,190	$2,899,092,000	$22,191,867	$2,921,283,867	$2,944,688,000	$23,702,849	$2,968,390,849
2	Less: Allowances	$1,464,665,000	$1,610,246,260	$1,564,843,260	$2,133,849	$1,566,977,109	$1,583,734,393	$11,115,210	$1,594,849,603	$1,650,457,357	$12,593,494	$1,663,050,851	$1,643,449,110	$13,402,633	$1,656,851,743
3	Less: Charity Care	$41,274,000	$41,686,740	$42,103,607	$3,710	$42,107,318	$42,524,643	$62,054	$42,586,698	$42,949,890	$88,470	$43,038,360	$43,379,389	$102,245	$43,481,634
4	Less: Other Deductions				$0	$0		$0	$0		$0	$0		$0	$0
	Net Patient Service Revenue	**$868,893,000**	**$952,505,000**	**$1,048,612,133**	**$1,503,941**	**$1,050,116,074**	**$1,113,763,964**	**$8,240,926**	**$1,122,004,890**	**$1,205,684,753**	**$9,509,903**	**$1,215,194,656**	**$1,257,859,501**	**$10,197,971**	**$1,268,057,473**
5	Medicare	$408,379,710	$447,677,350	$492,847,702	$406,441	$493,254,144	$523,469,063	$2,079,137	$525,548,200	$566,671,834	$2,339,497	$569,011,331	$591,193,966	$2,482,612	$593,676,578
6	Medicaid	$165,089,670	$180,975,950	$199,236,305	$256,026	$199,492,332	$211,615,153	$1,423,830	$213,038,984	$229,080,103	$1,651,532	$230,731,635	$238,993,305	$1,774,723	$240,768,028
7	CHAMPUS & TriCare	$0	$0	$0	$4,546	$4,546	$0	$25,294	$25,294	$0	$29,343	$29,343	$0	$31,535	$31,535
8	Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Government	**$573,469,380**	**$628,653,300**	**$692,084,008**	**$667,014**	**$692,751,021**	**$735,084,216**	**$3,528,261**	**$738,612,477**	**$795,751,937**	**$4,020,372**	**$799,772,309**	**$830,187,271**	**$4,288,869**	**$834,476,140**
9	Commercial Insurers	$8,688,930	$9,525,050	$10,486,121	$800,321	$11,286,442	$11,137,640	$4,506,319	$15,643,959	$12,056,848	$5,249,084	$17,305,932	$12,578,595	$5,650,241	$18,228,836
10	Uninsured	$0	$0	$0	$11,812	$11,812	$0	$68,181	$68,181	$0	$80,076	$80,076	$0	$86,481	$86,481
11	Self Pay	$17,377,860	$19,050,100	$20,972,243	$14,437	$20,986,680	$22,275,279	$83,333	$22,358,612	$24,113,695	$97,871	$24,211,566	$25,157,190	$105,698	$25,262,888
12	Workers Compensation	$8,688,930	$9,525,050	$10,486,121	$10,357	$10,496,478	$11,137,640	$54,832	$11,192,472	$12,056,848	$62,500	$12,119,347	$12,578,595	$66,683	$12,645,278
13	Other	$260,667,900	$285,751,500	$314,583,640	$0	$314,583,640	$334,129,189	$0	$334,129,189	$361,705,426	$0	$361,705,426	$377,357,850	$0	$377,357,850
	Total Non-Government	**$295,423,620**	**$323,851,700**	**$356,528,125**	**$836,928**	**$357,365,053**	**$378,679,748**	**$4,712,665**	**$383,392,412**	**$409,932,816**	**$5,489,531**	**$415,422,347**	**$427,672,230**	**$5,909,102**	**$433,581,332**
	Net Patient Service Revenuea (Government+Non-Government)	**$868,893,000**	**$952,505,000**	**$1,048,612,133**	**$1,503,941**	**$1,050,116,074**	**$1,113,763,964**	**$8,240,926**	**$1,122,004,890**	**$1,205,684,753**	**$9,509,903**	**$1,215,194,656**	**$1,257,859,501**	**$10,197,972**	**$1,268,057,473**
14	Less: Provision for Bad Debts	$25,591,000	$27,144,000	$32,544,000	$54,675	**$32,598,675**	$34,432,000	$291,486	**$34,723,486**	$36,059,000	$333,093	**$36,392,093**	$37,403,000	$355,760	**$37,758,760**
	Net Patient Service Revenue less provision for bad debts	**$843,302,000**	**$925,361,000**	**$1,016,068,133**	**$1,449,266**	**$1,017,517,399**	**$1,079,331,964**	**$7,949,441**	**$1,087,281,404**	**$1,169,625,753**	**$9,176,810**	**$1,178,802,563**	**$1,220,456,501**	**$9,842,212**	**$1,230,298,713**
15	Other Operating Revenue	$27,547,000	$30,822,000	$29,243,000	$207,500	**$29,450,500**	$31,326,000	$660,000	**$31,986,000**	$33,485,000	$660,000	**$34,145,000**	$33,749,000	$660,000	**$34,409,000**
17	Net Assets Released from Restrictions					**$0**		$0	**$0**		$0	**$0**		$0	**$0**
	TOTAL OPERATING REVENUE	**$870,849,000**	**$956,183,000**	**$1,045,311,133**	**$1,656,766**	**$1,046,967,899**	**$1,110,657,964**	**$8,609,441**	**$1,119,267,404**	**$1,203,110,753**	**$9,836,810**	**$1,212,947,563**	**$1,254,205,501**	**$10,502,212**	**$1,264,707,713**
B.	**OPERATING EXPENSES**														
1	Salaries and Wages	$395,322,000	$416,834,000	$441,418,000	$1,515,321	$442,933,321	$462,515,000	$8,222,298	$470,737,298	$484,167,000	$8,454,282	$492,621,282	$506,211,000	$8,960,343	$515,171,343
2	Fringe Benefits	$112,560,000	$119,731,000	$127,910,000	$252,561	$128,162,561	$133,845,000	$1,388,001	$135,233,001	$140,383,000	$1,427,479	$141,810,479	$146,960,000	$1,514,205	$148,474,205
3	Physicians Fees			$60,668,000	$274,343	$60,942,343	$60,735,000	$1,097,370	$61,832,370	$60,806,000	$1,097,370	$61,903,370	$60,818,000	$1,097,370	$61,915,370
4	Supplies and Drugs	$131,573,000	$146,046,000	$163,223,000	$110,951	$163,333,951	$177,599,000	$605,803	$178,204,803	$196,440,000	$687,932	$197,127,932	$204,992,000	$742,188	$205,734,188
5	Depreciation and Amortization	$47,934,000	$52,424,000	$61,446,000	$0	$61,446,000	$69,031,000	$0	$69,031,000	$88,874,000	$0	$88,874,000	$95,504,000	$0	$95,504,000
6	Provision for Bad Debts-Otherb				$0	$0		$0	$0		$0	$0		$0	$0
7	Interest Expense	$9,391,000	$9,323,000	$9,004,000	$0	$9,004,000	$12,604,000	$0	$12,604,000	$23,597,000	$0	$23,597,000	$22,994,000	$0	$22,994,000
8	Malpractice Insurance Cost				$83,366	$83,366		$460,939	$460,939		$471,816	$471,816		$488,735	$488,735
9	Lease Expense				$82,030	$82,030		$450,730	$450,730		$462,733	$462,733		$473,486	$473,486
10	Other Operating Expenses	$136,650,000	$152,583,000	$111,820,000	$227,291	$112,047,291	$116,016,000	$1,386,720	$117,402,720	$122,984,000	$1,597,191	$124,581,191	$124,726,000	$1,712,213	$126,438,213
	TOTAL OPERATING EXPENSES	**$833,430,000**	**$896,941,000**	**$975,489,000**	**$2,545,863**	**$978,034,863**	**$1,032,345,000**	**$13,611,861**	**$1,045,956,861**	**$1,117,251,000**	**$14,198,802**	**$1,131,449,802**	**$1,162,205,000**	**$14,988,540**	**$1,177,193,540**
	INCOME/(LOSS) FROM OPERATIONS	**$37,419,000**	**$59,242,000**	**$69,822,133**	**($889,097)**	**$68,933,036**	**$78,312,964**	**($5,002,420)**	**$73,310,544**	**$85,859,753**	**($4,361,991)**	**$81,497,762**	**$92,000,501**	**($4,486,328)**	**$87,514,173**
	NON-OPERATING REVENUE	**($4,648,000)**	**($20,346,000)**	**$12,720,000**	**$0**	**$12,720,000**	**$12,720,000**	**$0**	**$12,720,000**	**$12,720,000**	$0	**$12,720,000**	**$12,720,000**		**$12,720,000**
	EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES	**$32,771,000**	**$38,896,000**	**$82,542,133**	**($889,097)**	**$81,653,036**	**$91,032,964**	**($5,002,420)**	**$86,030,544**	**$98,579,753**	**($4,361,991)**	**$94,217,762**	**$104,720,501**	**($4,486,328)**	**$100,234,173**
	Principal Payments					**$0**			**$0**			**$0**			**$0**
C.	**PROFITABILITY SUMMARY**														
1	Hospital Operating Margin	**4.3%**	**6.3%**	**6.6%**	**-53.7%**	**6.5%**	**7.0%**	**-58.1%**	**6.5%**	**7.1%**	**-44.3%**	**6.6%**	**7.3%**	**-42.7%**	**6.9%**
2	Hospital Non Operating Margin	**-0.5%**	**-2.2%**	**1.2%**	**0.0%**	**1.2%**	**1.1%**	**0.0%**	**1.1%**	**1.0%**	**0.0%**	**1.0%**	**1.0%**	**0.0%**	**1.0%**
3	Hospital Total Margin	**3.8%**	**4.2%**	**7.8%**	**-53.7%**	**7.7%**	**8.1%**	**-58.1%**	**7.6%**	**8.1%**	**-44.3%**	**7.7%**	**8.3%**	**-42.7%**	**7.8%**
D.	**FTEs**	**4,739**	**4,762**	4,832	10	**4,842**	4,878	52	**4,930**	4,918	53	**4,971**	4,930	55	**4,985**
E.	**VOLUME STATISTICSc**														
1	Inpatient Discharges	33,674	35,206	36,262	0	**36,262**	37,350	0	**37,350**	38,677	0	**38,677**	39,085	0	**39,085**
2	Outpatient Visits	2,232,267	2,455,494	2,781,929	9,223	**2,791,152**	3,070,814	50,574	**3,121,388**	3,333,985	56,667	**3,390,652**	3,384,166	60,048	**3,444,214**
	TOTAL VOLUME	**2,265,941**	**2,490,700**	**2,818,191**	**9,223**	**2,827,414**	**3,108,164**	**50,574**	**3,158,738**	**3,372,662**	**56,667**	**3,429,329**	**3,423,251**	**60,048**	**3,483,299**

aTotal amount should equal the total amount on cell line "Net Patient Revenue" Row 14.

bProvide 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.

cProvide 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.

COMPLETENESS EXHIBIT E

FOR-PROFIT

Applicant Name: Regional Healthcare Assoc
Financial Worksheet (B)

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:	(1) FY 2015 Actual Results	(1a) FY 2016 Actual Results	(2) FY 2017 Projected W/out CON	(3) FY 2017 Projected Incremental	(4) FY 2017 Projected With CON	(5) FY 2018 Projected W/out CON	(6) FY 2018 Projected Incremental	(7) FY 2018 Projected With CON	(8) FY 2019 Projected W/out CON	(9) FY 2019 Projected Incremental	(10) FY 2019 Projected With CON	(11) FY 2020 Projected W/out CON	(12) FY 2020 Projected Incremental	(13) FY 2020 Projected With CON
	Description														
A.	**OPERATING REVENUE**														
1	Total Gross Patient Revenue	$9,014,869	$8,562,242	$13,081,955	$1,484,047	$14,566,002	$13,212,775	$6,205,416	$19,418,190	$13,344,902	$8,846,965	$22,191,867	$13,478,351	$10,224,498	$23,702,849
2	Less: Allowances	$5,130,062	$4,823,302	$7,748,851	$786,545	$8,535,396	$7,826,340	$3,288,870	$11,115,210	$7,904,603	$4,688,891	$12,593,494	$7,983,649	$5,418,984	$13,402,633
3	Less: Charity Care	$0	$0	$0	$14,840	$14,840	$0	$62,054	$62,054	$0	$88,470	$88,470	$0	$102,245	$102,245
4	Less: Other Deductions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Net Patient Service Revenue	**$3,884,807**	**$3,738,940**	**$5,333,104**	**$682,662**	**$6,015,766**	**$5,386,435**	**$2,854,491**	**$8,240,926**	**$5,440,299**	**$4,069,604**	**$9,509,903**	**$5,494,702**	**$4,703,269**	**$10,197,971**
5	Medicare	$784,731	$1,043,164	$1,487,936	$137,829	$1,625,765	$1,502,815	$576,322	$2,079,137	$1,517,844	$821,653	$2,339,497	$1,533,022	$949,590	$2,482,612
6	Medicaid (CT & NY)	$699,265	$631,881	$901,295	$122,811	$1,024,105	$910,308	$513,523	$1,423,830	$919,411	$732,122	$1,651,532	$928,605	$846,118	$1,774,723
7	CHAMPUS & TriCare	$11,654	$11,217	$15,999	$2,185	$18,184	$16,159	$9,135	$25,294	$16,321	$13,023	$29,343	$16,484	$15,051	$31,535
8	Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Government	**$1,495,651**	**$1,686,262**	**$2,405,230**	**$262,825**	**$2,668,055**	**$2,429,282**	**$1,098,979**	**$3,528,261**	**$2,453,575**	**$1,566,797**	**$4,020,372**	**$2,478,111**	**$1,810,759**	**$4,288,869**
9	Commercial Insurers	$2,284,267	$1,962,944	$2,799,880	$401,405	$3,201,285	$2,827,878	$1,678,441	$4,506,319	$2,856,157	$2,392,927	$5,249,084	$2,884,719	$2,765,522	$5,650,241
10	Uninsured	$36,711	$28,603	$40,798	$6,451	$47,249	$41,206	$26,975	$68,181	$41,618	$38,458	$80,076	$42,034	$44,446	$86,481
11	Self Pay	$44,869	$34,959	$49,865	$7,885	$57,749	$50,363	$32,970	$83,333	$50,867	$47,004	$97,871	$51,375	$54,323	$105,698
12	Workers Compensation	$23,309	$26,173	$37,332	$4,096	$41,428	$37,705	$17,127	$54,832	$38,082	$24,418	$62,500	$38,463	$28,220	$66,683
13	Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Non-Government	**$2,389,156**	**$2,052,678**	**$2,927,874**	**$419,837**	**$3,347,711**	**$2,957,153**	**$1,755,512**	**$4,712,665**	**$2,986,724**	**$2,502,806**	**$5,489,531**	**$3,016,592**	**$2,892,510**	**$5,909,102**
	Net Patient Service Revenuea (Government+Non-Government)	**$3,884,807**	**$3,738,940**	**$5,333,104**	**$682,662**	**$6,015,766**	**$5,386,435**	**$2,854,491**	**$8,240,926**	**$5,440,299**	**$4,069,604**	**$9,509,903**	**$5,494,702**	**$4,703,269**	**$10,197,972**
14	Less: Provision for Bad Debts	$242,330	$152,195	$196,440	$22,261	**$218,701**	$198,404	$93,081	**$291,486**	$200,388	$132,704	**$333,093**	$202,392	$153,367	**$355,760**
	Net Patient Service Revenue less provision for bad debts	**$3,642,477**	**$3,586,745**	**$5,136,664**	**$660,401**	**$5,797,065**	**$5,188,031**	**$2,761,410**	**$7,949,441**	**$5,239,911**	**$3,936,899**	**$9,176,810**	**$5,292,310**	**$4,549,902**	**$9,842,212**
15	Other Operating Revenue	$82,607	$37,669	$830,000	$0	**$830,000**	$660,000	$0	**$660,000**	$660,000	$0	**$660,000**	$660,000	$0	**$660,000**
17	Net Assets Released from Restrictions	$0	$0	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**
	TOTAL OPERATING REVENUE	**$3,725,084**	**$3,624,414**	**$5,966,664**	**$660,401**	**$6,627,065**	**$5,848,031**	**$2,761,410**	**$8,609,441**	**$5,899,911**	**$3,936,899**	**$9,836,810**	**$5,952,310**	**$4,549,902**	**$10,502,212**
B.	**OPERATING EXPENSES**														
1	Salaries and Wages	$4,330,963	$3,756,319	$5,200,442	$860,842	$6,061,284	$5,304,451	$2,917,848	$8,222,298	$5,410,540	$3,043,742	$8,454,282	$5,518,751	$3,441,592	$8,960,343
2	Fringe Benefits	$241,639	$436,428	$859,875	$150,369	$1,010,244	$877,073	$510,928	$1,388,001	$894,614	$532,865	$1,427,479	$912,506	$601,699	$1,514,205
3	Physicians Fees	$729,234	$629,294	$1,097,370	$0	$1,097,370	$1,097,370	$0	$1,097,370	$1,097,370	$0	$1,097,370	$1,097,370	$0	$1,097,370
4	Supplies and Drugs	$235,050	$337,241	$394,546	$49,260	$443,806	$414,273	$191,530	$605,803	$434,987	$252,945	$687,932	$456,736	$285,452	$742,188
5	Depreciation and Amortization	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6	Provision for Bad Debts-Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7	Interest Expense	($100)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	Malpractice Insurance Cost	$3,314	$163,287	$283,287	$50,178	$333,465	$283,287	$177,652	$460,939	$283,287	$188,529	$471,816	$283,287	$205,448	$488,735
9	Lease Expense	$105,760	$237,992	$290,150	$37,969	$328,119	$298,855	$151,875	$450,730	$307,820	$154,913	$462,733	$317,055	$156,431	$473,486
10	Other Operating Expenses	$776,795	$623,437	$746,399	$162,766	$909,165	$753,863	$632,857	$1,386,720	$761,402	$835,789	$1,597,191	$769,016	$943,198	$1,712,213
	TOTAL OPERATING EXPENSES	**$6,422,655**	**$6,183,998**	**$8,872,069**	**$1,311,383**	**$10,183,452**	**$9,029,171**	**$4,582,690**	**$13,611,861**	**$9,190,020**	**$5,008,782**	**$14,198,802**	**$9,354,721**	**$5,633,819**	**$14,988,540**
	INCOME/(LOSS) FROM OPERATIONS	**($2,697,571)**	**($2,559,584)**	**($2,905,405)**	**($650,983)**	**($3,556,388)**	**($3,181,140)**	**($1,821,280)**	**($5,002,420)**	**($3,290,109)**	**($1,071,883)**	**($4,361,991)**	**($3,402,411)**	**($1,083,918)**	**($4,486,328)**
	NON-OPERATING INCOME	**$0**	**$0**	**$0**	**$0**	**$0**	$0	**$0**	**$0**	$0	**$0**	**$0**	$0	**$0**	**$0**
	Income before provision for income taxes	**($2,697,571)**	**($2,559,584)**	**($2,905,405)**	**($650,983)**	**($3,556,388)**	**($3,181,140)**	**($1,821,280)**	**($5,002,420)**	**($3,290,109)**	**($1,071,883)**	**($4,361,991)**	**($3,402,411)**	**($1,083,918)**	**($4,486,328)**
	Provision for income taxesc	**$0**	**$0**	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**
	NET INCOME	**($2,697,571)**	**($2,559,584)**	**($2,905,405)**	**($650,983)**	**($3,556,388)**	**($3,181,140)**	**($1,821,280)**	**($5,002,420)**	**($3,290,109)**	**($1,071,883)**	**($4,361,991)**	**($3,402,411)**	**($1,083,918)**	**($4,486,328)**
C.	**Retained Earnings, beginning of year**		**$0**	**($2,559,584)**	**$0**	**($2,559,584)**	($650,983)	**$0**	**($650,983)**	($5,653,403)	**$0**	**($5,653,403)**	($10,015,394)	**$0**	**($10,015,394)**
	Retained Earnings, end of year	**$0**	**($2,559,584)**	**($5,464,989)**	**$4,814,006**	**($650,983)**	($3,832,123)	**($1,821,280)**	**($5,653,403)**	($8,943,511)	**($1,071,883)**	**($10,015,394)**	($13,417,805)	**($1,083,918)**	**($14,501,722)**
	Principal Payments	$0	$0	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**
D.	**PROFITABILITY SUMMARY**														
1	Hospital Operating Margin	**-72.4%**	**-70.6%**	**-48.7%**	**-98.6%**	**-53.7%**	**-54.4%**	**-66.0%**	**-58.1%**	**-55.8%**	**-27.2%**	**-44.3%**	**-57.2%**	**-23.8%**	**-42.7%**
2	Hospital Non Operating Margin	**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%**
3	Hospital Total Margin	**-72.4%**	**-70.6%**	**-48.7%**	**-98.6%**	**-53.7%**	**-54.4%**	**-66.0%**	**-58.1%**	**-55.8%**	**-27.2%**	**-44.3%**	**-57.2%**	**-23.8%**	**-42.7%**
E.	**FTEs**	**36**	**32**	**33**	**6**	**39**	**33**	**19**	**52**	**33**	**20**	**53**	**33**	**22**	**55**
F.	**VOLUME STATISTICSd**														
1	Inpatient Discharges	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
2	Outpatient Visits	22,076	22,449	32,267	4,625	**36,892**	32,590	17,984	**50,574**	32,916	23,751	**56,667**	33,245	26,803	**60,048**
	TOTAL VOLUME	**22,076**	**22,449**	**32,267**	**4,625**	**36,892**	**32,590**	**17,984**	**50,574**	**32,916**	**23,751**	**56,667**	**33,245**	**26,803**	**60,048**

aTotal amount should equal the total amount on cell line "Net Patient Revenue" Row 14.
bProvide 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.
cProvide the amount of income taxes as defined by the Internal Revenue Services for for-profit entities.
dProvide 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.

PP000626
01/17/2017

Olejarz, Barbara

From: Schaeffer-Helmecki, Jessica
Sent: Thursday, February 16, 2017 2:54 PM
To: dping@health-quest.org
Cc: User, OHCA; Riggott, Kaila; Fernandes, David; Olejarz, Barbara; Jennifer Groves Fusco
Subject: Sharon Hospital and RHA Completeness Letter
Attachments: 16-32133 2nd Final completeness.docx; 16-32132 Completeness Letter 2 Final.docx

Dear Mr. Ping,

Attached please find second completeness letters for the transfer of ownership of RHA and Sharon Hospital to Vassar. Please confirm receipt of this message.

Thank you and have a good afternoon,

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

February 16, 2017

Via Email Only

Mr. David Ping
Senior Vice President of Strategic Planning & Business Development
Health Quest Systems, Inc.
1351 Route 55, Suite 200
LaGrangeville, NY 12540
dping@health-quest.org

RE: Certificate of Need Application: Docket Number: 16-32133-CON
Transfer ownership interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.
Certificate of Need Completeness Letter

Dear Mr. Ping:

On January 17th, 2017, the Department of Public Health ("DPH"), Office of Health Care Access ("OHCA") received completeness responses from Regional Healthcare Associates, LLC, ("RHA") and Vassar Health Connecticut ("Vassar") seeking authorization to transfer ownership interest in RHA to Vassar.

OHCA requests additional information pursuant to Connecticut General Statutes §19a-639a(c). *Please "reply all" to electronically confirm receipt of this email as soon as you receive it.* Provide responses to the questions below in both a Word document and PDF format as an attachment to a responding email. *Please email your responses to all of the following email addresses:* **OHCA@ct.gov** and **kaila.riggott@ct.gov**.

Pursuant to Section 19a-639a(c) of the Connecticut General Statutes, you must submit your response to this request for additional information no later than sixty days after the date that this request was transmitted. Therefore, please provide your written responses to OHCA no later than **April 17, 2017**, otherwise your application will be automatically considered withdrawn. Repeat each question before providing your response and 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, prefiled testimony, late file submissions and the like) must be

Keeping Connecticut Healthy
DPH
Connecticut Department of Public Health

Phone: (860) 418-7001 • Fax: (860) 418-7053
410 Capitol Avenue, MS#13HCA
Hartford, Connecticut 06134-0308
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Affirmative Action/Equal Opportunity Employer

numbered sequentially from the applicant's document preceding it. Please begin your submission using **Page 627** and reference "**Docket Number: 16-32133-CON**."

1. When is the Connecticut Medical Foundation expected to commence the Patient Centered Medical Home Certification process? How will receiving this certification benefit patients?

2. Page 567 of the application states HQMP recently changed its governance processes to be more physician led and is also currently recruiting physician leaders to improve the ability of physicians and administrators to lead in a dyad leadership model.
    a. Will the Connecticut Medical Foundation be physician led and will it follow the dyad leadership model?
    b. Discuss the benefits of the dyad model on the Connecticut Medical Foundation's organization as well as any patient benefits derived from such a model.

3. In regard to the response to question 8 on page 568 of the completeness letter, discuss the impact of the transfer of patients out of state on Connecticut Medicaid recipients with respect to insurance coverage and out-of-pocket costs.

4. Provide the number of CHAMPUS & Tricare visits for fiscal year 2017 in table 7 on page 571.

5. Does HQMP plan to open an "intermediate" or "advanced" outpatient centers in Connecticut, similar to those being developed in New York? If yes, elaborate on the timing and location.

6. Explain why Health Quest is unable to specify the amount of the $6 million Working Capital Grant that would be allocated to the Connecticut Medical Foundation.

If you have any questions concerning this letter, please feel free to contact Kaila Riggott at (860) 418-7037.

Olejarz, Barbara

From: Ping, David <DPing@Health-quest.org>
Sent: Thursday, February 16, 2017 3:56 PM
To: Schaeffer-Helmecki, Jessica
Cc: User, OHCA; Riggott, Kaila; Fernandes, David; Olejarz, Barbara; Jennifer Groves Fusco
Subject: RE: Sharon Hospital and RHA Completeness Letter

Thank you Jessica. I am in receipt of the message and we will review and get the answers back to you

---

From: Schaeffer-Helmecki, Jessica [mailto:Jessica.Schaeffer-Helmecki@ct.gov]
Sent: Thursday, February 16, 2017 2:54 PM
To: Ping, David
Cc: User, OHCA; Riggott, Kaila; Fernandes, David; Olejarz, Barbara; Jennifer Groves Fusco
Subject: Sharon Hospital and RHA Completeness Letter

Dear Mr. Ping,

Attached please find second completeness letters for the transfer of ownership of RHA and Sharon Hospital to Vassar. Please confirm receipt of this message.

Thank you and have a good afternoon,

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

About Health Quest Systems, Inc.

Health Quest Systems, Inc., headquartered in LaGrangeville, New York, is a leading non-profit healthcare system in the Mid-Hudson Valley. The network includes three medical centers: Vassar Brothers Medical Center in Poughkeepsie, Northern Dutchess Hospital in Rhinebeck, and Putnam Hospital Center in Carmel. It also includes Health Quest Medical Practice, Health Quest Urgent Care, and several affiliates, including Hudson Valley Home Care and The Heart Center. Health Quest comprises 597 licensed beds and more than 5,000 employees.

User, OHCA

From: Jennifer Groves Fusco <jfusco@uks.com>
Sent: Tuesday, February 21, 2017 4:06 PM
To: Riggott, Kaila; Schaeffer-Helmecki, Jessica; Fernandes, David; User, OHCA
Cc: Cordeau, Peter R. (Peter.Cordeau@sharonhospital.com); Ping, David
Subject: Regional Healthcare Associates Transfer of Ownership -- Docket No. 16-32133-CON
Attachments: DOCS-#1486919-v1-HEALTH_QUEST_SHARON_CQR2_(RHA_-_FINAL).pdf; DOCS-#1483827-v1-HEALTH_QUESTION_SHARON_CQR2_(RHA).docx

All,

Attached are Regional Healthcare Associates' responses to OHCA's February 16th Completeness Questions. Please confirm receipt and let me know if you require anything further.

Thanks,
Jen

Jennifer Groves Fusco, Esq.
Principal
Updike, Kelly & Spellacy, P.C.
One Century Tower
265 Church Street
New Haven, CT 06510
Office (203) 786.8316
Cell (203) 927.8122
Fax (203) 772.2037
www.uks.com

Transfer of Ownership of Regional Healthcare Associates, LLC to a Subsidiary of Vassar Health Connecticut, Inc.

Docket No. 16-32133-CON

Second Completeness Question Responses

1. When is the Connecticut Medical Foundation expected to commence the Patient Centered Medical Home Certification process? How will receiving this certification benefit patients?

RESPONSE:

Health Quest anticipates beginning the Patient Centered Medical Home ("PCMH") process with the Connecticut Medical Foundation within 1 to 2 months of receiving a CON for the change of ownership and closing on the purchase of Regional Healthcare Associates, LLC ("RHA"). Typically, Health Quest has found that there is a 2 to 3 month period of identifying gaps to become a PCMH and developing a plan to eliminate those gaps. It can then take up to a year to eliminate those gaps, meet all of the requirements to become a PCMH and apply to become a PCMH. Health Quest expects to have PCMH recognition for the Connecticut Medical Foundation from NCQA by December of 2018.

There are several advantages to patients to becoming a PCMH. PCMH certification requires that primary care physicians maintain same-day slots in their schedule and have criteria for how long a patient must wait for an appointment. This improves access to care for patients. PCMHs also have quality metrics that must be met; as well as criteria for how often physicians should contact patients and provide them with information about health care, including preventive and wellness care, not just "sick" care. This will help patients remain well and stay out of the hospital. This reduces the cost of care for patients and helps to ensure their wellness.

2. Page 567 of the application states HQMP recently changed its governance processes to be more physician led and is also currently recruiting physician leaders to improve the ability of physicians and administrators to lead in a dyad leadership model.

    a. Will the Connecticut Medical Foundation be physician led and will it follow the dyad leadership model?

RESPONSE:

Yes, the Connecticut Medical Foundation will be physician-led and will follow the dyad leadership model.

b. Discuss the benefits of the dyad model on the Connecticut Medical Foundation's organization as well as any patient benefits derived from such a model.

RESPONSE:

The dyad model allows everyone in the group to focus on what they know and do best. This directly leads to a better chance of delivering on the Triple Aim (better patient experience, better health outcomes, and a lower total cost of care). The physician leader in the practice is tasked with leading the quality, patient safety and other clinical aspects of the practice. This allows them to focus mostly on producing "better health outcomes" for their patients, but also on finding ways to improve the experience of the patient by ensuring they get the best care at every visit. The administrative leader is tasked with leading the efficiency and day-to-day operational efforts of the practice. This allows them to focus on activities that improve the patient's experience (such as making sure the office runs on schedule and the staff are courteous), as well as impacting the total cost of care by reducing duplication and ensuring that there are systems in place to make sure the patient gets their test results, follow-up appointments, etc. Together, the Dyad provides the practice with a comprehensive set of skills and viewpoints to make sure it gives the best care to "every patient, every time."

3. In regard to the response to question 8 on page 568 of the completeness letter, discuss the impact of the transfer of patients out of state on Connecticut Medicaid recipients with respect to insurance coverage and out-of-pocket costs.

RESPONSE:

One of the many benefits of becoming part of the Health Quest System is that patients of Sharon Hospital and RHA will be able to receive services at other System providers (e.g. VBMC or Health Quest Medical Practice) in a manner that allows for maximum coordination of care. That being said, no patient will ever be required to receive treatment at a Health Quest System provider. Patients will always be given the option of referral to providers outside of the System, including hospitals and physicians located within the State of Connecticut that participate with Connecticut Medicaid. Accordingly, a Connecticut Medicaid recipient will never be forced to obtain services at a non-participating provider thereby incurring out-of-network charges.

Health Quest does not anticipate any financial impact on Connecticut residents, including Medicaid recipients, receiving care in New York. Vassar Brothers Medical Center, Northern Dutchess Hospital and Putnam Hospital Center have been billing Connecticut Medicaid for in excess of 10 years as participating providers. Health Quest accepts what Connecticut Medicaid pays and if the patient states they have a co-payment they are billed for it. There is no balance billing that occurs for these patients beyond the co-payment. In cases where the treating physician is not participating with Connecticut Medicaid, Connecticut Medicaid usually reduces its payment to the hospitals (New York Medicaid does this also). Patients are not balanced billed in these instances.

In addition, HQMP has billed Connecticut Medicaid since at least 2011 as a non-participating provider, with payment being made in emergent situations only. HQMP has begun the process of becoming a participating provider with Connecticut Medicaid. HQMP writes off charges for Connecticut Medicaid recipients that are not paid for by Connecticut Medicaid.

4. Provide the number of CHAMPUS & Tricare visits for fiscal year 2017 in table 7 on page 571.

RESPONSE:

The number of CHAMPUS & Tricare visits for FY 2017 was 97. This information was included in Table 7 at page 571, however due to a spacing issue it did not align with information for other years. A revised Table 7 is included below.

TABLE 7 - RHA ONLY COMBINED ACTUAL/CONNECTICUT
MEDICAL FOUNDATION PROJECTED

Payer	FY 2016		Projected					
			FY 2017		FY 2018		FY 2019	
	Visits	%	Visits	%	Visits	%	Visits	%
Medicare*	6,282	28.0%	10,324	28.0%	14,152	28.0%	15,857	28.0%
Medicaid*	3,793	16.9%	6,233	16.9%	8,545	16.9%	9,574	16.9%
Champus & Tricare	59	0.3%	97	0.3%	133	0.3%	149	0.3%
Total Government	**10,134**	**45.1%**	**16,654**	**45.1%**	**22,830**	**45.1%**	**25,581**	**45.1%**
Commercial	11,778	52.5%	19,356	52.5%	26,534	52.5%	29,731	52.5%
Uninsured	380	1.7%	624	1.7%	856	1.7%	959	1.7%
Workers Compensation	157	0.7%	258	0.7%	354	0.7%	396	0.7%
Total Non-Government	**12,315**	**54.9%**	**20,238**	**54.9%**	**27,744**	**54.9%**	**31,086**	**54.9%**
Total Payer Mix	**22,449**	**100.0%**	**36,892**	**100.0%**	**50,574**	**100.0%**	**56,667**	**100.0%**

*Includes managed care activity

5. Does HQMP plan to open an "intermediate" or "advanced" outpatient centers in Connecticut, similar to those being developed in New York? If yes, elaborate on the timing and location.

RESPONSE:

HQMP does not anticipate opening either an intermediate or advanced outpatient center in Connecticut in the next three (3) years.

6. Explain why Health Quest is unable to specify the amount of the $6 million Working Capital Grant that would be allocated to the Connecticut Medical Foundation.

RESPONSE:

Health Quest cannot specify the amount of the $6 million Working Capital Grant that will be allocated to the Connecticut Medical Foundation until it completes the acquisition of Sharon Hospital and RHA and assesses and prioritizes the investments to be made with respect to both entities. The use of these funds will be a timing issue. Health Quest intends to move forward with capital improvements, upgrades and strategic investments as outlined on pages 645-646 of the CON submission in Docket No. 16-32132-CON. Some of these investments will benefit the Hospital, others will benefit RHA and some will benefit both. Which projects will be reimbursed under the Working Capital Grant depends on the exact timing of the commencement of each project and how quickly each project progresses. Because this is not yet known, Health Quest cannot say how much of the Working Capital Grant will be used for the Connecticut Medical Foundation and how much will be used for Sharon Hospital. Health Quest will seek reimbursement under the Working Capital Grant for costs as they occur in accordance with the terms of the Grant Agreement. Planned expenditures will exceed $6 million and Health Quest intends to fund the excess with cash from operations.

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

TO: Kevin Hansted, Hearing Officer

FROM: Raul Pino MD/MPH, Commissioner

DATE: March 3, 2017

RE: Certificate of Need Application: Docket Number: 16-32133-CON
Regional Healthcare and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.
Transfer ownership interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.

I hereby designate you to sit as a hearing officer in the above-captioned matter to rule on all motions and recommend findings of fact and conclusions of law upon completion of the hearing.

Keeping Connecticut Healthy
DPH
Connecticut Department of Public Health

Phone: (860) 509-8000 • Fax: (860) 509-7184
410 Capitol Avenue, P.O. Box 340308
Hartford, Connecticut 06134-0308
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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

IN THE MATTERS OF:

Certificate of Need Application: Docket Number: 16-32132-CON
Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.
Certificate of Need Application: Docket Number: 16-32133-CON
Regional Healthcare and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.

ORDER

Pursuant to Conn. Gen. Stat. § 19a-639a(f), the above-referenced dockets are hereby consolidated for purposes of conducting a public hearing. All other proceedings pertaining to the dockets shall remain separate, including the issuance of a decision in each docket.

3/3/17
Date

Kevin T. Hansted
Hearing Officer

Phone: (860) 418-7001 • Fax: (860) 418-7053
410 Capitol Avenue, MS#13HCA
Hartford, Connecticut 06134-0308
www.ct.gov/dph

User, OHCA

From: Schaeffer-Helmecki, Jessica
Sent: Friday, March 03, 2017 1:56 PM
To: Ping, David
Cc: Jennifer Groves Fusco; User, OHCA; Riggott, Kaila; Fernandes, David; Lazarus, Steven; Olejarz, Barbara
Subject: CON Hearing Consolidation Order
Attachments: 32132 and 32133 consolidation order.pdf

Good afternoon (again),

Attached please find an order consolidating the hearings associated with docket numbers 16-32132-CON and 16-32133-CON.

And again, if you have any questions please feel free to contact us. 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. David Ping
Senior Vice President, Strategic Planning
Health Quest Systems, Inc
1351 Route 55, Suite 200
dping@health-quest.org

RE: Certificate of Need Application: Docket Number: 16-32133-CON
Transfer ownership of Regional HealthCare Associates, a physician practice affiliated with Sharon Hospital Holding Company, to a medical foundation associated with Vassar Health Connecticut, Inc.

Dear Mr. Ping:

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 2, 2017.

If you have any questions concerning this letter, please feel free to contact me at (860) 509-8075.

Sincerely,

David Fernandes
Planning Analyst (CCT)

Cc: Jennifer Groves Fusco, Esq.

Connecticut Department of Public Health

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

User, OHCA

From: Schaeffer-Helmecki, Jessica
Sent: Friday, March 03, 2017 1:49 PM
To: Ping, David
Cc: Jennifer Groves Fusco; Riggott, Kaila; Fernandes, David; Lazarus, Steven; User, OHCA
Subject: Notification of CON Applications Deemed Complete
Attachments: 32132-CON Notification of Application Deemed Complete.pdf; 32133-CON Notification of Application Deemed Complete.pdf

Good afternoon,

Attached please find letters deeming complete applications associated with docket numbers 16-32132-CON and 16-32133-CON.

If you have any questions please feel free to contact us.

Thanks,

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

Olejarz, Barbara

From: Olejarz, Barbara
Sent: Tuesday, March 07, 2017 3:17 PM
To: 'jfusco@uks.com'
Cc: 'DPing@Health-quest.org'; Salton, Henry A.; Casagrande, Antony A; Hansted, Kevin; Furniss, Wendy (Wendy.Furniss@ct.gov); Downes, Maura; Stan, Christopher; Kennedy, Jill; Pare, Danielle; 'daniels@chime.org'; Lazarus, Steven; Riggott, Kaila; Schaeffer-Helmecki, Jessica; Fernandes, David; Martone, Kim
Subject: April 5 hearing
Attachments: 32132 32133.pdf

Tracking:

Recipient	Delivery	Read
'jfusco@uks.com'		
'DPing@Health-quest.org'		
Salton, Henry A.	Delivered: 3/7/2017 3:18 PM	
Casagrande, Antony A	Delivered: 3/7/2017 3:18 PM	
Hansted, Kevin	Delivered: 3/7/2017 3:18 PM	
Furniss, Wendy (Wendy.Furniss@ct.gov)		
Downes, Maura	Delivered: 3/7/2017 3:17 PM	Read: 3/7/2017 3:28 PM
Stan, Christopher	Delivered: 3/7/2017 3:18 PM	
Kennedy, Jill	Delivered: 3/7/2017 3:18 PM	
Pare, Danielle	Delivered: 3/7/2017 3:18 PM	
'daniels@chime.org'		
Lazarus, Steven	Delivered: 3/7/2017 3:18 PM	Read: 3/7/2017 3:32 PM
Riggott, Kaila	Delivered: 3/7/2017 3:18 PM	
Schaeffer-Helmecki, Jessica	Delivered: 3/7/2017 3:18 PM	
Fernandes, David	Delivered: 3/7/2017 3:17 PM	Read: 3/7/2017 3:19 PM
Martone, Kim	Delivered: 3/7/2017 3:18 PM	
Furniss, Wendy	Delivered: 3/7/2017 3:18 PM	

3/7/17

Please see attached information regarding the consolidated hearing scheduled for April 5, 2017.

Barbara K. Olejarz
Administrative Assistant to Kimberly Martone
Office of Health Care Access
Department of Public Health
Phone: (860) 418-7005
Email: Barbara.Olejarz@ct.gov

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 7, 2017

Jennifer G. Fusco, Esq.
Updike, Kelly & Spellacy, PC
265 Church Street
New Haven, CT 06510

RE: Certificate of Need Application, Docket Number 16-32132-CON and 16-32133-CON
Docket Number: 16-32132-CON
Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc
Transfer ownership of The Sharon Hospital to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc
Docket Number: 16-32133-CON
Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc. Transfer ownership interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.
Applicant Hearing Notice

Dear Attorney Fusco:

With the receipt of the completed Certificate of Need ("CON") application information submitted by Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc ("Applicants") and Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc. on March 3, 2017 the Office of Health Care Access ("OHCA") has initiated its review of the CON applications identified above.

Pursuant to General Statutes § 19a-639a (f), OHCA may hold a hearing with respect to any Certificate of Need application.

This hearing notice is being issued pursuant to General Statutes § 19a-639a (f)

Keeping Connecticut Healthy
DPH
Connecticut Department of Public Health

Phone: (860) 418-7001 • Fax: (860) 418-7053
410 Capitol Avenue, MS#13HCA
Hartford, Connecticut 06134-0308
www.ct.gov/dph

Sharon Hospital
Regional Healthcare
Notice of Public Hearing
Docket Number(s) 16-32132-CON and 16-32133-CON

March 7, 2017

Applicant(s):	Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc
Docket Number:	16-32132-CON
Proposal:	Transfer ownership of The Sharon Hospital to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.
Applicant(s):	Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.
Docket Number:	16-32133-CON
Proposal:	Transfer ownership interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.

Notice is hereby given of a public hearing to be held in this matter to commence on:

Date:	April 5, 2017
Time:	4:00 p.m.
Place:	Sharon Town Hall 63 Main Street Sharon, CT 06069

The Applicants are designated as parties in this proceeding. Enclosed for your information is a copy of the hearing notice for the public hearing that will be published in *Republican American* pursuant to General Statutes § 19a-639a (f).

Sharon Hospital
Regional Healthcare
Notice of Public Hearing
Docket Number(s) 16-32132-CON and 16-32133-CON

March 7, 2017

All Applicants and Intervenors are reminded that The Office of Health Care Access division of the Department of Public Health follows the Rules of Practice under section 19a-9-1, et seq., of the Regulations of Connecticut State Agencies.

Sincerely,

Kimberly R. Martone
Director of Operations
Enclosure

cc: David Ping, Health Quest Systems, Inc.
Henry Salton, Esq., Office of the Attorney General
Antony Casagrande, Department of Public Health
Kevin Hansted, Department of Public Health
Wendy Furniss, Department of Public Health
Maura Downes, Department of Public Health
Jill Kennedy, Department of Public Health
Chris Stan, Department of Public Health
Marielle Daniels, Connecticut Hospital Association

KRM:JS:DF:bko

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 7, 2017

P.O. #54772

Republican-American, Inc.
389 Meadow Street
P.O. Box 2090
Waterbury, CT 06722

Gentlemen/Ladies:

Please make an insertion of the attached copy, in a single column space, set solid under legal notices, in the issue of your newspaper by no later than **Wednesday, March 8, 2017**. Please provide the following within 30 days of publication:

- Proof of publication (copy of legal ad. acceptable) showing published date along with the invoice.

If there are any questions regarding this legal notice, please contact Kaila Riggott at (860) 418-7001.

KINDLY RENDER BILL IN DUPLICATE ATTACHED TO THE TEAR SHEET.

Sincerely,

Kimberly R. Martone
Director of Operations

Attachment
cc: Danielle Pare, DPH
Marielle Daniels, Connecticut Hospital Association
KRM:JS:DF:bko

Phone: (860) 418-7001 • Fax: (860) 418-7053
410 Capitol Avenue, MS#13HCA
Hartford, Connecticut 06134-0308
www.ct.gov/dph
Affirmative Action/Equal Opportunity Employer

Republican-American, Inc.
Notice of Public Hearing,
Docket Numbers 16-32132-CON and 16-32133-CON

March 7, 2017

PLEASE INSERT THE FOLLOWING:

Office of Health Care Access Public Hearings

Statute Reference:	19a-638
Applicant(s):	Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc
Town:	Sharon
Docket Number:	16-32132-CON
Proposal:	Transfer ownership of The Sharon Hospital to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.
Applicant(s):	Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.
Town:	Sharon
Docket Number:	16-32133-CON
Proposal:	Transfer ownership interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.
Date:	April 5, 2017
Time:	4:00 p.m.
Place:	Sharon Town Hall 63 Main Street Sharon, CT 06069

Any person who wishes to request status in the above listed public hearing may file a written petition no later than March 31, 2017 (5 calendar days before the date of the hearing) pursuant to the Regulations of Connecticut State Agencies §§ 19a-9-26 and 19a-9-27. If the request for status is granted, such person shall be designated as a Party, an Intervenor or an Informal Participant in the above proceeding. Please check OHCA's website at www.ct.gov/ohca for more information or call OHCA directly at (860) 418-7001. If you require aid or accommodation to participate fully and fairly in this hearing, please phone (860) 418-7001.

Legals/ Public Notices

LIQUOR PERMIT
NOTICE OF APPLICATION

This is to give notice that I,
NEIL J PERROTTI
245 WESTMONT DR
WATERBURY, CT 06708-2466

have filed an application placarded 03/08/2017 with the Department of Consumer Protection for a
RESTAURANT
WINE & BEER PERMIT
for the sale of alcoholic liquor on the premises at:
544 STRAITS TPKE
WATERTOWN CT 06795-3340

The business will be owned by:
PERROTTI'S PIZZA LLC
Entertainment will consist of: None

Objections must be filed by:
04/18/2017

NEIL J PERROTTI
R-A March 8 & 15, 2017

NOTICE OF PROPERTY
SOLD AT TAX SALE

The Tax Collector of the City of Waterbury, Connecticut, hereby gives Notice that, by these presents and through its agent, a Tax Sale was conducted on January 26, 2017 at 6:00 p.m. against the taxpayer(s) named below for failure to pay real estate taxes due the City of Waterbury. In accordance with CONNECTICUT GENERAL STATUTES, Section 12-157, the tax sale information is listed below:

1. NAME AND ADDRESS OF DELINQUENT TAXPAYER:
Ricardo Joseph
114 Spring Brook Road
Waterbury, Connecticut 06706

ADDRESS:
114 Spring Brook Road,
Waterbury, Connecticut
0550-0341-0004

NAME AND ADDRESS OF PURCHASER:
Luan Krosi
205 Rosengarten Drive
Waterbury, Connecticut 06704

PURCHASE PRICE:
$30,000.00

THE REDEMPTION PERIOD EXPIRES JULY 27, 2017 AT 6:00 P.M. ON THE ABOVE LISTED PROPERTIES. WHERE IT APPLIES, THERE IS A SHORTENED PERIOD AS PERMITTED BY SECTION 12-157(F) OF THE CONNECTICUT GENERAL STATUES.

If the redemption does not take place by the date stated and in the manner provided by law, the delinquent taxpayer, and all other mortgagees, lien holders and other record encumbrancers who have received actual or constructive notice of such sale as provided by law, that their respective titles, mortgages, liens and other encumbrancers in such property shall be extinguished.

William DeMaida-Marshal
56 Center Street
Waterbury, CT 06702
203-757-4748
R-A March 8, 2017

TOWN OF KENT
INLAND WETLANDS COMMISSION
NOTICE OF FINAL ACTIONS

At its regular meeting on February 27, 2017, the Kent Inland Wetlands Commission took the following actions:

Approved: Application #1146-17, John Worthington for Kent Housing for the Elderly, Inc., 16 Swifts Lane, installation of drainage from repaved parking lot, Map 19 Block 12 Lot 4.

Approved: Modification to Application #1071-14, The Marvelwood School, 473 Skiff Mountain Road, Map 7 Block 17 Lot 1, construction of detention pond in regulated area; modification to include increase in size of detention basin.

Dated this 27th day of February, 2017.
Lynn Werner, Chairman
R-A March 8, 2017

NOTICES OF APPROVAL
TOWN OF THOMASTON
PLANNING AND ZONING COMMISSION

The Planning and Zoning Commission of the Town of Thomaston, CT, at a regular meeting held on Wednesday, March 1, 2017, 7:00 pm, Meeting Room #1, 4th Level, Thomaston Town Hall, 158 Main St., Thomaston, CT voted to approve the following applications:

1. Special permit application #2017-01-25-01 of Debra Radosevich for a temporary liquor permit for a single event wine and beer tasting fundraiser at the Thomaston Public Library, 248 Main Street, Assessors Map 40, Block 19, Lot 05 in a General Commercial Zone, subject to conditions.
2. Special permit application #2017-01-27-01 of Michael and Kristen Hart for a legal non-conforming manufacturing / processing use for a machine shop and race shop for automotive parts at 163 Elm Street, Assessors Map 40, Block 14, Lot 10 in an RA-15 Zone, subject to conditions.
3. Special permit application #2017-01-31-01 of Fanol Ramadani, d.b.a Epicure Pizza House for a restaurant liquor permit at 19 Waterbury Road, Assessors Map 55, Block 02, Lot 01 in an M1 Light Manufacturing Zone, subject to conditions.
4. Special permit application #2017-02-01-01 of Ruth Johnson to permit an in-law apartment at 885 Hickory Hill Road, Assessors Map 36, Block 02, Lot 04 in an RA-80A residential zone, subject to conditions.
5. Request for an additional 5-year extension to a previously approved special permit application #2012-02-28-01 for the installation of a running track, gravel parking facilities, tennis courts and drainage improvements to Nystrom's Pond Recreational Area, Turner Road and Hickory Hill Road in an RA-80A residential zone.
6. Site plan application #2017-02-23-01 of Metallon, Inc. for a 4,925 square foot manufacturing building addition and site improvements at 1441 Waterbury Road, Assessor's Map 72 Block 04 Lot 07 in an M1 Light Manufacturing Zone.

Dated at Thomaston, CT
this 8th Day of March, 2017

Ralph Celone, Chairman,
Thomaston Planning
and Zoning Commission
R-A March 8, 2017

NOTICE OF PROPERTY
SOLD AT TAX SALE

The Tax Collector of the City of Waterbury, Connecticut, hereby gives Notice that, by these presents and through its agent, a Tax Sale was conducted on January 26, 2017 at 6:00 p.m. against the taxpayer(s) named below for failure to pay real estate taxes due the City of Waterbury. In accordance with CONNECTICUT GENERAL STATUTES, Section 12-157, the tax sale information is listed below:

1. NAME AND ADDRESS OF DELINQUENT TAXPAYER:
Charles R. Hotchkiss and
Joyce Hotchkiss
11 Cranberry Pond Road
Norwich, Connecticut 06360

ADDRESS:
52 Lockhart Avenue,
Waterbury, Connecticut
0349-0351-0112

NAME AND ADDRESS OF PURCHASER:
Valter Bylyku
195 Rosengarten Drive
Waterbury, Connecticut 06704

PURCHASE PRICE:
$56,000.00

THE REDEMPTION PERIOD EXPIRES JULY 27, 2017 AT 6:00 P.M. ON THE ABOVE LISTED PROPERTIES. WHERE IT APPLIES, THERE IS A SHORTENED PERIOD AS PERMITTED BY SECTION 12-157(F) OF THE CONNECTICUT GENERAL STATUES.

If the redemption does not take place by the date stated and in the manner provided by law, the delinquent taxpayer, and all other mortgagees, lien holders and other record encumbrancers who have received actual or constructive notice of such sale as provided by law, that their respective titles, mortgages, liens and other encumbrancers in such property shall be extinguished.

Donald Cipriano-Marshal
56 Center Street
Waterbury, CT 06702
203-757-4748
R-A March 8, 2017

NOTICE OF PROPERTY
SOLD AT TAX SALE

The Tax Collector of the City of Waterbury, Connecticut, hereby gives Notice that, by these presents and through its agent, a Tax Sale was conducted on January 26, 2017 at 6:00 p.m. against the taxpayer(s) named below for failure to pay real estate taxes due the City of Waterbury. In accordance with CONNECTICUT GENERAL STATUTES, Section 12-157, the tax sale information is listed below:

1. NAME AND ADDRESS OF DELINQUENT TAXPAYER:
Bakari Akil Stepherson
PO Box 370945
Decatur, Georgia 30037

ADDRESS:
19 Poplar Place,
Waterbury, Connecticut
0390-0686-0008

NAME AND ADDRESS OF PURCHASER:
James A. Geddes Jr. and
Gregory Stamlos
70 Lone Oak Avenue
Waterbury, Connecticut 06704

PURCHASE PRICE:
$28,000.00

THE REDEMPTION PERIOD EXPIRES JULY 27, 2017 AT 6:00 P.M. ON THE ABOVE LISTED PROPERTIES. WHERE IT APPLIES, THERE IS A SHORTENED PERIOD AS PERMITTED BY SECTION 12-157(F) OF THE CONNECTICUT GENERAL STATUES.

If the redemption does not take place by the date stated and in the manner provided by law, the delinquent taxpayer, and all other mortgagees, lien holders and other record encumbrancers who have received actual or constructive notice of such sale as provided by law, that their respective titles, mortgages, liens and other encumbrancers in such property shall be extinguished.

Gerald Raimo-Marshal
56 Center Street
Waterbury, CT 06702
203-757-4748
R-A March 8, 2017

NOTICE OF TENTATIVE DECISION OF INTENT TO RENEW A STATE PERMIT
FOR THE FOLLOWING DISCHARGE INTO THE WATERS
OF THE STATE OF CONNECTICUT

TENTATIVE DECISION

The Commissioner of Energy and Environmental Protection ("the Commissioner ") hereby gives notice of a tentative decision to renew a permit based on an application submitted by Allegheny Ludlum, LLC ("the applicant") under section 22a-430 of the Connecticut General Statutes for a permit to discharge into the waters of the state.

In accordance with applicable federal and state law, the Commissioner has made a tentative decision that continuance of the existing system to treat the discharge would protect the waters of the state from pollution and the Commissioner proposes to renew a permit for the discharge to the city of Waterbury Publicly Owned Treatment Works ("POTW").

The proposed permit, if issued by the Commissioner, will require that all wastewater be treated to meet the applicable effluent limitations and periodic monitoring to demonstrate that the discharge will not cause pollution.

APPLICANT'S PROPOSAL

Allegheny Ludlum, LLC proposes to continue discharging up to 43,200 gallons per day of treated industrial wastewaters consisting of spent alkaline cleaners, alkaline cleaning rinses, spent sulfuric acid passivation solutions, passivation rinses, and laboratory wastewaters to the city of Waterbury POTW from its manufacturing of finished specialty steel coils.

The name and mailing address of the permit applicant are: Allegheny Ludlum, LLC, 100 River Road, Brackenridge, PA 15014.

The activity takes place at: 271 Railroad Hill Street, Waterbury.

REGULATORY CONDITIONS

Type of Treatment

DSN 001-1: Equalization, coagulation/flocculation, clarification, final neutralization and sludge dewatering.

Effluent Limitations

This permit contains effluent limitations consistent with a Case-by-Case Determination using the criteria of Best Professional Judgment, Pretreatment Standards for Existing Sources (PSES) under 40 CFR 420 (Title 40 of the Code of Federal Regulations, Part 420), Subparts I and J and Section 22a-430-4(s) of the Regulations of Connecticut State Agencies, and which will protect the waters of the state from pollution when all the conditions of this permit have been met.

In accordance with section 22a-430-4(l) of the Regulations of Connecticut State Agencies, the permit contains effluent limitations for the following types of toxic substances: heavy metals.

COMMISSIONER'S AUTHORITY

The Commissioner is authorized to approve or deny such permits pursuant to section 22a-430 of the Connecticut General Statutes and the Water Discharge Permit Regulations (sections 22a-430-3 and 4 of the Regulations of Connecticut State Agencies).

INFORMATION REQUESTS

The application has been assigned the following numbers by the Department of Energy and Environmental Protection. Please use these numbers when corresponding with this office regarding this application.

APPLICATION NO. 201006673 PERMIT ID NO. SP0001395

Interested persons may obtain copies of the application from Deborah Calderazzo, Allegheny Ludlum, LLC, 100 River Road, Brackenridge, PA 15014, (724) 226-5947.

The application is available for inspection by contacting Stephen Edwards at 860-424-3838, at the Bureau of Materials Management and Compliance Assurance, Department of Energy and Environmental Protection, 79 Elm Street, Hartford, CT 06106-5127 from 8:30 - 4:30, Monday through Friday.

Any interested person may request in writing that his or her name be put on a mailing list to receive notice of intent to issue or deny any permit to discharge to the surface waters of the state. Such request may be for the entire state or any geographic area of the state and shall clearly state in writing the name and mailing address of the interested person and the area for which notices are requested.

PUBLIC COMMENT

Prior to making a final determination to approve or deny any application, the Commissioner shall consider written comments on the application from interested persons that are received within thirty (30) days of this public notice. Written comments should be directed to Stephen Edwards, Bureau of Materials Management and Compliance Assurance, Department of Energy and Environmental Protection, 79 Elm Street, Hartford, CT 06106-5127. The Commissioner may hold a public hearing prior to approving or denying an application if in the Commissioner's discretion the public interest will be best served thereby, and shall hold a hearing upon receipt of a petition signed by at least twenty-five (25) persons. Notice of any public hearing shall be published at least thirty (30) days prior to the hearing.

Petitions for a hearing should include the application number noted above and also identify a contact person to receive notifications. Petitions may also identify a person who is authorized to engage in discussions regarding the application and, if resolution is reached, withdraw the petition. Original petitions must be mailed or delivered to: DEEP Office of Adjudications, 79 Elm Street, 3rd floor, Hartford, CT 06106-5127. Petitions cannot be sent by fax or email. Additional information can be found at www.ct.gov/deep/adjudications.

The Connecticut Department of Energy and Environmental Protection is an Affirmative Action and Equal Opportunity Employer that is committed to complying with the Americans with Disabilities Act. To request an accommodation contact us at (860) 418-5910 or deep.accommodations@ct.gov.

/s/Oswald Inglese, Jr. Director
Water Permitting and Enforcement Division
Bureau of Materials Management and Compliance Assurance

Dated: 3/7/2017
R-A March 8, 2017

LEGAL NOTICE

Pursuant to Conn. Gen. Stat. §16-234, the Public Utilities Regulatory Authority (PURA) will conduct a public hearing at Ten Franklin Square, New Britain, Connecticut, on March 15, 2017, at 1:00 p.m., concerning Docket No. 16-12-33, Application of Cellco Partnership d/b/a Verizon Wireless for Approval of a Construction Plan to Install Wireless Facilities Within Certain Public Rights-of-Way - Fairfield CT SC12. The PURA may continue the hearing. For information and the Notice of Hearing filed with the Secretary of State's Office, contact: PUBLIC UTILITIES REGULATORY AUTHORITY, JEFFREY R. GAUDIOSI, ESQ., EXECUTIVE SECRETARY. The public may call the Authority's offices, at (860) 827-1553, option 4 (using a touch tone phone), commencing each day from 7:30 a.m., to be advised as to whether this hearing has been cancelled or postponed due to inclement weather. The Connecticut Department of Energy and Environmental Protection is an Affirmative Action and Equal Opportunity Employer that is committed to complying with the Americans with Disabilities Act. To request an accommodation contact us at (860) 418-5910 or deep.accommodations@ct.gov
R-A March 8, 2017

LEGAL NOTICE
CITY OF TORRINGTON
INLAND WETLANDS COMMISSION

Pursuant to Section 12 of the Regulations, the City of Torrington Inland Wetlands Commission gives notice that its agent has approved the following proposed activities:

Bruce Bennett, applicant - Mark & Brigid Merriman, Owner - 26 Pumping Station Rd - construct an in-ground pool and temporary access way within the upland review area

Any person may appeal these decisions to the Torrington Inland Wetlands Commission within 15 days of the notice by submitting such appeal at the Land Use Office, 140 Main Street, Torrington, CT.

Rista Malanca, CZ&WEO

Dated in Torrington, CT
This 6th day of March 2017
RA 3.8.2017

LEGAL NOTICE

The Northwest Hills Council of Governments is seeking proposals from architectural firms to design a new Regional Animal Shelter Facility on land owned by the City of Torrington at 250 Bogue Road in the Town of Harwinton. The deadline for submission of proposals is April 19, 2017. A pre-proposal site meeting is scheduled for March 29, 2017. A detailed description of what is required is available from the NHCOG at rlynn@northwesthillscog.org (860-491-9884).

NHCOG is an Affirmative Action Equal Opportunity Employer.
M/F/V/H/EOE
RA 3/8/2017

Request For Proposal
#04-1702

The State of Connecticut Judicial Branch, on behalf of the Superior Court Operations Division - Jury Administration invites qualified contractors to submit proposals to provide an automated statewide Jury Management System (JMS).

The deadline to submit questions is Wednesday, March 22, 2017 by 4:00 p.m.

Sealed proposals must be received before 2:30 p.m. on Wednesday, April 12, 2017. Immediately thereafter, all proposals will be publicly opened. Late proposals will NOT be accepted.

RESPONDENTS CURRENTLY REGISTERED UNDER THE STATE'S SMALL BUSINESS SET-ASIDE PROGRAM ARE ENCOURAGED TO APPLY.

Proposal package may be obtained at Judicial Materials Management Unit, Purchasing Services at: 90 Washington Street, 4th Floor, Hartford, CT or call (860) 706-5200 to request by mail, or access the web site below.

PLEASE CHECK THE JUDICIAL WEB SITE AT:

www.jud.ct.gov/external/news/busopp/

JUDICIAL BRANCH
MATERIALS MANAGEMENT UNIT
PURCHASING SERVICES
90 WASHINGTON STREET
HARTFORD, CT 06106

An Equal Opportunity/Affirmative Action Employer
RA 3/8/2017

WOLCOTT LEGAL NOTICE

At its regular meeting on March 1, 2017 the Wolcott Planning & Zoning Commission took the following actions:
1. Approved #17-543 Lori Murray - Special Use Permit for preschool/daycare center at 30 Beach Rd. with the conditions that we use the newly revised plan where play area is constructed in front with state approved fence and minimum of 6ft. arborvitaes by front portion of fence.
Details of the above actions are on file in the Planning & Zoning Office at the Wolcott Town Hall. Dated at Wolcott, CT, this 7th day of March 2017
Wolcott Planning & Zoning Commission
Ray Mahoney, Chairman
R-A March 8, 2017

NOTICE OF APPROVAL
TOWN OF THOMASTON
PLANNING AND ZONING COMMISSION

The Planning and Zoning Commission of the Town of Thomaston, CT, at a regular meeting on July 2, 2014 voted to approve special permit application #2014-05-29-01 of Alfred Lemay for farming use consisting of livestock housing, wholesale nursery stock and commercial composting at the south side of Old Smith Road, Assessors Map 05 Block 01 Lot 11 and Assessors Map 05 Block 01 Lot 23 in an RA-80A residential zone.

Dated at Thomaston, CT this 8th Day of March, 2017

Ralph Celone, Chairman,
Thomaston Planning and Zoning Commission
RA 3/8/2017

LEGAL NOTICE

In accordance with the provisions of State law, there being due and unpaid charges for which the undersigned is entitled to satisfy an owner and/or Manager's lien of the goods hereinafter desc ribed and stored at the Life Storage, formerly Uncle Bob's Self Storage location(s) listed below.
And, due notice having been given, to the owner of said property and all parties known to claim an interest therein, and the time specified in such notice for payment of such having expired, the goods will be sold at public auction at the below stated location(s) to the highest bidder or otherwise disposed of on Wednesday, March 22nd, 2017 at 12:30 pm
433 Lakewood Rd., Waterbury, CT 06704.
Phone (203) 756-2000

Space number	Customer Name	Inventory
107C	Henry Santiago	Hsld gds/Furn
132C	Michael J Webber	Hsld gds/Furn
279C	Andre C Council	Hsld gds/Furn
280C	Douglas Gunter	Hsld gds/Furn
643C	Shantee Deyo	Hsld gds/Furn

R-A March 8 & 10, 2017

Office of Health Care Access Public Hearings

Statute Reference: 19a-638
Applicant(s): Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc
Town: Sharon
Docket Number: 16-32132-CON
Proposal: Transfer ownership of The Sharon Hospital to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.

Applicant(s): Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.
Town: Sharon
Docket Number: 16-32133-CON
Proposal: Transfer ownership interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.

Date: April 5, 2017
Time: 4:00 p.m.
Place: Sharon Town Hall, 63 Main Street, Sharon, CT 06069

Any person who wishes to request status in the above listed public hearing may file a written petition no later than March 31, 2017 (5 calendar days before the date of the hearing) pursuant to the Regulations of Connecticut State Agencies §§ 19a-9-26 and 19a-9-27. If the request for status is granted, such person shall be designated as a Party, an Intervenor or an Informal Participant in the above proceeding. Please check OHCA's website at www.ct.gov/ohca for more information or call OHCA directly at (860) 418-7001. If you require aid or accommodation to participate fully and fairly in this hearing, please phone (860) 418-7001.
R-A March 8, 2017

Notice of tax warrant and property tax auction:

Notice of tax warrant and property tax auction: The Tax Collector of the City of Waterbury, Connecticut, hereby gives Notice that a Tax Warrant(s) have been levied on the taxpayer(s) named below for failure to pay real estate taxes and water & sewer use charges due the City of Waterbury, Connecticut and that a Tax Collector's Sale has been scheduled by the Tax Collector, through its agent, Marshal or Constable, 56 Center Street, Waterbury, CT, (203) 757-4748, for the sale of the real properties levied in accordance with Connecticut General Statute §12-157.

TIME AND PLACE OF SALE:
DATE: April 27, 2017
TIME: 6:00 P.M.
PLACE: CITY HALL, 235 GRAND STREET, WATERBURY, CT 06702

The property being sold pursuant to this notice is being sold "as is" and "where is". The Tax Collector or Marshal may adjourn the sale in accordance with the provisions of Conn. Gen. Stat. §12-157. Neither the City nor any of its employees or agents make any representation as to the nature of the status of the property being sold including but not limited to: 1) the physical descriptions of the property; 2) title to the property; 3) its suitability for any particular use; 4) liens or encumbrances against the property that are not subject to extinguishment by virtue of the sale noticed hereby; or 5) any legal requirements or obligations which must be satisfied prior to the development or improvement of the property including, but not limited to, any approvals required pursuant to applicable zoning or land use laws or regulations and the completion of any and all required infrastructure improvements such as the completion of streets, the completion of the installation of public sanitary and storm sewer lines and the completion of the installation of public water lines and all other improvements required to services the development of which the subject property is a part. All bidders are cautioned that they are responsible for performing any and all due diligence with respect to the property and that, if they are successful bidder, they will take title to the property subject to all obligations and exceptions, including, but not limited to those mentioned above, which are not automatically extinguished pursuant to the statutory authority under which the sale notices hereby is being conducted. Qualified bidders at the time of the sale must have a bank or certified check in the amount of Three Thousand and 00/100 ($3,000.00) Dollars made payable to themselves. The balance of the sale price will be due and paid within ten (10) days of the conclusion of the sale, to Marshal or Constable, Trustee by bank or certified check. Additional costs and fees associated with the sale shall be posted and announced the day of the sale. All costs, water & sewer charges, and fees associated with this sale shall be deemed nonrefundable to the purchaser. ADDITIONAL TAXES, INTEREST, FEES AND OTHER CHARGES AUTHORIZED BY LAW ACCRUING AFTER January 31, 2017 SHALL BE ADDED TO THE AMOUNT INDICATED AS DUE AND OWING, AS WELL AS ALL OUTSTANDING WATER AND SEWER CHARGES DUE ON THESE PROPERTIES.
The properties subject to the tax warrant auction, the delinquent taxpayer(s) and the amount of taxes, sewer and water use charges and other charges due are described below:
1. Cap One LLC, 45 Quarry Village Road, Unit 35, Cheshire, CT, 06410
LEGAL DESCRIPTION OF THE PROPERTY UPON WHICH TAXES ARE DUE INCLUDING STREET ADDRESS:
535 Chase Avenue, Waterbury, Connecticut
Original Mylar Map #0102-0975-0047
Wtby. Land Records V.7181 / P.279
AMOUNT OF THE TAX OR TAXES DELINQUENT, INCLUDING INTEREST AND CHARGES ATTRIBUTABLE TO THE PROPERTY AS OF THE LAST DAY OF THE MONTH IMMEDIATELY PRECEDING THE NOTICE AS WELL AS DELINQUENT WATER AND SEWER CHARGES: $6,137.89 (January 31, 2017)
LIST OF MORTGAGEES, LIEN HOLDERS AND OTHER RECORD ENCUMBRANCES OR PARTIES, WHOSE INTEREST IN THE PROPERTY WILL BE AFFECTED BY SUCH SALE, PURSUANT TO CONN. GEN. STAT. §12-157(a): None

2. First Class Industries, LLC
182 Chipper Road, Waterbury, Connecticut
Original Mylar Map #0023-1001-0044
Wtby. Land Records V.7381 / P.122
$9,798.57 (January 31, 2017)
(a): St. Mary's Hospital, Lift Line Partners LLC

3. Manuel Lee Mayo
118 Clinton Street, Waterbury, Connecticut
Original Mylar Map #0146-0874-0054
Wtby. Land Records V.5392 / P.181 and V.5502 / P.180
$10,826.56 (January 31, 2017)
(a): Wells Fargo Bank NA

4. Rosanna Vasquez
123 Cooke Street, Waterbury, Connecticut
Original Mylar Map #0236-0160-0003
Wtby. Land Records V.5985 / P.347 and V.7128 / P.123
$4,085.29 (January 31, 2017)
(a): Deutsche Bank National Trust Company, Capital One Bank (USA) NA, Equable Ascent Financial LLC

5. Miriam Collazo and Luciano Lizardo
215 Cooke Street, Waterbury, Connecticut
Original Mylar Map #0216-0549-0069
Wtby. Land Records V.5931 / P.185
$5,329.71 (January 31, 2017)
(a): Bank of America NA, Waterbury Hospital, Diagnostic Radiology Associates

6. Karen Pierre-Louis
605 Cooke Street, Waterbury, Connecticut
Original Mylar Map #0146-0820-0096
Wtby. Land Records V.6635 / P.152
$5,772.87 (January 31, 2017)
(a): Secretary of Housing and Urban Development, United States Attorney General

7. Orlando Tirado, Jr.
49 East Farm Street, Waterbury, Connecticut
Original Mylar Map #0237-0180-0027
Wtby. Land Records V.7216 / P.16
$3,010.74 (January 31, 2017)
(a): None

8. Global Inv., LLC.
46 Greenview Drive, Waterbury, Connecticut
Original Mylar Map #0497-1116-0032
Wtby. Land Records V.7151 / P.318
$13,485.35 (January 31, 2017)
(a): Pinnacle Financial Services LLC, Farmington Bank

9. Kimberly Ann Gamble-Perugini
279 Moran Street, Waterbury, Connecticut
Original Mylar Map #0147-0886-0112
Wtby. Land Records V.6842 / P.83
$7,660.67 (January 31, 2017)
(a): None

10. Samuel Munoz
107 Orange Street, Waterbury, Connecticut
Original Mylar Map #0276-0169-0014
Wtby. Land Records V.6652 / P.288
$8,896.62 (January 31, 2017)
(a): City of Waterbury Fire Department, City of Waterbury Department of Inspection, City of Waterbury Tax Collector

12. Martin R. LaManna and Francine M. DuVerger
45 Ridge Street, Waterbury, Connecticut
Original Mylar Map #0346-0467-0054
Wtby. Land Records V.1979 / P.81
$6,320.48 (January 31, 2017)
(a): State of Connecticut Department of Revenue Services, State of Connecticut of the Attorney General

13. Rudy Laurie and Margaret Santone
24 Rockhurst Drive, Waterbury, Connecticut
Original Mylar Map #0249-0052-0472
Wtby. Land Records V.6932 / P.274
$9,299.73 (January 31, 2017)
(a): None

14. HSBC Bank USA, National Association
19 Summit Street, Waterbury, Connecticut
Original Mylar Map #0343-0683-0007
Wtby. Land Records V.7415 / P.330
$4,120.44 (January 31, 2017)
(a): CenConn Credit Union Inc., Cavalry SPVI LLC.

15. Mary Lou A. Sciola
150 Waterville Street, Waterbury, Connecticut
Original Mylar Map #0214-0576-0025
Wtby. Land Records V.2098 / P.33
$53,378.61 (January 31, 2017)
(a): Wesson Energy Inc.

16. Thomas Voytek
25 Wightman Place, Waterbury, Connecticut
Original Mylar Map #0482-0332-0013
Wtby. Land Records V.7001 / P.306
$3,290.97 (January 31, 2017)
(a): None

18. Andrew George Williams
106 Wilson Street and adjoining two lots, Waterbury, Connecticut
Original Mylar Map #0291-0621-0097, #0291-0621-0971, 0291-0621-0972
Wtby. Land Records V.7206 / P.187
$7,018.82 (January 31, 2017)
(a): None

R-A March 8, 2017

Notice of tax warrant and property tax auction:

The Tax Collector of the City of Waterbury, Connecticut, hereby gives Notice that a Tax Warrant(s) have been levied on the taxpayer(s) named below for failure to pay real estate taxes and water & sewer use charges due the City of Waterbury, Connecticut and that a Tax Collector's Sale has been scheduled by the Tax Collector, through its agent, Marshal or Constable, 56 Center Street, Waterbury, CT, (203) 757-4748, for the sale of the real properties levied in accordance with Connecticut General Statute §12-157.

TIME AND PLACE OF SALE:
DATE: March 23, 2017
TIME: 6:00 P.M.
PLACE: CITY HALL, 235 GRAND STREET, WATERBURY, CT 06702

The property being sold pursuant to this notice is being sold "as is" and "where is". The Tax Collector or Marshal may adjourn the sale in accordance with the provisions of Conn. Gen. Stat. §12-157. Neither the City nor any of its employees or agents make any representation as to the nature of the status of the property being sold including but not limited to: 1) the physical descriptions of the property; 2) title to the property; 3) its suitability for any particular use; 4) liens or encumbrances against the property that are not subject to extinguishment by virtue of the sale noticed hereby; or 5) any legal requirements or obligations which must be satisfied prior to the development or improvement of the property including, but not limited to, any approvals required pursuant to applicable zoning or land use laws or regulations and the completion of any and all required infrastructure improvements such as the completion of streets, the completion of the installation of public sanitary and storm sewer lines and the completion of the installation of public water lines and all other improvements required to services the development of which the subject property is a part. All bidders are cautioned that they are responsible for performing any and all due diligence with respect to the property and that, if they are successful bidder, they will take title to the property subject to all obligations and exceptions, including, but not limited to those mentioned above, which are not automatically extinguished pursuant to the statutory authority under which the sale notices hereby is being conducted. Qualified bidders at the time of the sale must have a bank or certified check in the amount of Three Thousand and 00/100 ($3,000.00) Dollars made payable to themselves. The balance of the sale price will be due and paid within ten (10) days of the conclusion of the sale, to Marshal or Constable, Trustee by bank or certified check. Additional costs and fees associated with the sale shall be posted and announced the day of the sale. All costs, water & sewer charges, and fees associated with this sale shall be deemed nonrefundable to the purchaser. ADDITIONAL TAXES, INTEREST, FEES AND OTHER CHARGES AUTHORIZED BY LAW ACCRUING AFTER December 31, 2016 SHALL BE ADDED TO THE AMOUNT INDICATED AS DUE AND OWING, AS WELL AS ALL OUTSTANDING WATER AND SEWER CHARGES DUE ON THESE PROPERTIES.
The properties subject to the tax warrant auction, the delinquent taxpayer(s) and the amount of taxes, sewer and water use charges and other charges due are described below:
1. Walford Campbell, 133 Fiske Street, Waterbury, CT, 06710
LEGAL DESCRIPTION OF THE PROPERTY UPON WHICH TAXES ARE DUE INCLUDING STREET ADDRESS:
23 Waterville Street, Waterbury, Connecticut
Original Mylar Map #0234-0059-0164
Wtby. Land Records V.5116 / P.46
AMOUNT OF THE TAX OR TAXES DELINQUENT, INCLUDING INTEREST AND CHARGES ATTRIBUTABLE TO THE PROPERTY AS OF THE LAST DAY OF THE MONTH IMMEDIATELY PRECEDING THE NOTICE AS WELL AS DELINQUENT WATER AND SEWER CHARGES: $4,880.64 (December 31, 2016)
LIST OF MORTGAGEES, LIEN HOLDERS AND OTHER RECORD ENCUMBRANCES OR PARTIES, WHOSE INTEREST IN THE PROPERTY WILL BE AFFECTED BY SUCH SALE, PURSUANT TO CONN. GEN. STAT. §12-157(a): Waterbury CT Teachers FCU, State of Connecticut Department of Revenue Services, State of Connecticut Office of the Attorney General, State of Connecticut Judicial Branch, Office of the Attorney General.

2. U.S. Bank Trust, N.A., as Trustee for LSF8 Master Participation Trust
650 Bunker Hill Avenue, Waterbury, Connecticut
Original Mylar Map #0157-0763-0018
Wtby. Land Records V.7521 / P.170
$18,599.69 (December 31, 2016)
(a): None

3. Katherine Mielicki
35 Deerwood Lane Unit 1, Waterbury, Connecticut
Original Mylar Map #0068-0241-0000-00035-00001
Wtby. Land Records V.4665 / P.212
$3,016.79 (December 31, 2016)
(a): Deerwood Hills Condominium Association Inc., G&W Management Inc., Nationstar Mortgage LLC, Capital One Bank, Law Offices of Howard Lee Schiff

4. Chan Albert- Peoples
137 Downes Street, Unit 1A, Waterbury, Connecticut
Original Mylar Map #0055-0830-0000-00001-0001A
Wtby. Land Records V.6767 / P.102
$2,805.72 (December 31, 2016)
(a): Fort Hill Park Condominium Association Inc., G&W Management Inc., State of Connecticut Department of Social Services, State of Connecticut Office of the Attorney General.

5. Joshua W. Penn
161 East Farm Street (aka 159-161 East Farm Street), Waterbury, Connecticut
Original Mylar Map #0238-0551-0083
Wtby. Land Records V.7076 / P.29
$7,991.45 (December 31, 2016)
(a): None

6. Sheryl A. Barnes
52 Fox Street, Waterbury, Connecticut
Original Mylar Map #0366-0672-0051
Wtby. Land Records V.2997 / P.156 and V.3443 / P.64
$2,723.23 (December 31, 2016)
(a): BMO Harris Bank NA, Ion Bank

10. Paul F. Garfield and Martha C. Garfield
11 Maplewood Street, Waterbury, Connecticut
Original Mylar Map #0095-0922-0007
Wtby. Land Records V.3397 / P.342
$2,386.83 (December 31, 2016)
(a): Beneficial Financial I, Inc., CT Corporation System, Bendett & McHugh, St. Mary's Hospital.

11. Julia Lee Weaver
39 Giles Street, Waterbury, Connecticut
Original Mylar Map #0277-0581-0068
Wtby. Land Records V.1581 / P.211
$2,388.14 (December 31, 2016)
(a): Emma Rinaldi, City of Waterbury Department of Public Health, Webster Bank NA

12. Krystle Rae Gaudiosi
22 Neil Street, Waterbury, Connecticut
Original Mylar Map #0302-0371-0042
Wtby. Land Records V.7282 / P.65
$2,766.30 (December 31, 2016)
(a): None

14. Energy Star, LLC
799 North Main Street, Waterbury, Connecticut
Original Mylar Map #0218-0184-0062
Wtby. Land Records V.6615 / P.145
$2,976.85 (December 31, 2016)
(a): Seven Morand Associates LLC, Daniel I. Konover (Agent)

17. FF98 LLC
10 Pearl Street, Waterbury, Connecticut
Original Mylar Map #0236-0176-0174
Wtby. Land Records V.6722 / P.203
$2,841.38 (December 31, 2016)
(a): City of Waterbury Fire Department

19. Ricardo Garcia, SR.
90 Society Hill Road, Waterbury, Connecticut
Original Mylar Map #0066-0985-0075
Wtby. Land Records V.7018 / P.333
$6,673.60 (December 31, 2016)
(a): Roddy Geddes III, Midland Funding LLC, Portfolio Recovery Associates LLC

21. Gregory E. Williams and Karrgitha E. Williams
53 South View Street, Waterbury, Connecticut
Original Mylar Map #0392-0302-0054
Wtby. Land Records V.7380 / P.259
$2,856.85 (December 31, 2016)
(a): Webster Bank NA, Connecticut Children's Medical Center, Greater Watertown FCU

22. 406 Watertown Avenue LLC
406 and 416 Watertown Avenue, Waterbury, Connecticut
Original Mylar Map #0213-0707-0035 and #0213-0707-0036
Wtby. Land Records V.7175 / P.185 and V.7175 / P.187
$21,278.62 (December 31, 2016)
(a): The Demunda Family LLC, Gloria C. Demunda, LJL Realty LLC

23. Lavish Republic, LLC
32 Winchester Street, Waterbury, Connecticut
Original Mylar Map #0166-0199-0082
Wtby. Land Records V.7251 / P.267 and V.7388 / P.297
$3,537.65 (December 31, 2016)
(a): None

R-A March 8, 2017

User, OHCA

From: Fernandes, David
Sent: Friday, March 17, 2017 8:32 AM
To: Jennifer Groves Fusco
Cc: User, OHCA; Schaeffer-Helmecki, Jessica; Lazarus, Steven; Riggott, Kaila; Roberts, Karen; Foster, Tillman
Subject: Docket # 16-32132 and 16-32133 CON: Request for Prefiled Testimony & Issues
Attachments: 32132, 32133.pdf

Dear Attorney Fusco,

Attached please find a Request for Prefile Testimony and Issues related to the hearing scheduled for April 5, 2017 (docket number 16-32132 and 16-32133). Submit responses as an e-mail attachment, in both Word and .pdf format, and reply to OHCA@ct.gov by 4:00 p.m. on March 29, 2017. Additionally, confirm receipt of this e-mail with me as soon as possible.

Please feel free to contact Kaila Riggott at Kaila.riggott@ct.gov if you have any questions.

Sincerely,

David Fernandes
Planning Analyst (CCT)
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, Hartford, Connecticut 06134
P: (860) 418-7032|F: (860) 418-7053|E: David.Fernandes@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 17, 2017

Via Email Only

Jennifer G. Fusco, Esq.
Updike, Kelly & Spellacy, P.C.,
265 Church Street
New Haven, CT 06510

RE: Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut, Inc., a Subsidiary of Health Quest Systems, Inc. (16-32132-CON)
Transfer of Ownership of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a Subsidiary of Health Quest Systems, Inc.(16-32133-CON)
Request for Prefile Testimony and Issues

Dear Attorney Fusco:

The Office of Health Care Access ("OHCA") will hold a public hearing on the above docket numbers on April 5, 2017. The hearing is at 4:00 pm, at Sharon Town Hall, 63 Main Street, Sharon Connecticut, 06069. Pursuant to the Regulations of Connecticut State Agencies § 19a-9-29(e), any party or other participant is required to prefile in written form all substantive, technical, or expert testimony that it proposes to offer at the hearing. OHCA requests that Sharon Hospital, Vasssar Health Connecticut, Inc., Health Quest Sytems, Inc. and Regional Healthcare Associates, LLC ("Applicants in each of the respective dockets") submit prefiled testimony **by 4:00 p.m. on March 29, 2017.**

All persons providing prefiled testimony must be present at the public hearing to adopt their written testimony under oath and must be available for cross-examination for the entire duration of the hearing. If you are unable to meet the specified time for filing the prefiled testimony you must request a time extension in writing, detailing the reasons for not being able to meet the specified deadline.

Additionally, please find attached OHCA's Issues. Please respond to the attached Issues in writing to OHCA **by 4:00 p.m. on March 29, 2017**.

Please contact Kaila Riggott at (860) 418-7001, if you have any questions concerning this request.

Keeping Connecticut Healthy
DPH
Connecticut Department of Public Health

Phone: (860) 418-7001 • Fax: (860) 418-7053
410 Capitol Avenue, MS#13HCA
Hartford, Connecticut 06134-0308
www.ct.gov/dph

Sincerely,

Kevin T. Hansted
Hearing Officer

Attachment

ISSUES

Office of Health Care Access Docket Nos. 16-32132-CON & 16-32133-CON

Transfer of Ownership of Sharon Hospital
to Vassar Health Connecticut, Inc., a Subsidiary of Health Quest Systems, Inc.
&
Transfer of Ownership of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a Subsidiary of Health Quest Systems, Inc.

The Applicants should be prepared to present and discuss supporting evidence on the following issues:

- The clear public need for the proposal;
- Community building and community benefits resulting from the transfer of ownership of Sharon Hospital ("Hospital") to Vassar Health Connecticut, Inc. ("Vassar"); including how these activities and benefits will be determined and prioritized;
- How access to care will be improved in the service area following the transfer of ownership of the Hospital;
- Expansions or additions to services offered, as listed on pages 650 and 883-887 of the application (DN: 16-32132);
- Vassar's plans to develop a Community Health Needs Assessment for the Hospital in 2017 and a subsequent implementation plan;
- The financial feasibility of the proposal; and
- Funding sources, other than those from the Foundation for Community Health, Inc., for capital improvements outlined in the proposal.

Provide a written response on the following as an attachment to the pre-file testimony, as these questions were not fully addressed in the Application completeness process:

1. Provide a list prioritizing critical/immediate (over next 2-3 years) capital and operational improvements, including upgrades or strategic investments for the Hospital.

2. For each response to question one above, provide:

a) the funding source; and
b) the length of time estimated to implement each.

3. Explain how the Hospital currently solicits, conveys to the Hospital Board and addresses community input and concerns. Furthermore, describe how the Hospital will continue to solicit, convey to the Hospital Board and address community input and concerns following the transfer of ownership.

4. Please describe how the Hospital's board make-up currently incorporates representation of local health care consumers and how the Applicant will do so following implementation of the proposal.

User, OHCA

From: Jennifer Groves Fusco <jfusco@uks.com>
Sent: Friday, March 17, 2017 9:39 AM
To: Fernandes, David
Cc: User, OHCA; Schaeffer-Helmecki, Jessica; Lazarus, Steven; Riggott, Kaila; Roberts, Karen; Foster, Tillman
Subject: RE: Docket # 16-32132 and 16-32133 CON: Request for Prefiled Testimony & Issues
Attachments: image001.jpg

Thank you, David. We will have the prefile and responses to you by March 29 as requested.

Jen

_____

From: Fernandes, David [David.Fernandes@ct.gov]
Sent: Friday, March 17, 2017 8:31 AM
To: Jennifer Groves Fusco
Cc: User, OHCA; Schaeffer-Helmecki, Jessica; Lazarus, Steven; Riggott, Kaila; Roberts, Karen; Foster, Tillman
Subject: Docket # 16-32132 and 16-32133 CON: Request for Prefiled Testimony & Issues

Dear Attorney Fusco,

Attached please find a Request for Prefile Testimony and Issues related to the hearing scheduled for April 5, 2017 (docket number 16-32132 and 16-32133). Submit responses as an e-mail attachment, in both Word and .pdf format, and reply to OHCA@ct.gov<mailto:OHCA@ct.gov> by 4:00 p.m. on March 29, 2017. Additionally, confirm receipt of this e-mail with me as soon as possible.

Please feel free to contact Kaila Riggott at Kaila.riggott@ct.gov<mailto:Kaila.riggott@ct.gov> if you have any questions.

Sincerely,

David Fernandes
Planning Analyst (CCT)
Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue, Hartford, Connecticut 06134
P: (860) 418-7032|F: (860) 418-7053|E: David.Fernandes@ct.gov

[http://www.ct.gov/insidedph/lib/insidedph/communications/DPH-Color.gif]

_____

The Community Association to Save Sharon Hospital
P.O. Box 612
Salisbury, CT. 06068
victorger@pipeline.com
Fax: (212) 722-3819
Phone: (917) 582-8411

FAX Sheet

Date: March 23, 2017

To: Ms Yvonne T. Addo, MBA
Deputy Commissioner
Office of Health Care Access

Fax Number: 860- 418-7053

From: Community Association to Save Sharon Hospital

Subject: Attached Letter Requesting Intervenor Status at April 5, 2017 Hearing Concerning the Sale of Sharon Hospital

Please Note: For speed of communication, could you please contact me at my email address above, fax or phone. Thank you.
Victor Germack

The Community Association to Save Sharon Hospital

P.O. Box 612
Salisbury, CT. 06068
victorger@pipeline.com
Fax: (212) 722-3819
Phone: (917) 582-8411

March 23, 2017

Ms. Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Dept. of Public Health
Office of Health Care Access Division
410 Capitol Avenue, MS #1 HCA
P.O. Box 340308
Hartford, CT. 06134-0308

Re: Certificate of Need: Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut
Certificate of Need: Transfer of Ownership of Regional Healthcare Associates and Tri State Women's Services to a Connecticut Medical Foundation

Dear Deputy Commissioner Addo:

This letter requests intervenor status at the April 5th public hearing concerning the above referenced Certificate of Need.

By way of background, I testified as an intervenor as vice-president of the Community Association to Save Sharon Hospital, Inc. (CASSH) at the original CON public hearing in Sharon, CT concerning the sale of Sharon Hospital to Essent Healthcare some 15 years ago. The Community Association to Save Sharon Hospital represented well over 100 people in the greater Sharon community, and today many of us, from our original group, still feel very strongly about the need for a well financed, resourced, quality hospital, and we continue to advocate for it.

In the 2001-2002, CASSH raised over $125,000 and retained a well-known health care attorney to represent us. We opposed the sale to Essent, and submitted suggestions to then Attorney General Blumenthal that imposed several financial restrictions on the buyer. We knew that as a financial private equity buyer, Essent would sell Sharon Hospital to another financial buyer, and then it would be sold to another as this is equity groups' financial model. History has demonstrated this: there have been three corporate owners over the past 15 years. During that period, Sharon Hospital's services, its quality, and the number of patients served have declined.

Review of the CON and discussions with the Sharon Hospital management, the Foundation for Community Health, and Health Quest reveals several issues of concern, such as:

1. Health Quest has an aggressive plan to attract patients, increase patient referrals and rapidly increase revenue and profitability in a very short time period – a plan that requires probing into its implementation;

2. The decreased and limited participation, governance role and share given to The Foundation for Community Health as outlined in its agreement with Health Quest. The Foundation will contribute the majority of the transaction purchase price ($3millon out of the $5million purchase price, and an additional $6million in capital commitments) – with little other input. The Foundation received $16 million when Sharon Hospital was sold, and its total funds are now $25million – any diminution of its corpus negatively impacts its continued successful funding of healthcare projects throughout our extended community;

3. The staying power and long-term commitment of Health Quest to Sharon Hospital must be questioned and ascertained since this is probably our last chance to get Sharon Hospital operating successfully.

Thank you for your consideration.

Sincerely,

Victor Germack
Vice President

cc: Attorney General George Jepsen
Assistant Attorney General Gary W. Hawes
Representative Brian Ohler
Charlene LaVoie, Esq.
Jennifer Groves Fusco, Esq.
(Updike, Kelly & Spellacy, P.C.)

Olejarz, Barbara

From: Lazarus, Steven
Sent: Friday, March 24, 2017 2:20 PM
To: Olejarz, Barbara; Martone, Kim; Hansted, Kevin; Schaeffer-Helmecki, Jessica; Fernandes, David; Foster, Tillman; Roberts, Karen; Riggott, Kaila
Subject: FW: Sharon Hospital -- Docket Nos. 16-31132-CON & 16-32133-CON
Attachments: DOCS-#1520171-v1-HEALTHQUEST_SHARON_OBJECTION_CASSH.PDF

Barbara,

Please add to the record.

Thank you,

Steve

Steven W. Lazarus
Associate Health Care Analyst
Division of Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue
Hartford, CT 06134
Phone: 860-418-7012
Fax: 860-418-7053

From: Jennifer Groves Fusco [mailto:jfusco@uks.com]
Sent: Friday, March 24, 2017 2:13 PM
To: Lazarus, Steven
Cc: victorger@pipeline.com
Subject: Sharon Hospital -- Docket Nos. 16-31132-CON & 16-32133-CON

Steve,

Attached please find an Objection to CASSH's Request for Status, filed on behalf of the Applicants in both of the above-referenced dockets.

Thanks,
Jen

Jennifer Groves Fusco, Esq.

Principal
Updike, Kelly & Spellacy, P.C.
One Century Tower
265 Church Street
New Haven, CT 06510
Office (203) 786.8316
Cell (203) 927.8122
Fax (203) 772.2037
www.uks.com

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS DIVISION

IN RE: TRANSFER OF OWNERSHIP OF SHARON HOSPITAL TO VASSAR HEALTH CONNECTICUT, INC.	)	DOCKET NO. 16-32132-CON & DOCKET NO. 16-32133-CON
IN RE: TRANSFER OF OWNERSHIP OF REGIONAL HEALTHCARE ASSOCIATES, LLC TO A SUBSIDIARY OF VASSAR HEALTH CONNECTICUT, INC.	)	MARCH 24, 2017

OBJECTION TO REQUEST OF
THE COMMUNITY ASSOCIATION TO SAVE SHARON HOSPITAL
FOR INTERVENOR STATUS

Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital ("Essent"), Sharon Hospital Holding Company ("SHHC"), Health Quest Systems, Inc. ("Health Quest"), Vassar Health Connecticut, Inc. ("Vassar Connecticut"), and Regional Healthcare Associates, LLC ("RHA") (collectively "Applicants"), Applicants in the above-referenced CON proceedings under Docket Nos. 16-32132-CON and 16-32133-CON, hereby object to The Community Association To Save Sharon Hospital's ("CASSH") request for intervenor status, dated March 23, 2017 (the "Request"). CASSH has not established that it has a present interest affected by these proceedings that would justify its request to participate (Regulations of Connecticut State Agencies ("RCSA"), §19a-9-27(b)(2)). Nor has CASSH established that its participation in these proceedings will add evidence or arguments on relevant issues that would not otherwise be available to OHCA (RCSA, §§19a-9-27(b)(4)) or that its participation is in the interest of justice and will not impair the orderly conduct of the proceedings (Conn. Gen. Stat. §4-177a(b)).

CASSH's "concerns" relative to the proposed sale of Sharon Hospital to Vassar Connecticut, and its belief that OHCA should "probe" or further question Health Quest on various issues related to its Application, are not sufficient to support its status as an intervenor. CASSH's participation as an intervenor should therefore not be allowed. Rather, the organization's members should be limited to informal participant status, the same as other interested members of the public.

In support of the Objection, Applicants offer the following:

- Per the Request, CASSH was formed more than 15 years ago for the specific purpose of opposing and/or suggesting restrictions relative to the for-profit conversion of Sharon Hospital under Sections 19a-486 et seq. of the Connecticut General Statutes. Although the organization claims to still "feel strongly about the need for a well-financed, resourced and quality hospital," CASSH has not demonstrated through the Request that it has an interest in these proceedings beyond those interests held by the general public (RCSA § 19a-9-27(b)(2)). Nor has CASSH established that it has organizational standing to intervene and participate in a CON proceeding regarding the subsequent sale of Sharon to a tax-exempt entity and its conversion back to a not-for-profit hospital.
- CASSH has not, in its Request, described the manner in which it proposes to participate in the public hearing, as required by Section 19a-9-27(b)(3) of the Regulations of Connecticut State Agencies.
- CASH has not, in its Request, described the manner in which such participation will furnish assistance to the agency in resolving the issues before it, as required by Section 19a-9-27(b)(4) of the Regulations of Connecticut State Agencies. Instead, CASSH simply lists three areas into which it believes OHCA should inquire further of Applicants.

These topics include volume and financial projections for the Hospital; the Foundation for Community Health, Inc.'s ("FCH") participation with the new Sharon Hospital; and Health Quest's commitment to the Sharon community. These are all matters that have been discussed at length in Applicants' submission, will be detailed further in written testimony and hearing presentations, and that OHCA can inquire about without CASSH's formal participation in these proceedings.

- CASSH has not, in its Request, adequately summarized the evidence it intends to offer at the public hearing, as required by Section 19a-9-27(b)(5) of the Regulations of Connecticut State Agencies. Again, CASSH simply raises topics for further inquiry by OHCA at the public hearing.
- Representatives of the Applicants have spoken with Victor Germack and other members of CASSH on several occasions over the course of the last month. These included an in-person meeting at Sharon Hospital on March 6th that lasted nearly three hours at which Mr. Germack and others were allowed to ask questions and a two-hour Community Forum held on March 16th at Sharon Town Hall. We also understand that representatives of CASSH met separately with FCH to address their concerns.
- Based on these conversations, Applicants are aware of no specific evidence that CASSH members can or will present other than their own opinions relative to the volume and financial projections contained within the CON submissions. To the best of Applicants' knowledge, no member of CASSH has unique knowledge with respect to the operation and financing of an acute-care hospital such that the organization's participation will be of assistance to OHCA in adjudicating Applicants' request.

- Moreover, the statements made by CASSH in its Request relative to the issuance of grant funding by FCH are misleading and have been addressed both in CON submissions and at the recent public forum where CASSH representatives were in attendance. Allowing this type of participation by an organization that has limited knowledge of the terms of a privately negotiated transaction will impair the orderly conduct of the CON proceedings.

In light of the foregoing, Applicants respectfully request that CASSH's Request for intervenor status be denied and that its members be given informal participant status instead. If CASSH is allowed to participate as an intervenor, Applicants request that its participation be limited to written filings on relevant issues and that CASSH not be given the opportunity to cross-examine Applicants.

Respectfully Submitted,

ESSENT HEALTHCARE OF CONNECTICUT, INC; SHARON HOSPITAL HOLDING COMPANY; REGIONAL HEALTHCARE ASSOCIATES, LLC; HEALTH QUEST SYSTEMS, INC.; VASSAR HEALTH CONNECTICUT, INC.

By: Jennifer G. Fusco

JENNIFER GROVES FUSCO, ESQ.
Updike, Kelly & Spellacy, P.C.
265 Church Street
One Century Tower
New Haven, CT 06510
Tel: (203) 786-8300
Fax (203) 772-2037

CERTIFICATION

This is to certify that a copy of the foregoing was sent via electronic mail this 24th day of March, 2017 to the following parties:

Victor Germack
The Community Association
To Save Sharon Hospital
P.O. Box 612
Salisbury, CT 06068
victorger@pipeline.com

Jennifer G. Fusco
JENNIFER GROVES FUSCO, ESQ.
Updike, Kelly & Spellacy, P.C.

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

IN THE MATTERS OF:

Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut, Inc., a Subsidiary of Health Quest Systems, Inc. (16-32132-CON)
Transfer of Ownership of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a Subsidiary of Health Quest Systems, Inc.(16-32133-CON)

RULING ON A PETITION FILED BY THE COMMUNITY ASSOCIATION TO SAVE SHARON HOSPITAL TO BE DESIGNATED AS AN INTERVENOR

By petition dated March 23, 2017, The Community Association to Save Sharon Hospital ("Petitioner") requested Intervenor status in the public hearing to be held by the Department of Public Health ("DPH") Office of Health Care Access ("OHCA") regarding the above-referenced Certificate of Need ("CON") applications.

Pursuant to Connecticut General Statutes § 4-177a, the Petitioner is hereby designated as an Intervenor with limited rights at the hearing scheduled for April 5, 2017 at Sharon Town Hall, 63 Main Street, Sharon, Connecticut. As an Intervenor with limited rights, the Petitioner may participate as indicated below.

The Petitioner is granted the right to inspect and copy records on file with OHCA related to the CONs filed under Docket Numbers 16-32132-CON and 16-32133-CON and shall be copied on all pleadings, correspondence and filings submitted from this point forward by the Applicant until the issuance of a final decision by OHCA. As an Intervenor with limited rights, the Petitioner may be cross-examined by the Applicant but the Petitioner may not cross-examine the Applicant.

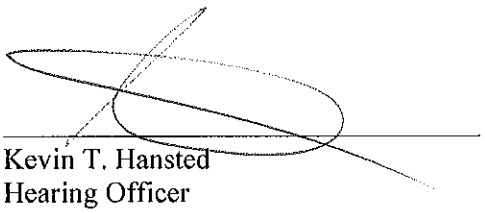
OHCA will make any additional rulings as to the extent of the hearing participation rights of the Petitioner throughout the hearing in the interest of justice and to promote the orderly conduct of the proceedings.

The Petitioner shall maintain compliance with Section 2-44A of the Connecticut Practice Book.

DPH
Connecticut Department of Public Health

Phone: (860) 418-7001• Fax: (860) 418-7053
410 Capitol Avenue, MS#13HCA
Hartford, Connecticut 06134-0308
www.ct.gov/dph

3/24/17
Date



Kevin T. Hansted
Hearing Officer

Olejarz, Barbara

From: Lazarus, Steven
Sent: Friday, March 24, 2017 2:58 PM
To: victorger@pipeline.com
Cc: Jennifer Groves Fusco (jfusco@uks.com); Olejarz, Barbara; Riggott, Kaila
Subject: re: Docket Numbers: 16-32132 and 16-32133 _Ruling on Petition for Status by CASSH
Attachments: 16-32132 and 16-32133 Ruling on Petition for Status by CASSH.pdf

Good Afternoon Mr. Germack,

Please see the attached ruling by the Office of Health Care Access in the above referenced matter. Please feel free to contact me if you have any questions.

Thank you,

Steven

Steven W. Lazarus
Associate Health Care Analyst
Division of Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue
Hartford, CT 06134
Phone: 860-418-7012
Fax: 860-418-7053

The Community Association to Save Sharon Hospital
P.O. Box 612
Salisbury, CT. 06068
victorger@pipeline.com
Fax: (212) 722-3819
Phone: (917) 582-8411

FAX SHEET

Date: March 27, 2017

To: Ms. Yvonne T. Addo, MBA
Deputy Commissioner
Office of Health Care Access

Fax Number: 860-418-7053

From: The Community Association to Save Sharon Hospital

Subject: Copy of Letter to Assistant Attorney General Gary W. Hawes

Please Note: For speed of communications, could you please contact me at my email address above, fax or phone. Thank you. Victor Germack

The Community Association to Save Sharon Hospital

P.O. Box 612
Salisbury, CT. 06068
victorger@pipeline.com
Fax: (212) 722-3819
Phone: (917) 582-8411

March 27, 2017

Mr. Gary W. Hawes
Assistant Attorney General
State of Connecticut
55 Elm Street
Hartford, CT. 06106

Re: Certificate of Need: Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut
Certificate of Need: Transfer of Ownership of Regional Healthcare Associates and Tri State Women's Services to a Connecticut Medical Foundation

DOCKET NO. 16-32132-CON
& DOCKET NO. 16-32133-CON

Assistant Attorney General Gary W. Hawes
Office of the Attorney General
State of Connecticut
55 Elm Street
Hartford, CT. 06106

Dear Assistant Attorney General Hawes:

Thank you for your March 24th. email regarding the Sharon Hospital sale to Health Quest, and the role of The Foundation for Community Health ("the Foundation") in providing the majority of the purchase price as well as providing significant capital funds. Since time is short and I was told you wouldn't be back till Thursday of this week, I thought I would send you this letter for your consideration.

While you state that the Hospital Conversion Act does not apply to the sale of for-profit hospitals, we want to bring several facts to your attention. As citizens of Connecticut we expect the Attorney General to represent the public interest which is embodied in The Foundation for Community Health since they are providing the majority of the financing

for this purchase; not to do so would be an abrogation of your constitutional duties as Attorney General.

We are writing you in the expectation, that your office would review and then mandate, in the public interest, certain specific changes in the existing Foundation's Grant Agreement, dated September 13, 2016, between the Foundation, Health Quest, and Berkshire Taconic Community Foundation, Inc. (the "Agreement") which will remedy certain shortcomings in the Agreement. We have outlined specific recommendations for changes which we hope you and the Office of Healthcare Access will adopt.

We feel that the Agreement, as it is currently written, is not a 'good deal' for the community, is 'one-sided', and is not fair for those who have contributed to the Foundation. It is unfair and prejudicial to the public interest, to the interests of the Foundation contributors and to those individuals in the Community who initially contributed to Sharon Hospital, prior to its initial conversion in 2002.

The Foundation has currently $25 million in assets which includes the Essent Healthcare purchase price, existing endowment funds at the time of sale in 2002, and funds raised and interest earned since then. The Grant Agreement requires that the Foundation restrict $9 million of its funds, or 36%, of its total funds. This will dramatically negatively impact the Foundation's future annual grant making ability to the Community which it has successfully implemented over the past 15 years. The $9 million also represents over 56% of the $16 sale amount that the Foundation received from the sale of Sharon Hospital to Essent Healthcare in 2002. In fairness to the many contributors to Sharon Hospital, pre 2002, and to the Foundation, post 2002, we urge the Attorney General and the Office of Healthcare Access to mandate the changes that we have recommended below, and to make this a fairer and more equitable structure and agreement and protect the public interest.

1. **Coverage by the Attorney General:**
   Since the Foundation is a public charity within the meaning of Code 501(c) (3), it comes under the jurisdiction and review of the Attorney General of Connecticut.

2. **Purchase Price:**
   Under the Grant Agreement, the Foundation is committing $9 million (which become restricted funds) in grants to Health Quest. 60% of the Sharon Hospital acquisition purchase price - $3 million out of the $5 million total purchase price will be committed by the Foundation and another $6 million in Investment up to 4 years is being committed to Health Quest.

   Since the Foundation is not the buyer of Sharon Hospital and is only helping Health Quest finance the acquisition, why then does it have to put in 60% of the purchase price? By any manner of comparison, Health Quest, as the owner of Sharon Hospital, does not have enough financial stake and financial commitment in this planned purchase. Additionally since the Foundation does not get a carried ownership interest, or have a real governance role at Sharon Hospital or gets its investment back if the Hospital is sold to a third party after the first five years of

ownership, then the Foundation's agreement to fund the $3 million is not prudent or fair.

We suggest that a purchase investment of only $1 or 2 million by the Foundation would be appropriate – given the limited stated representation that the Foundation will have on the Sharon Hospital Board of Trustees (just an advisory board), the Health Quest Board of Trustees (just one seat) and its lack of an ownership, carried interest or no governance role as it is currently stated in the Agreement. These issues are spelled out in greater detail below.

3. **Working Capital Grant:**
These grants totaling $6 million "...are dedicated for actual direct cost outlays associated with Health Quest's strategic investments at New Sharon Hospital including, without limitation, investments in direct physician and provider costs, investments in strategic equipment, facility upgrades, investments in ambulatory networks, investments in information technology infrastructure, and other strategic programmatic investments (collectively, "Investments")". We don't believe that paying for direct physician and provider costs are strategic investments – what they are is normal operating costs. Health Quest should be providing enough working capital to support Sharon Hospital's ongoing operations, including physician costs.

We would suggest that the Grant Agreement language pertaining to the Working Capital Grant should be changed to remove any references to investments in, or paying for direct physician and provider costs.

4. **Return of Grant Amount:**
If Sharon Hospital is sold to a third party after the first five years of ownership by Health Quest, then the Foundation does not get its asset purchase grant and, or its capital grant returned.
This is unfair to the public interest and to the Foundation. We would suggest that it should be changed so that if Sharon Hospital is sold to a third party during the first 15 years of ownership by Health Quest, then the Foundation should get its asset purchase grant, and working capital grant, less all Capital Campaign Funds raised to date by the Foundation, returned to it.

5. **There Is No Binding Commitment by Health Quest to Continue to Financially Support Sharon Hospital for a Specified Period of Time and, or For a Specific Amount:**
As the financial and operating numbers in the CON show, Sharon Hospital has been in decline for a long period of time – over the past several years, the Hospital has been cutting staff and services, losing quality doctors by attrition and poor management by three corporate owners, leading to a decline in the number of both in-and outpatients. This has caused many former patients and potential patients to seek health care elsewhere. To see the effect of this, all you have to do is read the local newspapers, speak to the doctors, and speak to the former patients who have given up on Sharon Hospital. In a small, local Community, such as ours, news travels mainly by word of mouth and referrals.

The business plan and financial projections as set forth in the CON by Health Quest for Sharon Hospital are too aggressive and are unrealistic. The CON show Sharon Hospital returning to profitability in two short years – earning $5.2 million – by 2018, and discharges increasing by 53% between 2016 and 2018. It projects adding incremental operating revenue of $17.5 million in the first two years (2017 and 2018) with an associated operating profit margin of 45.1% on this revenue base. The CON financial projections show an operating profit margin for Sharon Hospital in 2018 of 6.9% on its projected total revenue of $74.9 million. The projected operating profit margin is higher that any hospital has ever achieved in Connecticut in recent years. Using OHCA's 2015 financial results for Connecticut (the latest year that OHCA has made this information publicly available), the hospital with the best operating profit margin in Connecticut is Yale-New Haven which reached 4.5% for 2015. The Sharon Hospital CON projections are just not believable, and we don't believe they are attainable. Further it casts doubt on the reasonableness of Health Quest's action plans for Sharon Hospital.

What is missing in the CON is a lack of the detailed explanations and the level of support on how Health Quest will implement the Sharon Hospital turnaround and make their projected results happen. It will take years for Sharon Hospital to reach a significant level of profitability and then only, with solid management, leadership and underlying financial support from Health Quest.

Since it took such a long time for Sharon Hospital to decline, it will also take a long period of time, for the word to travel that Sharon Hospital is a quality health resource once again. This takes time, staying power and money.

In its CON, Health Quest states that, "Vassar Connecticut expects to maintain current services for a period of three years, subject to patient demand and the availability of physicians and other clinical providers and staff" – what exactly does this guarantee to our Community?

There are no contractual minimum levels of financial support that are set forth by Health Quest in the Agreement, or in the CON. Nor is Health Quest bound to support Sharon Hospital for any minimum period of time. The Foundation is committing $9 million to Sharon Hospital which may never be recovered, if the Hospital fails under Health Quest ownership. What this means, is that the Foundation will have $9 million less to spend on worthy health-related Community projects throughout our area. Additionally, there is no contractual guarantee contained in the Agreement, that Health Quest won't come back to the Foundation and ask for more financial support.

We would suggest that Health Quest commit to financially and operationally support Sharon Hospital for a minimum period of 10 years, and commit that they will not ask the Foundation for any additional financial support.

6. **Governance – Sharon Board of Trustees:**
The Grant Agreement provides that the Foundation can have up to 12 representatives (80% of the total) serve on the Sharon Board of Trustees (which is basically a local advisory group) which will be composed of 15 members. There are three groups of Trustees with different terms, but in no event is there a contractual right for the Foundation to have its representatives serve as trustees after the sixth year.
This is unfair and we would suggest that it should be changed so that after the sixth year, there will continue to be a majority of the trustees who will be selected by the Foundation and who will serve on the Sharon Hospital Board of Trustees as long as Sharon Hospital is owned by Health Quest.

7. **Governance – Health Quest Board of Trustees:**
The Grant Agreement states that, "The Chair of the Board of Trustees of New Sharon Hospital shall serve ex-officio on the Health Quest Board of Trustees." There is not enough board representation by the Foundation on the Health Quest Board of Trustees given the Agreement's current requirement that the Foundation invest $9 million into New Sharon Hospital.

   We would suggest that at least three members of the New Sharon Hospital Board of Trustees be named to the current 18 members Health Quest Board of Trustees, and that they be full voting members as long as Sharon Hospital is owned by Health Quest.

8. **Annual Information Reporting to the Community to be Required:**
To serve and inform the Community on its progress in improving Sharon Hospital, the Grant Agreement should be modified to require that the Sharon Hospital Board of Trustees will issue an written annual report to the Community, no later than March 1 of the following year, on the state of Sharon Hospital as it pertains to the services offered, the quality of health, physician recruitment, hospital services added, patients serviced and discharged – inpatients and outpatients, the financial results, and whatever other critical information the Sharon Hospital Board feels it needs to present to the Community.

9. **A Monitor Should Be Added:**
We would suggest that a monitor be appointed by either the Attorney General or OHCA for the first five years, following the purchase of Sharon Hospital by Health Quest, to insure that the terms of the Agreement are followed and there is an equitable accounting of the funds given by the Foundation to Health Quest under the terms of the Agreement.

By way of background, I am the President of RateFinancials Inc. which was started in 2002. Our company rates the financial reporting, accounting and governance practices of corporations, including health care companies and hospitals – and as such, we are considered financial experts. I am the President of Heritage Capital Corp. – a middle market investment banking company which was started in 1977. I am also the Treasurer and on the Board of The Osborne Association – a non-profit social services agency which

works in over 20 prisons in New York State, providing a full range of services including behavioral, court advocacy, job placement, addiction treatment, etc.

The members of The Community Association to Save Sharon Hospital all live in the area served by Sharon Hospital and have organizational standing as we are all impacted and affected by the medical services offered by Sharon Hospital. If Sharon Hospital ceases to exist, we would all be directly adversely affected so therefore we have a meaningful stake in the outcome of the public hearings and what is decided. We also intend to submit written testimony prior to the public hearing.

We ask that the Attorney General act in these proceedings and adopt our suggestions for the various changes we have made.

Thank you for your consideration.

Sincerely,

Victor Germack
Vice President

cc: The Honorable Attorney General George Jepsen
The Honorable Senator Richard Blumenthal
Deputy Commissioner Ms. Yvonne T. Addo
Representative Brian Ohler
Charlene LaVoie, Esq.
Jennifer Groves Fusco, Esq.

User, OHCA

From: victorger@pipeline.com
Sent: Wednesday, March 29, 2017 12:47 PM
To: User, OHCA
Cc: Jennifer Groves Fusco; Hawes, Gary W.; Charlene LaVoie
Subject: Testimony Submitted By CASSH for April 5, 2017 Public Hearing
Attachments: 3-29-17 Testimony Submitted From CASSH.docx

To: Ms.Yvonne T. Addo, Deputy Commissioner, Office of Health Care Access and Mr. Kevin T. Hansted, Hearing Officer

Testimony Submitted by The Community Association to Save Sharon Hospital for the April 5, 2017 Public Hearing

The Community Association to Save Sharon Hospital

P.O. Box 612
Salisbury, CT. 06068
victorger@pipeline.com
Fax: (212) 722-3819
Phone: (917) 582-8411

March 29, 2017

Ms. Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Dept. of Public Health
Office of Health Care Access Division
410 Capital Avenue, MS #1 HCA
P.O. Box 340308
Hartford, CT. 06134-0308

Re: Certificate of Need: Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut
Certificate of Need: Transfer of Ownership of Regional Healthcare Associates and Tri State Women's Services to a Connecticut Medical Foundation

DOCKET NO. 16-32132-CON
& DOCKET NO. 16-32133-CON

Testimony Submitted by The Community Foundation to Save Sharon Hospital

For the Public Hearing to be held by the Department of Public Health Office of Health Care Access on April 5, 2017 at Sharon Town Hall, Sharon, CT.

Some sixteen years ago, I testified as the Vice President of The Association to Save Sharon Hospital (CASSH) at the original CON public hearing in Sharon, CT. before Attorney General Blumenthal and the Office of Health Care Access concerning the sale of Sharon Hospital to Essent Healthcare. Since then, Sharon Hospital has had three corporate owners, its services have deteriorated, patient volume has declined, and it is unprofitable. My testimony today seems even more important than it was sixteen years ago as Sharon Hospital today only has one more chance for it to become a viable entity.

In general, we support non-profit hospitals as a better alternative than the for-profit model. On a preliminary basis, subject to our reservations, we support the planned sale of Sharon Hospital to Health Quest provided certain additional information, not provided in the CON, is furnished, and certain written assurances are obtained from Health Quest about the extent and amount of their financial commitment to Sharon Hospital.

In addition, we seek certain specific changes to the existing Foundation's Grant Agreement, dated September 13, 2016, between the Foundation, Health Quest, and Berkshire Taconic Community Foundation, Inc. (The "Agreement") which will remedy certain shortcomings in the Agreement. We have outlined specific recommendations below that we hope the Office of Healthcare Access will adopt. We have also written to the Attorney General asking him to represent the public interest which is embodied in The Foundation for Community Health since they are providing the majority of the financing for this purchase; and not to do so would be an abrogation of the Attorney General's constitutional duties

We have asked the Attorney General to review and then mandate, in the public interest, certain specific changes in the existing Foundation's Grant Agreement, which will remedy certain shortcomings in the Agreement. We have outlined below specific recommendations for changes which we hope that the Office of Health Care Access and the Attorney General will adopt.

We feel that the Agreement, as it is currently written, is not a 'good deal' for the community, is 'one-sided', and is not fair for those who have contributed to the Foundation. It is unfair and prejudicial to the public interest, to the interests of the Foundation contributors and to those individuals in the Community who initially contributed to Sharon Hospital, prior to its initial conversion in 2002 and subsequently from 2002 to the present. Those who contributed to the Foundation between 2002 and the present were contributing in the expectation and knowledge that their contributions would be going to the stated purpose of helping fund worthwhile health care projects in our Community, not that their funds would be committed to buy Sharon Hospital.

1. **There Is No Binding Commitment by Health Quest to Continue to Financially Support Sharon Hospital for a Specified Period of Time and, or For a Specific Amount:**
   As the financial and operating numbers in the CON show, Sharon Hospital has been in decline for a long period of time – over the past several years, the Hospital has been cutting staff and services, losing quality doctors by attrition and poor management by three corporate owners, leading to a decline in the number of both in-and outpatients. This has caused many former patients and potential patients to seek health care elsewhere. We met with Sharon Hospital's management on March 6, 2017 to get additional insight into their operation. They said that they only had 6 inpatients that week in the Hospital, and in the prior week, they had only admitted one new inpatient. They said that the emergency room is the main driver of inpatients and that a real cultural change is necessary for the EMS groups that bring patients to the Hospital and transfer them out. They feel that they lose some 500 patients annually who get transferred-out because Sharon Hospital lacks the specialists and the services. They also mentioned the negative impact of the Connecticut 6% hospital provider tax which cost them some $3.1 million last year. This wasn't a surprise to us, as all you have to do is read the local newspapers, speak to the doctors, and speak to the former

patients who have given up on Sharon Hospital. In a small, local Community, such as ours, news travels mainly by word of mouth and referrals.
Since it took such a long time for Sharon Hospital to decline, it will also take a long period of time, for the word to travel that Sharon Hospital is a quality health resource once again for former patients to return and new ones to approach the Hospital. This takes time, staying power and money

The business plan and financial projections as set forth in the CON by Health Quest for Sharon Hospital are too aggressive and are just not believable. We took the financial worksheets that were submitted in the CON for Sharon Hospital and Regional Healthcare Associates and consolidated them into a separate worksheet, Exhibit 1 which is attached. The reason for the consolidation is that for financial reporting purposes, both entities are combined. Exhibit 1 shows Sharon Hospital returning to profitability in two short years – earning $5.2 million – by 2018. In the CON, in a response to a question by OHCA, Sharon Hospital showed in its Incremental Growth Projections, discharges increasing by 53% between 2016 actual and 2018. Exhibit 1 projects adding incremental operating revenue of $17.5 million in the first two years (2017 and 2018) with an associated operating profit margin of 45.1% on this incremental revenue base. This is a very high unjustified margin. The CON financial projections show an operating profit margin for Sharon Hospital in 2018 of 6.9% on its projected total revenue of $74.9 million. The projected operating profit margin is higher that any hospital has ever achieved in Connecticut in recent years. Using OHCA's 2015 financial results for Connecticut listed on their website (FY 2015 Hospital Health System – Statement of Operations Data - the latest year that OHCA has made this information publicly available), the hospital with the best operating profit margin in Connecticut is Yale-New Haven which reached 4.5% for 2015. In fact, of the 17 hospital systems listed and reported in the OHCA data, just 10 systems showed profitable profit margins, and most did not exceed a 1% operating profit margin. There is no reason to believe that in just two short years Sharon Hospital can turn around and outperform every other hospital in Connecticut. The Sharon Hospital CON projections are just not believable and these projections cast serious doubt on the soundness of Health Quest's overall business plan for the New Sharon Hospital. <u>We would like to see realistic business and operating projections</u>.

What is missing in the CON is a lack of the detailed explanations and the level of support on how Health Quest will implement the Sharon Hospital turnaround and make their projected results happen. It will take years for Sharon Hospital to reach a significant level of profitability and then only, with solid management, leadership and underlying financial support from Health Quest.

There are no contractual minimum levels of financial support that are set forth by Health Quest in the Agreement, or in the CON. Nor is Health Quest bound to support Sharon Hospital for any minimum period of time. The Foundation is committing $9 million to Sharon Hospital which may never be recovered, if the Hospital fails under Health Quest ownership. What this means, in the meantime, is that the Foundation will have $9 million less to spend on worthy health-related

Community projects throughout our area. Additionally, there is no contractual guarantee contained in the Agreement, that Health Quest won't come back to the Foundation and ask for more financial support.

We would therefore ask that Health Quest commit to financially and operationally supporting Sharon Hospital for a minimum period of 10 years, and commit that they will not ask the Foundation for any additional financial support

2. **Detailed CON Review and Requests for Information and Clarification**
We have noted in our review of the CON, a number of inadequate or incomplete responses to the questions raised by the OHCA staff. Some of these are:

   A. In its CON, Health Quest states that, "Vassar Connecticut expects to maintain current services for a period of three years, subject to patient demand and the availability of physicians and other clinical providers and staff" – what exactly does this guarantee to our Community? Health Quest should make a long-term commitment to provide essential medical at New Sharon Hospital for a minimum period of 10 years. This should be a minimum requirement.
   B. How much working capital is needed to finance the operation of Sharon hospital until 'real' profitability is achieved. We don't know now as we have a business plan/financial projection that is not believable, and no cash flow projection has been submitted. Please furnish the working capital requirements over time.
   C. In a response to a question asked by OHCA, to "explain the 143% increase in inpatient discharges or outpatient visits to cover financial incremental expenses between FY 2018 and FY 2019 as stated on page 44 of the application. How did the Applicants arrive at this increase in incremental inpatient and outpatient utilization?" The answer does not appear to be responsive, and is somewhat confusing. It doesn't explain the increase in utilization and, furthermore, using the specific discharge rate of $10,000 per discharge, and $300 for each outpatient visit, generates revenue of $4,254,90 in 2019 – way in excess of the total estimated incremental costs of $2,125,000. Would Health Quest please explain this?
   D. How does Health Quest's charity or indigent care policy differ from that provided by Sharon Hospital – and on a going forward basis, and using Health Quest's charity care policy at New Sharon Hospital, how many patients will be covered and to what degree, compared to Sharon Hospital's existing policy? Will Sharon Hospital's charity care patients be better off or worse off under Health Quest's charity care program, and by how much?
   E. The CON states that capital improvements will cost, at least $11.5 million. We believe that this may be materially understated. At the March 16, 2017 Public Forum, Mr. Friedberg, President of Health Quest, said that they will put capital into retrofit some areas but physical plant is not likely to need expansion. Upon information and belief, we understand that Sharon Hospital paid for an energy efficiency and savings program/energy audit that Trane conducted, approximately two years ago. It showed that Sharon Hospital is still burning grade 6 fuel oil (which is not permitted in New York – and is terribly dirty

stuff) – and they must convert the system and make a fuel change over to burning cleaner fuel which is absolutely essential. We read in the Con, that the Hospital is planning to spend some $1.5 million and take an old oil tank out of the ground and make a partial change in their energy generation system. The main boilers will still be over 50 years old. We understand that the energy study showed that a complete change and energy upgrade would cost approximately $5 million, but would generate savings of approximately $400,000 plus in annual utility savings. Sharon Hospital's private equity owner did not want to spend for this program or incur additional debt. Does Health Quest intend to invest to upgrade the energy generation and improve the Hospital's energy efficiency?

F. Health Quest says that "Sharon Hospital is projecting to add a total of eighteen (18) full time positions through FY 2020, all of which are non-physician positions". It also says it will add "48 additional full time employees through FY 2020". How many full time physicians will be added to Sharon Hospital and when? Will they be primary care or what will be their specialty – can this be broken out? Will these physicians be working solely at Sharon Hospital, or will they be dividing their time at other Health Quest hospitals? Will Health Quest provide a staffing spreadsheet by timing, specialty and location - spelling out the above information?

G. In Sch. 4.16 Tax Returns, it says that Regional Healthcare Associates LLC has not filed its federal or state income tax returns or paid any corresponding income taxes for the last 2 fiscal years ending 9/30/14 and 9/30/15. We were told at our March 6 meeting with Sharon Hospital management that this was a clerical issue., and that they are treated as a partnership for Federal and State income tax. As full disclosure, we still would like to see the returns and understand why they weren't timely filed. When will these returns be filed?

3. **The Foundation for Community Health Involvement in the Purchase of Sharon Hospital and Suggested Changes in the Structure, Governance and Oversight**

The Foundation has currently $25 million in assets which includes the Essent Healthcare purchase price, existing endowment funds at the time of sale in 2002, and funds raised and interest earned since then. The Grant Agreement requires that the Foundation restrict $9 million of its funds, or 36%, of its total funds. This will dramatically negatively impact the Foundation's future annual grant making ability to the Community which it has successfully implemented over the past 15 years. The $9 million also represents over 56% of the $16 sale amount that the Foundation received from the sale of Sharon Hospital to Essent Healthcare in 2002. In fairness to the many contributors to Sharon Hospital, pre 2002, and to the Foundation, post 2002, we urge the Attorney General and the Office of Healthcare Access to mandate the changes that we have recommended below, and to make this a fairer and more equitable structure and agreement and protect the public interest.

A. Coverage by the Attorney General:
Since the Foundation is a public charity within the meaning of Code 501(c) (3), it comes under the jurisdiction and review of the Attorney General of Connecticut.

B. Purchase Price:
Under the Grant Agreement, the Foundation is committing $9 million (which become restricted funds) in grants to Health Quest. 60% of the Sharon Hospital acquisition purchase price - $3 million out of the $5 million total purchase price will be committed by the Foundation and another $6 million in Investment up to 4 years is being committed to Health Quest.

Since the Foundation is not the buyer of Sharon Hospital and is only helping Health Quest finance the acquisition, why then does it have to put in 60% of the purchase price? By any manner of comparison, Health Quest, as the owner of Sharon Hospital, does not have enough financial stake and financial commitment in this planned purchase. Additionally since the Foundation does not get a carried ownership interest, or have a real governance role at Sharon Hospital or gets its investment back if the Hospital is sold to a third party after the first five years of ownership, then the Foundation's agreement to fund the $3 million is not prudent or fair.

We suggest that a purchase investment of only $1 or 2 million by the Foundation would be appropriate – given the limited stated representation that the Foundation will have on the Sharon Hospital Board of Trustees (just an advisory board), the Health Quest Board of Trustees (just one seat) and its lack of an ownership, carried interest or no governance role as it is currently stated in the Agreement. These issues are spelled out in greater detail below.

C. Working Capital Grant:
These grants totaling $6 million "…are dedicated for actual direct cost outlays associated with Health Quest's strategic investments at New Sharon Hospital including, without limitation, investments in direct physician and provider costs, investments in strategic equipment, facility upgrades, investments in ambulatory networks, investments in information technology infrastructure, and other strategic programmatic investments (collectively, "Investments")". We don't believe that paying for direct physician and provider costs are strategic investments – what they are is normal operating costs. Health Quest should be providing enough working capital to support Sharon Hospital's ongoing operations, including physician costs.

We would suggest that the Grant Agreement language pertaining to the Working Capital Grant should be changed to remove any references to investments in, or paying for direct physician and provider costs.

D. Return of Grant Amount:
If Sharon Hospital is sold to a third party after the first five years of ownership by Health Quest, then the Foundation does not get its asset purchase grant and, or its capital grant returned.
This is unfair to the public interest and to the Foundation. We would suggest that it should be changed so that if Sharon Hospital is sold to a third party during the first 15 years of ownership by Health Quest, then the Foundation should get its asset purchase grant, and working capital grant, less all Capital Campaign Funds raised to date by the Foundation, returned to it.

E. Governance – Sharon Board of Trustees:
The Grant Agreement provides that the Foundation can have up to 12 representatives (80% of the total) serve on the Sharon Board of Trustees (which is basically a local advisory group) which will be composed of 15 members. There are three groups of Trustees with different terms, but in no event is there a contractual right for the Foundation to have its representatives serve as trustees after the sixth year.
This is unfair and we would suggest that it should be changed so that after the sixth year, there will continue to be a majority of the trustees who will be selected by the Foundation and who will serve on the Sharon Hospital Board of Trustees as long as Sharon Hospital is owned by Health Quest, and part of its system.

F. Governance – Health Quest Board of Trustees:
The Grant Agreement states that, "The Chair of the Board of Trustees of New Sharon Hospital shall serve ex-officio on the Health Quest Board of Trustees." There is not enough board representation by the Foundation on the Health Quest Board of Trustees given the Agreement's current requirement that the Foundation invest $9 million into New Sharon Hospital.

We would suggest that at least three members of the New Sharon Hospital Board of Trustees be named to the current 18 members Health Quest Board of Trustees, and that they be full voting members as long as Sharon Hospital is owned by Health Quest.

G. Annual Information Reporting to the Community to be Required:
To serve and inform the Community on its progress in improving Sharon Hospital, the Grant Agreement should be modified to require that the Sharon Hospital Board of Trustees will issue a written annual report to the Community, no later than March 1 of the following year, on the state of Sharon Hospital as it pertains to the services offered, the quality of health, physician recruitment, hospital services added, patients serviced and discharged – inpatients and outpatients, the financial results, and whatever other critical information the Sharon Hospital Board feels it needs to present to the Community.

H. A Monitor Should Be Added:
We would suggest that a monitor be appointed by either the Attorney General or OHCA for the first five years, following the purchase of Sharon Hospital by Health

Quest, to insure that the terms of the Agreement are followed and there is an equitable accounting of the funds given by the Foundation to Health Quest under the terms of the Agreement, and that the medical services that were committed to by Health Quest in the CON are supplied to New Sharon Hospital.

By way of background, I am the President of RateFinancials Inc. which was started in 2002. Our company rates the financial reporting, accounting and governance practices of corporations, including health care companies and hospitals – and as such, we are considered financial experts. I am the President of Heritage Capital Corp. – a middle market investment banking company which was started in 1977. I am also the Treasurer and on the Board of The Osborne Association – a non-profit social services agency which works in over 20 prisons in New York State, providing a full range of services including behavioral, court advocacy, job placement, addiction treatment, etc.

The members of The Community Association to Save Sharon Hospital all live in the area served by Sharon Hospital and have organizational standing as we are all impacted and affected by the medical services offered by Sharon Hospital. If Sharon Hospital ceases to exist, we would all be directly adversely affected so therefore we have a meaningful stake in the outcome of the public hearings and what is decided.

We would also ask that the Attorney General also act in these proceedings, since the interests of the public are involved due to the involvement of the Foundation for Community Health and adopt our suggestions for the various changes we have requested.

Thank you for your consideration.

Sincerely,

Victor Germack
Vice President

cc: The Honorable Attorney General George Jepsen
The Honorable Senator Richard Blumenthal
The Honorable Senator Chris Murphy
Deputy Commissioner Ms. Yvonne T. Addo
Assistant Attorney General Gary W. Hawes
Representative Brian Ohler
Charlene LaVoie, Esq.
Jennifer Groves Fusco, Esq.

EXHIBIT 1

Combined Sharon Hospital & Regional Healthcare Associates (in $ millions) *

Pro Forma Operating Results

	FY 2015 Act. Results	FY 2016 Act. Results Estimated	FY 2017 Projected W/out CON	FY 2017 Projected Incremental	FY 2017 Projected With CON	FY 2018 Projected W/out CON	FY 2018 Projected Incremental	FY 2018 Projected With CON	FY 2019 Projected W/out CON	FY 2019 Projected Incremental	FY 2019 Projected With CON	FY 2020 Projected W/out CON	FY 2020 Projected Incremental	FY 2020 Projected With CON
Operating Revenue	$54.00	$50.10	$56.80	$5.20	$62.00	$57.30	$17.50	$74.90	$58.20	$20.00	$78.00	$59.00	$21.00	$80.00
Operating Expenses	54.8	55.7	59.2	2.4	61.6	60.1	9.6	69.7	61.2	11.40%	72.6	62.3	12.9	75.2
Operating Income	-0.8	-5.6	-2.4	2.8	0.4	-2.8	7.9	5.2	-3.0	8.6	5.4	-3.3	8.1	4.8
Net Income	-17.7	-5.6	-2.4	2.8	0.4	-2.8	7.9	5.2	-3.0	8.6	5.4	-3.3	8.1	4.8
Operating Margin - %	-1.48%	-11.17%	-4.22%	53.84%	0.65%	-4.88%	45.14%	6.94%	-5.15%	43.00%	6.92%	-5.59%	38.57%	6.00%
Total Margin - %	-32.77%	-11.17%	-4.22%	53.84%	0.65%	-4.88%	45.14%	6.94%	-5.15%	43.00%	6.92%	-5.59%	38.57%	6.00%

* All financial information is taken from the financial worksheets submitted as part of the CON by Sharon Hospital and Regional Healthcare Associates

Worksheet Prepared by Victor Germack - 3/11/17

User, OHCA

From: Jennifer Groves Fusco <jfusco@uks.com>
Sent: Wednesday, March 29, 2017 3:46 PM
To: User, OHCA; Lazarus, Steven; Riggott, Kaila; Schaeffer-Helmecki, Jessica; Fernandes, David; Roberts, Karen; Foster, Tillman
Cc: Ping, David; victorger@pipeline.com
Subject: Transfer of Ownership of Sharon Hospital and RHA -- Docket Nos. 16-32132-CON & 16-32133-CON
Attachments: DOCS-#1523614-v1-HEALTH_QUEST_SHARON_HEARING_COVER_LETTER.PDF; DOCS-#1523593-v1-HEALTH_QUESTION_SHARON_APPEARANCE_(SHARON_HOSPITAL).PDF; DOCS-#1523595-v1-HEALTH_QUEST_SHARON_APPEARANCE_(RHA).PDF; DOCS-#1524034-v1-HEALTH_QUEST_SHARON_HOSPITAL_PREFILE_(FINAL).PDF; DOCS-#1506861-v1-HEALTH_QUEST_SHARON_CORDEAU_PREFILE_(FINAL).docx; DOCS-#1506913-v1-HEALTH_QUEST_SHARON_BROWDER_PREFILE_(FINAL).docx; DOCS-#1507137-v1-HEALTH_QUEST_SHARON_FRIEDBERG_PREFILE_(FINAL).docx; DOCS-#1507681-v2-HEALTH_QUEST_SHARON_HEATON_PREFILE_(FINAL).docx; DOCS-#1523604-v1-HEALTHQUEST_SHARON_RHA_PREFILE_(FINAL).PDF; DOCS-#1507695-v1-HEALTH_QUEST_RHA_CORDEAU_TESTIMONY_(FINAL).docx; DOCS-#1507731-v1-HEALTH_QUEST_RHA_LOOMIS_PREFILE_(FINAL).docx; DOCS-#1523878-v1-HEALTH_QUEST_SHARON-RHA_HEARING_ISSUES_(FINAL).PDF; DOCS-#1522798-v1-HEALTH_QUEST_SHARON-RHA_HEARING_ISSUES_(FINAL).docx

All:

Attached please find the following in connection with the April 5, 2017 consolidated hearing on the above-referenced dockets:

- Cover Letter (Docket Nos. 16-32132-CON & 16-32133-CON);
- Appearances of UKS on behalf of all Applicants (Docket Nos. 16-32132-CON & 16032133-CON);
- PDF of Prefiled Testimony in Docket No. 16-32132-CON;
- Word versions of individual Prefiled Testimony in Docket No. 16-32132-CON (Cordeau, Browder, Friedberg & Heaton);
- PDF of Prefiled Testimony in Docket No. 16-32133-CON;
- Word versions of individual Prefiled Testimony in Docket No. 16-32133-CON (Cordeau & Loomis);
- PDF of Hearing Issues (Docket Nos. 16-32132-CON 7 16-32133-CON); and
- Word version of Hearing issues (Docket Nos. 16-32132-CON & 16-32133-CON).

Please confirm receipt of this email and attachments at your earliest convenience. Let me know if you require any additional information.

Thanks,
Jen

Jennifer Groves Fusco, Esq.
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One Century Tower
265 Church Street
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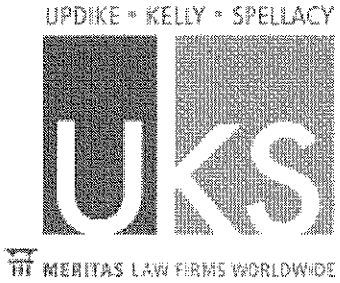


Jennifer Groves Fusco
(t) 203.786.8316
(f) 203.772.2037
jfusco@uks.com

March 29, 2017

VIA ELECTRONIC MAIL

Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Department of Public Health
Office of Health Care Access Division
410 Capitol Avenue, MS #1 HCA
P.O. Box 340308
Hartford, CT 06134-0308

Re: Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut, Inc. Docket No. 16-32132-CON & Transfer of Ownership of Regional Healthcare Associates, LLC to a Subsidiary of Vassar Health Connecticut, Inc.

Dear Deputy Commissioner Addo:

This office represents Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, Sharon Hospital Holding Company, Regional Healthcare Associates, LLC, Health Quest Systems, Inc., and Vassar Health Connecticut, Inc. in connection with the above-referenced dockets. Enclosed please find the following for your review and consideration:

- Notice of Appearance of Updike, Kelly & Spellacy, P.C. (Docket Nos. 16-32132-CON & 16-32133-CON);
- Prefiled Testimony of Peter R. Cordeau, RN, BSN, MBA, Chief Executive Officer, Sharon Hospital (Docket No. 16-32132-CON);
- Prefiled Testimony of Michael W. Browder, Executive Vice President & Chief Financial Officer, RCCH HealthCare Partners (Docket No. 16-32132-CON);
- Prefiled Testimony of Robert Friedberg, President & Chief Executive Officer, Health Quest Systems, Inc. (Docket No. 16-32132-CON);
- Prefiled Testimony of Nancy Heaton, Chief Executive Officer, Foundation for Community Health, Inc. (Docket No. 16-32132-CON);
- Prefiled Testimony of Peter R. Cordeau, RN, BSN, MBA, Chief Executive Officer, Sharon Hospital (Docket No. 16-32133-CON);
- Prefiled Testimony of Glenn Loomis, MD, MSHM, FAAFP, Chief Medical Operations Officer, Health Quest Systems, Inc. & President, Health Quest Medical Practice (Docket No. 16-32133-CON); and
- Responses to Hearing Issues (Docket Nos. 16-32132-CON & 16-32133-CON).

These documents are being submitted in connection with the consolidated public hearing on Docket Nos. 16-32132-CON and 16-32133-CON scheduled for April 5, 2017 at 4:00 p.m. Messrs. Cordeau, Browder and Friedberg, Ms. Heaton and Dr. Loomis will be present at the hearing to adopt their prefiled testimony under oath and for cross-examination.

Should you require anything further, please feel free to call me at (203) 786-8316.

Very truly yours,

Jennifer Groves Fusco

Enclosures

cc: David Ping *(w/enc)*
Michael W. Browder *(w/enc)*
Victor Germack *(w/enc)*

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS DIVISION

IN RE: TRANSFER OF OWNERSHIP OF REGIONAL HEALTHCARE ASSOCIATES, LLC TO A SUBSIDIARY OF VASSAR HEALTH CONNECTICUT, INC.	)	DOCKET NO. 16-32133-CON
	)	MARCH 29, 2017

NOTICE OF APPEARANCE

In accordance with Section 19a-9-28 of the Regulations of Connecticut State Agencies, please enter the appearance of Updike, Kelly & Spellacy, P.C. ("Firm") in the above-captioned proceeding on behalf of Regional Healthcare Associates, LLC, Health Quest Systems, Inc., and Vassar Health Connecticut, Inc. (collectively the "Applicants"). The Firm will appear and represent the Applicants at the public hearing on this matter, scheduled for April 5, 2017.

Respectfully Submitted,

REGIONAL HEALTHCARE ASSOCIATES, LLC;
HEALTH QUEST SYSTEMS, INC.; &
VASSAR HEALTH CONNECTICUT, INC.

By: _____

JENNIFER GROVES FUSCO, ESQ.
Updike, Kelly & Spellacy, P.C.
265 Church Street
One Century Tower
New Haven, CT 06510
Tel: (203) 786-8300
Fax (203) 772-2037
jfusco@uks.com

CERTIFICATION

This is to certify that a copy of the foregoing was sent via electronic mail this 29th day of March, 2017 to the following parties:

Victor Germack
The Community Association
To Save Sharon Hospital
P.O. Box 612
Salisbury, CT 06068
victorger@pipeline.com

JENNIFER GROVES FUSCO, ESQ.
Updike, Kelly & Spellacy, P.C.

Transfer of Ownership of Sharon Hospital
to Vassar Health Connecticut, Inc.
Docket No. 16-32132-CON

Transfer of Ownership of Regional Healthcare Associates, LLC
to a Subsidiary of Vassar Health Connecticut, Inc.
Docket No. 16-32133-CON

RESPONSES TO HEARING ISSUES

Per OHCA's request, below are written response to Hearing Issues dated March 17, 2017:

1. Provide a list prioritizing critical/immediate (over next 2-3 years) capital and operational improvements, including upgrades or strategic investments for the Hospital.

RESPONSE:

Below is a table listing all projects that Health Quest Systems, Inc. ("Health Quest") intends to undertake during the first two to three years following its acquisition of Sharon Hospital ("Sharon" or the "Hospital"). It should be noted that Health Quest, as it is not yet the owner of Sharon Hospital, has not completed a detailed strategic or capital plan for the Hospital. Moreover, Health Quest has not yet received input from the Sharon community about the needs for Sharon Hospital. Health Quest's final plan may well be amended once it has had the opportunity to better assess the capital needs and service needs of the Hospital. The final plan will be based on this detailed analysis and understanding of the capital and service requirements. The below table includes a description of the proposed project, its approximate capital cost, the funding source, and the estimated commencement/completion date. In addition, please note the following:

- When Health Quest is listed as a funding source this refers to the company's cash reserves and income from operations;
- When the Foundation for Community Health, Inc. ("FCH") is listed as a funding source this means until the Working Capital Grant funds are exhausted, after which projects will be fully funded by Health Quest;
- Health Quest has had various reviews undertaken and has further refined the costs of its proposed capital projects as follows:
    - The Cerner EMR upgrade, which was estimated at $3 to $3.5 million, will cost approximately $5 million;
    - The replacement and upgrade of boilers and underground storage tanks is estimated to be $600,000, which is less than was projected in initial CON submissions;
    - The renovation of space at the Hospital for the addition of beds to the Geropsychiatric Unit is estimated to cost $2 million, as opposed to the $1.5 million initially projected; and
    - Renovation of space for Medical Oncology/Infusion and other clinical services has been estimated at $1.5 million.

Anticipated Capital Improvements & Strategic Investments, FY 2017 – FY 2019

Project List	Description	Funding Source	Time to Complete
Conversion to Cerner Electronic Health Record ($5,000,000)	This project will replace the existing EMR at Sharon Hospital and RHA/TriState Offices	Health Quest and Foundation for Community Health	9 months, starting in July 2017, ending in April 2018
Life Safety and Regulatory Upgrades ($600,000)	This project will involve the removal and replacement/upgrade the boilers and underground fuel tanks	Health Quest and Foundation for Community Health	6 months, starting in July 2017, ending in December, 2017
Expansion of the Geropsychiatric Unit ($2,000,000)	This renovation project will increase the number of beds in the Geropsychiatry unit to accommodate additional demand for these services locally, as well as to make this a destination service for Health Quest patients	Health Quest and Foundation for Community Health	12 months, starting in January 2018, ending in December 2018
Renovation for Medical offices, including Oncology and Infusion ($1,500,000)	This will provide office space for additional physicians to be recruited to the area, including primary care, oncology, endocrinology and cardiology. It will also involve renovation of space for the addition of an infusion center for providing chemotherapy for oncology patients. Chemo infusion is not currently offered at Sharon Hospital	Health Quest and Foundation for Community Health	9 months, starting in October of 2017, ending in June 2018
Purchase of DaVinci Robot ($2,500,000)	Health Quest will purchase and install a DaVinci Robot, which is used for a variety of surgical procedures, reducing blood loss and decreasing recovery time. This is a new service for Sharon Hospital.	Health Quest and Foundation for Community Health	3 months, starting in January 2019, ending in April of 2019

Project List	Description	Funding Source	Time to Complete
ICU Renovation/Monitor Upgrades ($1,500,000)	Health Quest will renovate and install telemedicine equipment in the ICU, allowing Sharon to keep more patients in the Hospital by providing direct access to intensivists and specialists at VBMC.	Health Quest and Foundation for Community Health	4-6 months, starting in January/March 2019, ending in June 2019
Installing Wireless Telemetry on Medical/Surgical Unit ($1,000,000)	Health Quest will make all medical/surgical beds at the Hospital telemetry capable, improving patient care and safety.	Health Quest and Foundation for Community Health	3 months, starting in April 2019, ending in June 2019

Health Quest has also identified more than $1 million in cost savings opportunities available to Sharon Hospital once it becomes part of the Health Quest System. These savings are largely made possible due to the proximity of Sharon Hospital and Health Quest, which allows greater synergies than the relationship with its existing owner RCCH. These cost savings are in addition to those that may be achieved as a result of shared corporate services such as legal, compliance, human resources, IT, planning, and finance across Health Quest. In addition, Health Quest is evaluating whether it can save on Sharon's current medical malpractice expenses, which total $1.1 million annually.

Anticipated Annual Cost Savings

Area	Description	Annual Cost Savings
Pharmacy	Reduce Drug Costs	$31,500
Medical/Surgical	Reduce Supply Costs	$91,000
Purchased Services	Reduce Contract Costs	$227,000
Locum Tenens	Cost to staff with temporary nurses and physicians	$120,000
Coding	Discontinue use of third party coders	$150,000
Marketing	Use internal resources	$200,000
Equipment Maintenance	Discontinue use of outside services	$200,000

2. For each response to question one above, provide:
    a. The funding source; and
    b. The length of time estimated to implement each.

RESPONSE:

See Responses to Question 1 above.

3. Explain how the Hospital currently solicits, conveys to the Hospital Board and addresses community input and concerns. Furthermore, describe how the Hospital will continue to solicit, convey to the Hospital Board and address community input and concerns following the transfer of ownership.

RESPONSE:

Below are descriptions of the processes in place at the existing Sharon Hospital, and that will be put into place at the new Sharon Hospital, to solicit, convey to the Hospital Board and address community input and concerns.

Existing Sharon Hospital

Under current for-profit ownership, Sharon Hospital has both a Local Governing Board and an Advisory Board of Trustees ("Local Advisory Board"). The Local Governing Board derives its authority from the Essent Healthcare of Connecticut, Inc. corporate board and deals with issues relating to day-to-day operations at the Hospital. Authority has been delegated to the Local Governing Board to oversee matters including, but not limited to, physician credentialing, evaluation of performance of local management, and monitoring of clinical quality efforts. The Local Advisory Board was established pursuant to the Attorney General Order authorizing the conversion of Sharon to ensure a level of community involvement with the for-profit Hospital. It is comprised of elected public officials from the Sharon area, members of the Sharon Hospital Medical Staff, community members, and representatives of RCCH (formerly Essent Healthcare, Inc.).

There are numerous ways in which current Hospital administration solicits input and concerns from the local community. As Peter Cordeau, the CEO of Sharon Hospital, mentioned in his testimony he has an "open door" policy and is continually meeting with members of the community to discuss issues related to Sharon. Mr. Cordeau and other senior administrators have offices located off of the main lobby of the Hospital and are likely more accessible than any other hospital administrators in Connecticut. Sharon community members are encouraged to call or simply walk in and request a meeting if they have concerns to be addressed, including patient-care complaints.

In addition, Hospital administrators hold community forums and one-on-one meetings at local business establishments, newspapers and even at individual community members' homes. The forums are open to the public and Mr. Cordeau and his colleagues use these

meetings as an opportunity to solicit input and respond to any and all questions posed to them. Mr. Cordeau also has monthly meetings with community physicians, who relay any concerns that they hear from their patients. In addition, the Hospital conducts outreach on social media to both solicit input and keep the community apprised of matters related to Sharon.

Lastly, the Hospital solicits input from the Local Advisory Board, which was established to be the eyes and ears of the Sharon community in the absence of a non-profit hospital board. It is comprised of local community members including the Sharon First Selectman, the Hospital CEO, and residents from Sharon and surrounding towns.

Any and all comments or concerns raised by the community through any of these channels are shared among local Hospital administrators, RCCH corporate representatives, and members of the Local Governing Board (most of whom are community members), as necessary to inform decisions and resolve issues.

New Sharon Hospital

Health Quest will restore Sharon Hospital governance to a non-profit board. As mentioned in other submissions, the new Sharon board will be comprised, initially, of 12 members nominated by the FCH. As discussed below, these individuals represent a cross-section of the Sharon community from which the Hospital expects to solicit input and hear and address community concerns. Mr. Cordeau and his colleagues will also continue their "open door" policy under Health Quest ownership, with an understanding that input from local consumers is critical to meeting community needs and ensuring the future success of Sharon Hospital.

Specific to addressing community health needs, Health Quest will use the same process at Sharon that it uses at each of its other hospitals. Each Health Quest hospital has a Community Needs Committee consisting of hospital board members, physicians, staff, and members of the community. For instance, representatives from the Dutchess and Putnam Counties of Health are on the Northern Dutchess Hospital ("NDH"), Vassar Brothers Medical Center ("VBMC") and Putnam Hospital Center ("PHC") committees, respectively. Because issues of the aging are important in the NDH service area, there is representation from local NGOs on aging. At PHC, as the sole mental health provider in the county, there is representation from local mental health agencies.

Each of the hospital Community Needs Committees is responsible for identifying issues related to community need that the hospital and Health Quest should address in their respective service areas. These committees each develop a three year community service plan for their areas, which is reviewed for progress at each meeting and updated annually. Every three years Health Quest conducts a Community Needs Assessment. They have done this in conjunction with the Dutchess County Department of Health for NDH and VBMC and with the Putnam County Department of Health for PHC. As part of this process, Health Quest also conducts community forums on community health needs. They provide financial support for the County to conduct the survey and then use the results of the survey in the development of a Community Service Plan. Health Quest also conducts an annual symposium in conjunction with the County Health Departments regarding community health.

Health Quest just completed its Community Needs Assessment in 2016, and has developed its Community Service Year Plans for 2017, 2018 and 2019 based on this assessment. A copy of Health Quest's most-recent Community Service Plan is attached as Exhibit A. This plan, along with links to the assessments for Dutchess and Putnam Counties, may be found on Health Quest's website. They also distribute hard copies of the plan throughout Health Quest's service area. The Community Needs Committees give regular reports to their respective hospital boards.

In Sharon, Health Quest proposes to work with FCH and the local health departments to prepare its Community Needs Assessment. Health Quest would use as a starting point the Community Needs Assessment that FCH completed a few years ago. Health Quest would also work with these agencies to get advice on the membership of the Sharon Hospital Community Needs Committee. Health Quest would then develop a Community Service Plan for the area that incorporates the information from the assessment, from interviews and/or community forums that Health Quest would have. The Community Service Plan would be for 2018 and 2019, to put Sharon on the same cycle as the other Health Quest hospitals. In 2019, Health Quest would undertake a new Community Needs Assessment, just as they will do for the other System hospitals that year, which will become the basis for their next Community Service Plan, covering 2020-2022.

4. Please describe how the Hospital's board make-up currently incorporates representation of local health care consumers and how the Applicant will do so following implementation of the proposal.

RESPONSE:

The Hospital's Local Governing Board has nine (9) voting members, including seven (7) who reside in the local community and are representative of local healthcare consumers. The current Board Chair, Howard Fuhr, and member Dr. Robert Schnurr live in Sharon. Members Rusty Chandler and Dr. Jeremy Roth live in the surrounding towns of Salisbury and Cornwall, respectively. Member Dr. Donald Soucier lives outside of the service area, but he has served as the Chief of Cardiology at Sharon Hospital for 15 years. Patricia Chamberlain, Superintendent of Region 1 Public Schools and a Sharon resident is also a member, as is Waterbury Republican-American reporter and Kent resident Ruth Epstein. The Sharon Hospital CEO, Peter Cordeau, is a member and resides in Goshen. The only out-of-state voting member of the Board is Robert Jay, a representative of RCCH.

As previously mentioned, Health Quest will establish a local non-profit board once it acquires Sharon Hospital. This board will have responsibility for quality, physician credentialing and identifying community needs. The board will be populated by individuals who live in the service area. Health Quest relied heavily on FCH to identify 12 nominees for the newly constituted Sharon Hospital board. FCH hired an outside consultant and developed criteria for board member identification. FCH identified individuals from all parts of the Sharon service area, including Connecticut and New York, so that the board would have geographic diversity. FCH proposed nominees who could contribute their time and talents to develop a high functioning board for Sharon Hospital. After interviews and further

vetting of the potential board members, the nominations were presented to the Health Quest board for approval. The terms for the board members were staggered to allow for an orderly transition to new board members over time.

The new board will have a nominating committee, which will identify potential future board members from within the Sharon Hospital service area. These potential members will be interviewed and vetted and presented to the Health Quest board for approval. This is the exact process used to populate the boards of the other hospitals within the Health Quest system, which ensures adequate input from local healthcare consumers.

Note also that the Connecticut Office of Attorney General has relieved Health Quest of its obligation to continue the Local Advisory Board established by the for-profit Sharon Hospital because the new non-profit board will properly represent the community's needs.

Transfer of Ownership of Sharon Hospital
to Vassar Health Connecticut, Inc.

Docket No. 16-32132-CON

Prefiled Testimony of Nancy Heaton
Chief Executive Officer, Foundation for Community Health, Inc.

Good afternoon Hearing Officer Hansted and members of the OHCA Staff. My name is Nancy Heaton and I am the Chief Executive Officer of the Foundation for Community Health, Inc. ("FCH"). Thank you for this opportunity to speak in support of the CON Application for transfer of ownership of Sharon Hospital ("Sharon" or the "Hospital") to Vassar Health Connecticut, Inc. ("Vassar Connecticut"), a subsidiary of Health Quest Systems, Inc. ("Health Quest"). FCH is the successor entity to the Sharon Area Community Health Foundation ("SACHF"), which established in connection with the for-profit conversion of Sharon in 2002. With the anticipated return of Sharon to a non-profit hospital, FCH will be providing grant funds to assist with both the purchase of and strategic investment in the Hospital by Health Quest. FCH will also be given the opportunity to nominate a significant percentage of the initial Sharon Hospital Board under Health Quest ownership. FCH looks forward to this new partnership and ability to collaborate with our community hospital in ways that were not possible when Sharon was a for-profit facility. For these reasons, we urge OHCA to approve Applicants' request for a CON to transfer ownership of Sharon Hospital to Health Quest.

Background on Foundation for Community Health

FCH (originally formed as SACHF) is the "conversion foundation" approved by the Office of the Attorney General under Sections 19a-486 et seq. of the Connecticut General Statutes to receive the net proceeds of the sale of Sharon Hospital to Essent Healthcare of Connecticut, Inc. in 2002. FCH was also the recipient of all restricted and non-restricted funds

and income and legacies left in wills and from trusts that were originally designated to go to the former non-profit Hospital. FCH is a public charity within the meaning of the Code and, more specifically, a "supporting organization" that derives its tax-exempt status from the support it provides to other organizations in conducting charitable activities. In the case of FCH, our supported organizations include Berkshire Taconic Community Foundation, Community Foundation of the Hudson Valley, and Northwest Connecticut Community Foundation.

FCH's mission is to maintain and improve the physical and mental health of the residents of the area historically served by Sharon Hospital. We have been a leader and catalyst for the development of innovative and effective rural health delivery systems that focus on prevention, access and community-level collaboration. FCH accomplishes its mission through activities that include, but are not limited to, collaboration and advocacy, issuing grants, evaluating existing healthcare services, making program-related investments, and conducting research. Our grant of funds to Health Quest for the acquisition of Sharon and ongoing strategic investments in the Hospital is consistent with our mission and the purposes of our supported organizations, which include enhancing community health in the Sharon Hospital catchment area.

Decision to Partner with Health Quest – Asset Purchase & Working Capital Grants

The Foundation for Community Health, through its board and senior leadership, has determined that the greatest impact we can have on healthcare in the Sharon community is to assist Health Quest in returning Sharon to a non-profit hospital and community asset. We have conducted our due diligence, including visiting other Health Quest System hospitals and having extensive discussions with Health Quest management about their plans for Sharon. Based on this diligence and Health Quest's pledge of capital and resources, FCH is confident in Health Quest's ability to revitalize Sharon Hospital and certain of its long-term commitment to the

Sharon community. I can assure you, FCH would not be providing such a substantial grant to Health Quest if this was not the case.

As OHCA is aware, FCH has agreed to provide Health Quest with $9 million in grants in connection with the acquisition, operation and improvement of Sharon Hospital. This includes a $3 million Asset Purchase Grant, which will be used to fund a portion of the purchase price. It also includes a $6 million Working Capital Grant that will be used to fund "Investments" in Sharon. These include such items as direct physician and provider costs, equipment acquisitions, facility upgrades, investments in ambulatory networks, IT infrastructure upgrades, and other strategic programmatic investments. All Investments must directly benefit Sharon Hospital. We are aware of some of the investments that Health Quest has planned already, including EMR upgrades and service line expansions (e.g. oncology) that we believe will greatly enhance the quality and accessibility of healthcare services in the Sharon area.

FCH's funding under the Working Capital Grant covers a percentage of actual investments made by Health Quest at Sharon. It was important to our Board that Health Quest cover a percentage of each investment reimbursed by FCH in order to ensure the company's ongoing commitment to our Hospital and the community. Moreover, Health Quest is reimbursed on an annual basis for investments and FCH's obligation to fund investments through the Working Capital Grant ceases if all monies are not spent in Health Quest's first four years of operation. We believe this process will serve as incentive for Health Quest to move forward with needed capital investments as expeditiously as possible.

In addition, the question has been asked whether the grant of $9 million to Health Quest will impair FCH's ability to make other necessary grants to promote community health. First note that after disbursement of $9 million in grants to Health Quest, FCH will still have

approximately $16 million with which to continue its charitable mission in and around Sharon. Moreover, under the terms of the Grant Agreement between Health Quest and FCH, Health Quest has agreed to assist FHC in maintaining its existing level of community activities for the next ten years, either through direct funding or the assumption of community services and programs that would otherwise be funded by FCH. Lastly, the Grant Agreement contemplates a capital campaign whereby the funds provided by FCH to Health Quest for purposes of restoring Sharon Hospital to a non-profit community asset and enhancing care may be replenished through charitable giving.

Furthermore, we would like to point out certain safeguards in the Grant Agreement regarding the funding arrangement between FCH and Health Quest. Specifically, there are provisions that require the return of grant funds to FCH if Health Quest sells or closes the Hospital within the first five years or the Hospital loses its tax exemption. While we do not expect this to be the case, we want to assure OHCA that our investment is protected. In addition, the Grant Agreement requires Health Quest to maintain services at Sharon Hospital in accordance with any Order issued by this agency.

FCH's Right to Nominate Sharon Hospital Board Members

As part of the Grant Agreement with Health Quest, FCH has been given the right to nominate 12 of 15 members of the initial non-profit Sharon Hospital board. These nominees will serve staggered terms, giving FCH nominees a majority stake in the Sharon board for at least six years. We have already completed an extensive process, with the help of a consultant, which included identifying, vetting, interviewing and recommending our board nominees to Health Quest.

Our goal was to assemble a diverse group of community constituents. We were looking for individual with a stake in Sharon Hospital – those who reside in the service area and whose families obtain their healthcare services at Sharon. The nominees represent different interests within the Sharon community, come from all corners of the Sharon service area (including Connecticut and New York), and have varied professional backgrounds. There are nominees with expertise in healthcare and marketing, small business owners, and individuals who serve on other non-profit boards. We have also included nominees that represent the interest of the average healthcare consumer in the Sharon area.

After the terms of the FCH-nominated board members have expired, the Sharon board itself will be responsible for nominating replacements, subject to Health Quest board approval. In our experience, this is similar to the process in place for most non-profit boards. It is our understanding that Health Quest is committed to having local representation and perspective on the Hospital's board and we are confident that they will appoint members of the community to serve for many years beyond the tenure of FCH's initial appointees.

Conclusion

Speaking for myself and members of the FCH board, we are pleased to see the Hospital returned to non-profit status. This provides FCH with opportunities to collaborate on issue related to community health that simply were not possible with a for-profit Sharon Hospital. FCH has identified significant health needs in our community and we look forward to partnering with Health Quest to address these needs going forward.

Thank you again for this opportunity to speak in support of the CON Application for approval to transfer ownership of Sharon Hospital to Health Quest. I am available to answer any questions you have about FCH or our involvement with this transaction.

The foregoing is my sworn testimony.

Nancy Heaton
Executive Director
Foundation for Community Health

Transfer of Ownership of Sharon Hospital
to Vassar Health Connecticut, Inc.

Docket No. 16-32132-CON

Prefiled Testimony of Peter R. Cordeau, RN, BSN, MBA
Chief Executive Officer, Sharon Hospital

Good afternoon Hearing Officer Hansted and members of the OHCA Staff. My name is Peter Cordeau and I am the Chief Executive Officer of Sharon Hospital ("Sharon" or the "Hospital"). With me today is Mike Browder, Executive Vice President and Chief Financial Officer of RCCH HealthCare Partners ("RCCH"), Robert Friedberg, President and Chief Executive Officer of Health Quest Systems, Inc. ("Health Quest") and Nancy Heaton, Chief Executive Officer of the Foundation for Community Health, Inc. ("FCH").

Thank you for this opportunity to speak in support of the CON Application for transfer of ownership of Sharon to Vassar Health Connecticut, Inc. ("Vassar Connecticut"). With this transaction Sharon will become part of Health Quest, a non-profit regional healthcare system based out of Eastern New York that includes tertiary and community hospitals, a physician practice with several hundred providers, and various other healthcare facilities. As our CON submissions and hearing testimony have shown, the sale of Sharon Hospital to Vassar Connecticut represents the best option for restoring and revitalizing a hospital that the Sharon community has relied on to serve its healthcare needs for more than a century. For the many reasons articulated throughout this process, we at Sharon Hospital urge OHCA to approve our request for a CON to transfer ownership of the Hospital to the Health Quest system.

Background

Sharon Hospital is a 78-bed acute-care hospital located in the Northwest corner of Connecticut. We are one of the smallest and most remote hospitals in the state, located nearly 30

miles from the next closest acute-care general hospital. Sharon provides a full complement of hospital services to the community, subject to the limitations on certain specialty services that will be discussed here today and that have had a significant impact on our ability to drive volume and revenue at the Hospital.

We are somewhat unique among Connecticut hospitals in that a significant percentage of Sharon's patients originate from outside of the state. In FY 2016, for example, 42% of our inpatient discharges were of New York residents. Our primary and secondary service areas extend well into Eastern New York, overlapping with those of Health Quest's other system hospitals and providers. Sharon is also an aging community with approximately 40% of the Hospital's service area population projected to be over the age of 55 by FY 2021. Moreover, as OHCA is well aware, Sharon became the first for-profit acute-care hospital in Connecticut when it was purchased by Essent Healthcare, Inc. ("Essent"), RCCH's predecessor, in 2002.

I have served as CEO of Sharon Hospital since November of 2015, first in an interim capacity and since March of 2016, on a permanent basis. Before that I served as Sharon's Chief Nursing and Chief Operating Officer. In each of these roles I have interfaced with Hospital administration and staff, as well as members of the Sharon community. In my short time at Sharon I have come to understand just how much the Hospital is valued both by those who work here and those who live in and around Sharon. I can also see clearly the significant financial and operational issues the Hospital is facing and the impact that these issues have had on our ability to provide access to the highest quality healthcare services. And perhaps more so than others who are not in the Hospital every day, I understand that these issues are systemic and will not be resolved without the sale of Sharon to Health Quest.

Decision to Sell Sharon Hospital

As you will hear from my colleagues at RCCH and Health Quest, it was a perfect storm that led us to this place where we are requesting permission to sell Sharon to Vassar Connecticut and restore the Hospital to non-profit status. As Mike Browder will testify, Essent has delivered on its promises to make the capital and other investments and commitments necessary to turnaround and sustain a Hospital that was on the verge of closing in the early 2000s. Essent invested in infrastructure and services, including complete overhauls of the Labor and Delivery Unit and Emergency Department, and brought prosperity to the Hospital that lasted through its first decade of ownership.

Recently, however, the Hospital's bottom line was hit hard by factors largely outside of our control, including cuts in Medicaid reimbursement, a provider tax levied by the Connecticut General Assembly that negatively impacted Sharon, increased cost of delivering physician services with limited provider availability (e.g. call-coverage costs), and an inability to recruit and retain the physicians necessary to maintain certain medical specialty services (e.g. oncology) within the community. With the increased tax burdens, lower reimbursement, and outmigration of patients in need of specialty services that are either unavailable or available in limited capacity within the Sharon community, the Hospital has seen a consistent decrease in its financial performance.

You will also hear from Mr. Browder that while RCCH did all it could to make the Hospital viable, the company understood when it was time to pursue other strategic options to meet the healthcare needs of the Sharon community. RCCH made the responsible decision to sell the Hospital and, through extensive due diligence, determined that Health Quest was the best fit for Sharon on multiple levels. Mr. Friedberg will discuss the synergies among Health Quest

and Sharon and the System's plans for the Hospital in greater detail. I can tell you from what I have seen over the last several months, Health Quest's mission and vision fit squarely with the mission and vision of Sharon Hospital. Health Quest understands Sharon's problems and has a plan and the resources necessary to address those problems for the benefit of our community.

Involvement of the Sharon Community

It is apparent to anyone who has worked at Sharon for any length of time how much this Hospital means to the community. We have heard from families who have had generations born at Sharon and who have a vested interest in ensuring that this Hospital survives. We have taken the time to listen to community members' concerns about the proposed sale of Sharon Hospital, both in one-on-one meetings and at a Community Forum held on March 16th in this same room. There were approximately 40 members of the Sharon community in attendance and they spent nearly two hours asking questions of Messrs. Browder and Friedberg about the transaction and the Hospital's future. We did our collective best to explain why the sale of Sharon is necessary, Health Quest's plans for the Hospital and why this change will be beneficial. It was a spirited discussion that focused largely on Health Quest's commitment to Sharon and how it will work to expand and enhance service availability in our community. We also touched on the uncertainty around Federal healthcare reform and the role that digital healthcare technology will play in the provision of services in rural areas such as Sharon. We hope that the forum helped assuage any concerns on the part of the community about the impact of the sale of Sharon Hospital on the accessibility, quality and cost-effectiveness of services.

In addition to the community forum, our CON submissions are publically available, including copies that we provided to the Sharon Town Hall and The Hotchkiss Library of Sharon. And my door is always open to anyone in the community who wants to discuss this

transaction of other matters related to Sharon Hospital. This will continue to be the case going forward under Health Quest leadership.

Lastly, we have had numerous Town Hall meetings with Hospital staff to discuss the proposed transaction with Health Quest and respond to any questions or concerns that they have. Thus far the feedback that we have gotten from Hospital staff about this sale has been universally positive.

I personally am extremely excited to complete this transaction and see Sharon Hospital move forward under Health Quest leadership. Just as RCCH concluded that Health Quest was the best fit for Sharon, I believe the same based on my dealings with the company thus far and the commitment they have already shown to this community and our Hospital. Change is always difficult, but in a case like Sharon it is absolutely necessary. I believe that Health Quest has the resources and wherewithal to make Sharon Hospital thrive once again, and that change will be a positive one for all involved.

Thank you again for your time. I would now like to introduce my colleagues Mike Browder and Robert Friedberg who will tell you a little more about the impetus for this transaction and Health Quest's plans for Sharon Hospital. Nancy Heaton will also speak briefly about FCH's role with the new non-profit Hospital.

The foregoing is my sworn testimony.

Peter R. Cordeau, RN, BSN, MBA
Chief Executive Officer
Sharon Hospital

Transfer of Ownership of Sharon Hospital
to Vassar Health Connecticut, Inc.

Docket No. 16-32132-CON

Prefiled Testimony of Robert Friedberg
President & Chief Executive Officer,
Health Quest Systems, Inc.

Good afternoon Hearing Officer Hansted and members of the OHCA Staff. My name is Robert Friedberg and I am the President and Chief Executive Officer of Health Quest Systems, Inc. ("Health Quest"). Thank you for this opportunity to speak in support of the CON Application for the transfer of ownership of Sharon Hospital ("Sharon" or the "Hospital") to Vassar Health Connecticut, Inc. ("Vassar Connecticut"), a subsidiary of Health Quest, to be operated as a non-profit, charitable entity. My testimony today will focus on Health Quest's decision to acquire Sharon Hospital and why we believe it is a perfect fit for both the community and our broader system. I will also discuss what Health Quest has planned for capital improvements at Sharon Hospital and how we intend to enhance the availability of services in the primary and secondary services areas of the Hospital through focused physician recruitment and other initiatives. Lastly, I will touch on our new partnership with the Foundation for Community Health ("FCH") and why we believe their continued funding and involvement with Sharon Hospital governance going forward will be of great benefit to the Sharon community. Health Quest's acquisition of Sharon Hospital presents tremendous opportunities both for the Hospital and our existing providers to improve access to, and the provision of, healthcare services in and around Northwestern Connecticut. We at Health Quest therefore urge you to approve our CON request.

Background on Health Quest

Health Quest is a leading non-profit healthcare system based in Lagrangeville, New York, currently serving the Mid-Hudson Valley. The system includes three medical centers: Vassar Brothers Medical Center ("VBMC") in Poughkeepsie; Northern Dutchess Hospital ("NDH") in Rhinebeck; and Putnam Hospital Center in Carmel. We also operate Health Quest Medical Practice ("HQMP"), a network of nearly 300 physicians and providers, encompassing more than 25 specialties, practicing at our hospitals and at more than 20 offices located throughout the Mid-Hudson Valley. Health Quest also operates urgent care centers, a home care agency and The Thompson House, a skilled nursing facility, all located in New York.

Health Quest is a non-profit, tax-exempt organization that provides care to all patients regardless of ability to pay. In FY 2016, Health Quest provided more than $40 million in free and reduced-cost care. In addition, Health Quest reinvested substantially in its hospitals, facilities and providers. In the last three years alone, Health Quest has committed more than $750 million to improve VBMC, NDH, PHC, and HQMP. Hospitals operated by non-profit entities are considered community assets. Thus, they are governed by, and management is accountable to, boards of trustees that represent the interests of the local community. This will be the case with Sharon Hospital once it is acquired by Health Quest.

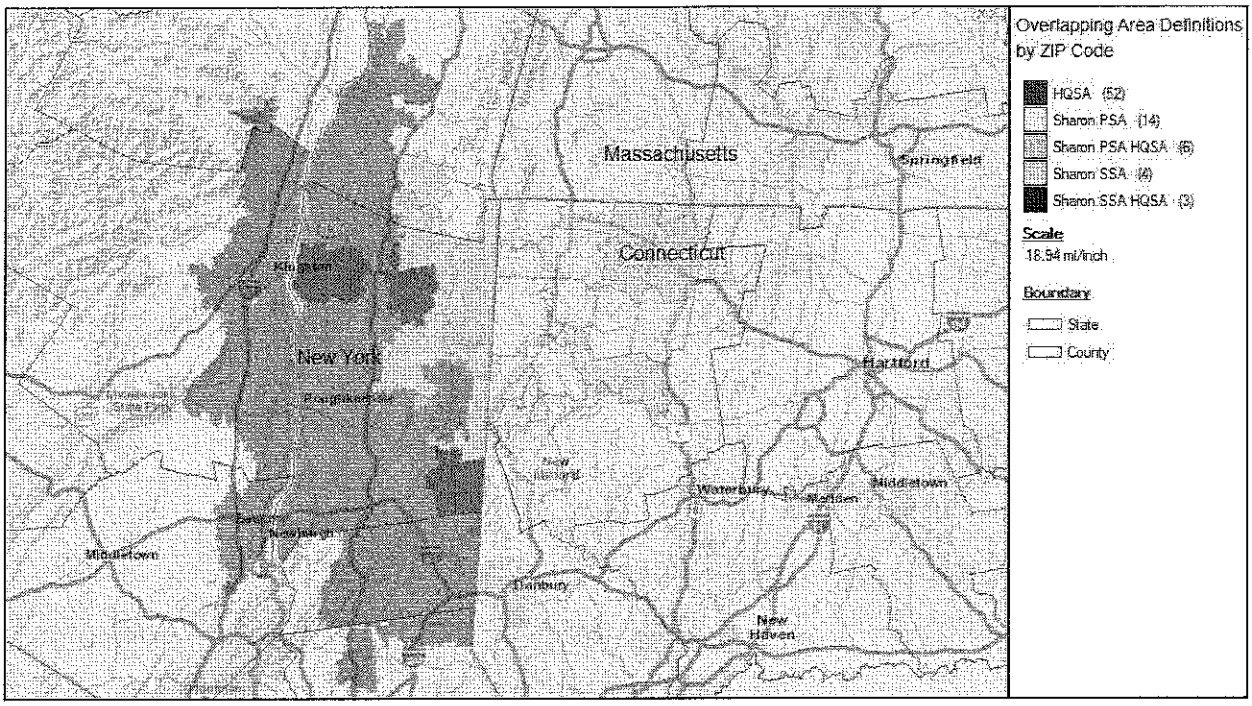
Health Quest's Mission is to deliver exceptional healthcare to the communities we serve. Our Vision is to be the region's leading healthcare organization recognized nationally for quality, safety, service and compassion. We have implemented this Mission and Vision through, among other things, striving for top-decile performance in quality and patient and employee satisfaction. As a measure of our success, Health Quest Medical Practice currently boasts an 80% physician

satisfaction rating. Among our existing facilities, NDH is leading the way for our hospitals with a patient satisfaction level that is nearly top-decile.

Health Quest's Mission and Vision will be extended to Northwest Connecticut and the surrounding community served for over a century by Sharon Hospital. Health Quest is driven by a core set of values that include Respect, Excellence, Accountability, Compassion, and Honor. Each of these values will apply equally to Health Quest's ownership and operation of Sharon Hospital going forward.

Decision to Acquire Sharon Hospital

Health Quest has had an interest in Sharon Hospital historically and, in fact, considered acquiring the hospital in the early 2000s before the former non-profit owners opted to sell to Essent, a for-profit entity. Our interest is based on common philosophies among our organizations, as well as great synergies that exist in terms of geography and services. As detailed in our CON submissions, Health Quest is a natural fit for Sharon Hospital (and vice versa) because of its geographic location and proximity to our other providers such as VBMC and NDH, and many of the HQMP offices. Given this geographic proximity there is necessarily overlap in the service areas of Sharon Hospital and the Health Quest providers. As the map below shows there is substantial overlap both in primary and secondary service areas extending far into New York:



In FY 2016 alone, more than 2,300 patients residing in the New York primary and secondary service areas of Sharon Hospital were discharged from Health Quest hospitals. Many more patients residing in these areas use HQMP for their physician services.

These synergies present opportunities for both organizations. Referral patterns show that patients from the Sharon Hospital primary and secondary service areas can and do obtain services at tertiary care centers such as VBMC with some regularity. These patients will now have the ability to obtain tertiary services at VBMC, if they so choose and it is clinically indicated, in a more coordinated manner inclusive of a common EMR and other Health Quest System practices. On the other hand, patients from the overlapping services areas who use Health Quest hospitals in New York can choose to obtain their services (subject to any clinical counter-indications) at Sharon Hospital and remain within Health Quest. In fact, both NDH and VBMC are experiencing capacity issues and we look forward to serving some of the patients at

Sharon Hospital. It is because of these types of synergies that the acquisition of Sharon Hospital makes tremendous sense for Health Quest.

Benefits to Sharon Hospital & the Sharon Community of Health Quest Ownership

Health Quest is committed to returning Sharon Hospital to the growth and prosperity it has experienced within the recent past. This will be achieved by, among other things, capital investments in infrastructure; leveraging local resources to recruit primary care and specialty physicians to practice in Sharon; and partnering with FCH to give the local community a say in Sharon Hospital and ensure that community healthcare needs are being met.

Capital Expenditures

Health Quest understands that its investment in Sharon Hospital does not end with its purchase of the Hospital. Sharon Hospital has significant and immediate capital needs and Health Quest is committed to completing many improvements within its first several years of ownership. For example, one of the largest and most costly capital expenditures involves upgrade and modernization of the EMR for Sharon Hospital and associated physician practices. Health Quest will replace the existing EMR system with Cerner, thereby linking Sharon Hospital to all existing Health Quest providers via a common digital platform. This project is expected to cost approximately $5 million. Health Quest is also planning the addition of geropsychiatric beds, expanding the existing Senior Behavioral Health Unit, a service for which there is limited capacity and tremendous demand. Along with the addition of these beds Health Quest will renovate space for clinical services including, but not limited to, medical oncology and infusion. These projects are expected to cost $3.5 million combined.

Health Quest also intends to renovate Sharon Hospital's Intensive Care Unit ("ICU"), including the addition of telemedicine equipment. This will allow Sharon Hospital to keep more

patients local by providing remote access to intensivists and other specialists, rather than transferring patients to other facilities. The ICU project is expected to cost approximately $1.5 million. In addition, Health Quest will make all of the Hospital's medical/surgical beds telemetry capable in order to enhance patient care and safety. This project will cost over $1 million. Moreover, Health Quest is considering the purchase of a da Vinci Robot so that additional general, gynecological and urological surgeries can be performed using this new technology. This equipment would cost approximately $2.5 million.

It should be noted that all of this is in addition to the normal course of business infrastructure maintenance and upgrades that are coming due in the near future. For example, there are boilers and an oil tank that need to be replaced and necessary HVAC upgrades, which will cost approximately $600,000. Health Quest will also undertake to "refresh" the aging infrastructure at Sharon Hospital to make it a more modern and appealing healthcare destination.

Health Quest fully understands the need to undertake these capital expenditures in order to meet its performance objectives at Sharon Hospital and improve the quality and accessibility of care. We are committed to moving forward and spending the necessary capital to ensure that Sharon Hospital has the appropriate physicians, equipment and facilities to best meet the needs of the Sharon community. As mentioned in the CON, a portion of this investment will be funded by a conditional grant from FCH. However, a vast majority will be funded by Health Quest through its cash reserves. Health Quest has a proven record of investing the necessary capital in its hospitals and facilities to maintain and expand the care available in the communities we serve. We intend to make significant investments in Sharon Hospital over the short and long-term to accomplish the same objectives, as previously noted.

Physician Recruitment

As Mike Browder mentioned in his testimony, one of the biggest hurdles RCCH faced in operating Sharon Hospital was its inability to recruit specialty physicians to practice in Sharon, primarily because of the lack of patient demand and other RCCH physicians to provide back-up and coverage. RCCH operated Sharon Hospital as a standalone hospital and, as such, had no local network of physicians to call upon. The sale of Sharon Hospital to Vassar Connecticut (Health Quest) will solve this issue. As my colleague Dr. Glenn Loomis will testify in the companion hearing on the transfer of Regional Healthcare Associates to a Connecticut Medical Foundation affiliated with Health Quest, the full resources of Health Quest will be available to the Connecticut Medical Foundation to assist with recruitment of physicians. Health Quest has a dedicated team of in-house physician recruiters whose only role is to identify physician recruits and employ them within the Health Quest System. We use a physician-led approach to practice and offer attractive compensation and benefits. We provide the security of a large group practice, which is attractive to younger physicians who want to be mentored and who do not want the responsibility for providing a specialty physician service to fall on their shoulders alone.[1]

HQMP has been extremely successful in its recent physician recruitment efforts. In FY 2016 alone we recruited 47 physicians to practice in the Mid-Hudson Valley region of New York, including 13 primary care physicians and 34 specialists. We expect to recruit at least another 40 physicians in FY 2017. Several of HQMP's offices are located in rural areas and medically underserved communities. We have been successful recruiting physicians to these

[1] Health Quest will also be implementing a Graduate Medical Education program system-wide beginning in FY 2019. Initial specialties will include family medicine and surgery. We expect to have 250 residents among our system hospitals by FY 2024. This program will serve as a pipeline for new physicians who want to continue practicing with the Health Quest system post-residency.

locations, which we believe speaks well of our ability to recruit physicians to practice in the Sharon primary and secondary service areas. Moreover, whereas previously a physician might not have wanted to relocate to Sharon for a part-time practice we can now repurpose our own physician to share time between practice locations in New York and Connecticut.

Our plans for Sharon Hospital are simple in this regard. Our first priority is to recruit and repurpose physicians (primary and specialty) in order to establish services that are not presently available in the Sharon community. This includes, notably, oncology services, which have not been available since Yale-New Haven closed its Smilow location in Sharon in 2015. We will also enhance other services where we know that patients are leaving the service area due to backlogs or limited physician availability or choice, for example cardiology, orthopedics, general surgery, and OB/GYN. As far as cardiology is concerned, Health Quest has three physicians committed to provide services in Sharon. With respect to orthopedics, Sharon physicians perform a small fraction (4%) of the approximately 650 total joint and spine surgeries for service area residents annually. We expect to recruit physicians who will be able to address the demand for these services directly in the community. General surgery is another area where Sharon Hospital is losing 80-90% of service area cases. Health Quest intends to help recapture this volume as well. We will also recruit to enhance patient choice for providers such as OB/GYNs where we know, for example, that some women are self-selecting providers outside of the community.

We also expect that the expansion of specialty services in the Sharon community will instill renewed confidence in Sharon Hospital on the part of local EMS providers. These providers will be more comfortable transporting patients to Sharon if they know there are specialty physicians available to provide needed care, whereas now they might select an alternate

hospital in order to avoid a second transport if the patient needs services that are not currently available.

Moreover, Health Quest intends to expand digital platforms that will allow for consultation by specialists outside of the community. We believe that this type of accessibility is an important aspect of how rural healthcare will be delivered in years to come.

Enhancing access and choice for physician services should also drive volume and revenue growth, as was the case historically. And, as Mr. Browder mentioned, the fixed costs associated with repurposed physicians are already being borne by Health Quest. In addition, HQMP physicians are able to cover call at Sharon at a lower cost than the locum tenens cost of coverage that Sharon Hospital contracts for presently. These cost savings, which are available by virtue of Sharon's membership in Health Quest, will contribute favorably towards the Hospital's financial improvement.

Foundation for Community Health

I would also like to speak briefly about the partnership that Health Quest has undertaken with the Foundation for Community Health ("FCH"). FCH is the successor organization to the Sharon Area Community Health Foundation, which was established to receive the proceeds of the sale of Sharon Hospital's assets to Essent in 2002. FCH is providing Health Quest with a $3 million conditional Asset Purchase Grant, towards the purchase of Sharon Hospital. Subsequently, FCH will provide an additional $6 million conditional Working Capital Grant to fund strategic investments in Sharon Hospital including direct physician and provider costs, investment in equipment, facility upgrades, ambulatory networks, IT infrastructure, and other strategic programmatic investments.

Our partnership with FCH is possible through the return of Sharon Hospital to a non-profit, charitable and tax-exempt organization. This will allow FCH to reinvest funds that were originally intended for Sharon Hospital but never achieved due to the Hospital's for-profit tax status. Now, as a tax-exempt organization, the funds can be directly provided in order to enhance the quality and accessibility of healthcare services for the community. We look forward to working with FCH in a meaningful way to benefit the health of Sharon area residents.

As part of our arrangement with the foundation, FCH is entitled to nominate 12 members (80%) of the initial Sharon Hospital Board under Vassar Connecticut ownership. These nominees will serve staggered terms and a number of the nominees will remain on the Board for a full six years. As their Chief Executive Officer Nancy Heaton will tell you in her remarks this afternoon, FCH has already conducted its due diligence and provided Health Quest with an exceptional group of nominees who we are interviewing and expect to appoint to the new Hospital Board in the near future. These nominees are from diverse personal and professional backgrounds and represent all corners of the Sharon Hospital service area, including both Connecticut and New York.

Once the terms of these FCH-nominated Board members expire new members will be nominated by the Sharon Hospital Board in the normal course and approved by Health Quest. Health Quest is absolutely committed to having local representation on Sharon Hospital Board going forward. We understand from operating other hospitals that local representation is critical to understanding and addressing the needs and concerns of the communities we serve.

In addition, as a tax-exempt hospital, we will be required to develop and implement a Community Health Needs Assessment ("CHNA") for the Sharon service area and to update that assessment periodically as required by law. The CHNA process for Health Quest hospitals is a

collaborative one involving clinicians, local boards of health, community members, and others who provide valuable input on community health priorities. We expect to be able to utilize FCH as a resource in this regard.

Projected Enhancement of Sharon Hospital

We understand that our volume and financial projections show significant growth in Sharon Hospital during Health Quest's first three years of operation. However we believe these projections are consistent with what has been achieved at Sharon Hospital historically and attainable given Health Quest's resources (human resources, financial resources, operational expertise and resources) and business plan. As Mr. Browder testified, Sharon Hospital/Regional Healthcare Associates achieved a 7% margin (income before interest and income taxes) as recently as FY 2011. We are projecting a consolidated (Sharon Hospital/Regional Healthcare Associates) margin of 6% by FY 2020. This is consistent with, and in many instances less than, the operating margins achieved by other Connecticut hospitals in FYs 2015 and 2016. Attached as Exhibit A is a comparison and summary of hospital operating margin data, compiled using audited financial statements and other information collected by OHCA. This data shows that each year there were seven (7) Connecticut hospitals with higher operating margins than what is projected for Sharon Hospital, including two (2) hospitals with operating margins in excess of 10%. It should also be noted that Health Quest hospitals have historically exceeded the average operating margins of hospitals in New York. For example, VBMC had an operating margin in excess of 6% last year, where the New York state average is just over 1%.

The projected growth at Sharon Hospital and RHA reflects Health Quest's commitment to invest, grow and expand services and access in and around Sharon. Expectations for Sharon's future are high, but are by no means out of line with what is occurring across Connecticut

hospitals today. There is tremendous upside capacity at Sharon Hospital. With the local resources of Health Quest and our ability to recruit and repurpose physicians and grow specialty services, our projections are entirely achievable. There are patients who are leaving the service area because ether specialty services are not available or are not to their liking. We can and will bring these patients back by elevating the level of services on the Sharon campus. An enhanced Sharon Hospital can also serve as a destination for service area residents who have opted to use NDH and VBMC in the past, but can now receive their care closer to home. Locally delivered care is best, when it is safe and feasible

Health Quest is a financially and strategically disciplined organization. We would not acquire Sharon Hospital and make significant investments (capital or otherwise) if we did not see the potential to achieve the projected growth and solid financial platform anticipated. We are confident in our ability to return Sharon Hospital to its former state of quality services, exceptional care and financial growth, much as we did with NDH. That hospital was nearly out of business when it became part of the Health Quest in 1999. Since then, we have undertaken two major building projects, replacing virtually all of the inpatient beds and the surgical operating suite and recovery room; added 16 licensed beds, with another 24-bed expansion planned; doubled the number of surgeons and primary care physicians on staff; and added the da Vinci and Navio surgical robots – investing $60 million just since 2014. NDH now has the best quality scores and financial margins in the Health Quest system. We expect to achieve comparable growth at Sharon.

Conclusion

Health Quest is eager to move forward with the purchase of Sharon Hospital and to make the necessary capital investments to achieve its publically stated goals and objectives. Health

Quest is in this for the long haul and we are making a commitment not just to maintain Sharon Hospital, but to enhance the accessibility and quality of the healthcare services available in the Sharon community. Health Quest has the financial and administrative resources to make this happen, and again, has committed to do so with specific actions, such as recruiting primary care and specialty physicians, enhancing existing services like cardiology, orthopedics and surgery, developing new services like oncology, making capital investments, and supporting routine maintenance expenditures. It is understood that the Sharon community does not want to see its hospital become a critical access facility or, worse yet, close. Health Quest presents the best option to ensure that Sharon Hospital survives to care for members of this community for generations to come.

Again, I thank you for your time and ask you to approve the CON for the transfer of Sharon Hospital to Vassar Connecticut, a non-profit member of Health Quest Systems. I am here to answer any questions you have after brief remarks by Nancy Heaton from the Foundation for Community Health.

The foregoing is my sworn testimony.

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Robert Friedberg
President & Chief Executive Officer
Health Quest Systems, Inc.

Transfer of Ownership of Sharon Hospital
to Vassar Health Connecticut, Inc.

Docket No. 16-32132-CON

Prefiled Testimony of Michael W. Browder
Executive Vice President & Chief Financial Officer,
RCCH HealthCare Partners

Good afternoon Hearing Officer Hansted and members of the OHCA Staff. My name is Mike Browder and I am an Executive Vice President and the Chief Financial Officer of RCCH HealthCare Partners ("RCCH"). RCCH is the parent company of Essent Healthcare of Connecticut, Inc., which owns and operates Sharon Hospital ("Sharon" or the "Hospital"). Thank you for this opportunity to speak in support of the CON Application for transfer of ownership of Sharon to Vassar Health Connecticut, Inc. ("Vassar Connecticut"), a subsidiary of Health Quest Systems, Inc. ("Health Quest"). My testimony today will focus on Sharon's history as a for-profit hospital and the growth and prosperity achieved during our ownership of the Hospital; the unforeseen issues that have negatively impacted Sharon's viability under RCCH ownership; as well as our difficult decision to sell Sharon and our selection of Health Quest as the purchaser who could best meet the needs of the Sharon community and turn the Hospital around once again.

I hope my presentation will give OHCA and the community members present today – many of whom attended our community forum and asked thoughtful questions about the sale and its impact on their hospital and healthcare services – a better understanding of why RCCH has chosen to transition the Hospital to a local health system, which can provide benefits that simply are not available to Sharon as a standalone hospital within the RCCH system. For the reasons stated in our CON submissions and as I will discuss today, the sale Sharon is necessary to ensure

access to the highest-quality hospital services for Sharon area residents. We at RCCH therefore urge you to approve our CON request.

Acquisition of Sharon Hospital by Essent Healthcare

I am in the unique position among my colleagues of having been part of the original for-profit conversion of Sharon Hospital in 2002, the first of its kind in the State of Connecticut. At the time I served as Chief Financial Officer of Essent Healthcare, Inc. ("Essent"). Essent's business model was to acquire "essential" community hospitals and provide them with the financial resources and expertise to support their growth. [1] Sharon Hospital was the perfect fit for Essent given its remote location (designated as a "sole community provider" under 42 CFR 412.92) and the breadth of support for the Hospital among members of the Sharon community.

Essent went through an extensive regulatory approval process involving both OHCA and the Office of the Attorney General prior to acquiring Sharon Hospital. We made many commitments to the Sharon community as part of that process, including a promise to make significant capital investments in infrastructure and service at the Hospital. These included, among other things, a $16.5 million expansion project in 2006 that involved the renovation and modernization of Sharon's Labor and Delivery Unit, Emergency Department and MRI Service. Over the course of 10 years we added services and technology including, but not limited to: CADstream Technology for early detection of breast cancer; laser vein therapy; digital mammography, stroke center designation from the Connecticut Department of Public Health; a sleep center; a pain management clinic; an interventional radiology suite; wound care and

[1] Beginning in 2012, Essent when through several parent-level restructuring transactions that resulted in mergers with RegionalCare Hospital Partners ("RegionalCare") and Cappella Health ("Cappella"). This extended the new company's hospital portfolio into other regions and changed the make-up of its hospitals away from smaller community hospitals to include larger facilities located in and around urban areas.

hyperbaric medicine; and an upgraded CT scanner. The Hospital also improved its patient safety ratings and expanded community health programs during Essent's tenure.

Sharon Hospital met or exceeded our volume growth and financial expectations for many years. In 2005, for example, we exceeded the net earnings threshold above which we had agreed to contribute monies to the Foundation for Community Health, Inc. ("FCH"), the successor foundation established as part of the 2002 for-profit conversion. Looking at Sharon's historic financials (Sharon Hospital/Regional Healthcare Associates), we achieved a 7% margin (income before interest and income taxes) as recently as FY 2011, and our inpatient admissions around that time were approximately 3,000 annually.

Decision to Sell Sharon Hospital

Despite the prosperity that Sharon experienced, there were issues beyond Essent's control that would eventually lead to the financial decline that resulted in our decision to sell the Hospital. A series of market factors including ongoing cuts in reimbursement from state funding programs, an increase in self-pay activity that drove up bad debt, provider tax increases, and physician coverage-based costs for specialty call services, came together to threaten the financial viability of the hospital. As a result, net losses have increased from ($1.41 million) in FY 2014 to ($2.5 million) in FY 2016.[2]

In addition, both inpatients and outpatient volume at Sharon Hospital have been consistently declining in recent years. Sharon saw a 16% decrease in inpatients discharges between FY 2013 and FY 2016. This was due, in part, to a 5% decline in Emergency Department visits (which result in many of the Hospital's inpatient admissions) between FY 2014 and FY 2016, insurance plan design, increased consumerism, and closure of the Hospital's

[2] The latter excludes an $11.21 million impairment loss on long-lived assets.

oncology service in FY 2015. The Hospital also experienced a 22% decline in inpatient surgical cases between FY 2014 and FY 2016.

Decreases in volume have been tied, in large part, to Sharon's inability to recruit and retain physicians to practice in rural Northwest Connecticut. As larger local systems continued to expand and make inroads into the Sharon community, recruitment has become even more difficult for the Hospital. At the same time, changes in physician-hospital dynamics have made staffing physician services in the Sharon area increasingly cost-prohibitive.

Sharon is in essence a standalone hospital, albeit part of the RCCH system. We at RCCH believe that time is running out on the viability of standalone community hospitals that operate without the resources of local health system. One of the primary reasons for this is the ability of a local system (and in turn the inability of a system without local resources) to recruit physicians and staff community physician services in a cost-effective manner. Sharon's geographic isolation both within Connecticut and the RCCH system has made the recruitment of physicians to provide specialty services increasingly difficult. By way of example, Sharon was forced to close it sleep service in 2015, after the Medical Director relocated out of state and the Hospital was unable to recruit a replacement for the part-time position. Similarly, the Yale-New Haven oncology service at Sharon closed in 2015, after the doctors who provided care at the Hospital on a part-time basis retired. There are many more examples of services that have been curtailed due to the Hospital's inability to find physicians willing to relocate to Sharon for less-than-full-time work.

For those services where we were able to recruit, we often found only one or two physicians willing to work in Sharon. We then had to incur significant costs on locum tenens, because one or two physicians cannot realistically provide call for a medical specialty 24/7.

Note this is an issue that a system like Health Quest will not experience vis-à-vis Sharon because it already employs providers whose practices can be extended to cover the Sharon service area. These physician costs are already being borne by the Health Quest system. But for RCCH, the issues with recruitment and increasing coverage costs combined to negatively impact the Hospital's bottom line.

As Sharon's financial position has deteriorated we have done everything within reason to achieve maximum cost-savings (e.g. lowering supply costs through group purchasing, curtailing underutilized services), grow revenues and turn the Hospital around. Despite our best efforts we have reached the point where the revenue we can generate at Sharon with RCCH resources does not cover the fixed costs associated with operating the Hospital. We are unable to do what needs to be done to generate the necessary additional revenue – namely, recruit physicians to staff specialty services and reverse the outmigration of patients from Sharon to healthcare providers outside of the community. For these reasons, RCCH made the difficult decision to sell Sharon Hospital rather than see it reduced to a critical access facility or, worse yet, have to close altogether leaving the community without any hospital services.

Selection of Health Quest as Purchaser

In 2015, RCCH began exploring a wide range of strategic options for Sharon Hospital. Foremost in our minds was a desire to see Sharon remain a full-service hospital to provide care for a community that has always been important to us. In the interest of being as thorough as possible we considered both for-profit and not-for-profit, in-state and out-of-state alternatives. RCCH considered the sale of Sharon to another for-profit health system, but many of those we spoke with had geographic limitations similar to RCCH and we knew that would not work for Sharon. After weighing all viable options RCCH determined that the best result for Sharon and

the community it serves would come from affiliating with a larger regional health system such as Health Quest.

RCCH ultimately selected Health Quest to purchase Sharon Hospital because the company presented the best option in terms of proximity, resources and overall fit. Robert Friedberg, the President and CEO of Health Quest, is here today and he will give you more detail on how Sharon fits into the Health Quest system and what their plans are for the Hospital and the Sharon community. Of note, there is a substantial overlap in the service areas of Sharon and the existing Health Quest hospitals and providers. Recall that approximately 42% of Sharon's inpatient volume is New York residents, making a New York system a logical choice to acquire the Hospital.

Significantly, we see great potential in Health Quest's ability to recruit specialty physicians to the Sharon area. The Health Quest Medical Practice ("HQMP") has hundreds of providers located throughout Eastern New York, including in and around towns that are part of Sharon's historic service area. They have a network of physicians built into their cost structure that can be tapped to provide services in Sharon as needed, including on a part-time basis or for call coverage. Moreover, we understand that HQMP has resources and processes in place to facilitate recruitment of new physicians to practice in Sharon. Being part of the Health Quest system will give these new doctors the security, flexibility and mentorship benefits that come from practicing as part of a large group, something that RCCH could not offer with its limited local presence. This should add up to more patients staying local to Sharon for specialty care, increasing volume and revenue at the Hospital as a result.

RCCH was also impressed with Health Quest's commitment to make the capital investments in infrastructure and other improvements that are needed to move Sharon Hospital

forward. Given the issues that Sharon is experiencing, and RCCH's limited local resources, we are simply unable to make extensive investments in the Hospital while remaining fiscally prudent and accountable to our other system providers. Again, Mr. Friedberg will provide greater detail on what Health Quest has planned for Sharon, but we understand that the capital investment will be significant.

Health Quest is a system known for quality and excellence. We are pleased to know that Sharon will become part of a care network that offers the highest quality services, including tertiary care and specialty physician services, in a coordinated, accessible and cost-effective manner.

Conclusion

I have worked for healthcare systems my entire career and I can assure you that the decision to sell a hospital is never an easy one. Essent made a commitment to the Sharon community 15 years ago and we fulfilled that commitment to the best of our ability. We invested millions of dollars in Sharon Hospital, modernized facilities and infrastructure, and grew services, volume and revenue. Now for reasons that are in many respects beyond our control, RCCH no longer offers the best option for growth and prosperity for the Hospital. Therefore, the responsible thing to do for our company, the Hospital and the Sharon community is to return Sharon Hospital to non-profit status with Health Quest. We have done our due diligence and believe that putting Sharon into Health Quest's hands is the preferred course of action for a community hospital that we want to see succeed and exist for many years to come.

For these reasons I again urge you to approve our CON request. I would now like to introduce Mr. Friedberg. We will make ourselves available to answer questions once our presentation is concluded.

The foregoing is my sworn testimony.

_____

Michael W. Browder
Executive Vice President & Chief Financial Officer
RCCH HealthCare Partners

Transfer of Ownership of Regional Healthcare Associates, LLC to a Subsidiary of Vassar Health Connecticut, Inc.

Docket No. 16-32133-CON

Prefiled Testimony of Glenn Loomis, MD, MSHM, FAAFP
Chief Medical Operations Officer, Health Quest Systems, Inc.
& President, Health Quest Medical Practice

Good afternoon Hearing Officer Hansted and members of the OHCA Staff. My name is Glenn Loomis and I am the Chief Medical Operations Officer for Health Quest Systems, Inc. ("Health Quest") and President of Health Quest Medical Practice ("HQMP"). Thank you for this opportunity to speak in support of the CON Application for the transfer of ownership of Regional Healthcare Associates, LLC ("RHA") to a Connecticut medical foundation ("Medical Foundation") affiliated with Vassar Health Connecticut, Inc. ("Vassar Connecticut"). As my colleague Peter Cordeau mentioned, this transfer of ownership is part of a larger transaction involving the sale of Sharon Hospital ("Sharon" or the "Hospital") to Vassar Connecticut, a subsidiary of Health Quest. My testimony today will focus on Health Quest's philosophy and practices around the provision of physician services, as well as our plans for the Connecticut Medical Foundation and the enhancement of physician services in Sharon. Establishment of the Medical Foundation will improve access to, and the quality of, healthcare for the Sharon community and we urge OHCA to approve this CON request along with the CON to transfer ownership of Sharon Hospital to Health Quest.

Background on Health Quest Medical Practice

I have served as the Chief Medical Operations Officer for Health Quest and President of HQMP since January of 2016. Prior to joining Health Quest, I managed large physician group practices in Kentucky, Indiana and Michigan. HQMP is the employed physician group of Health Quest. Formed in 2008, it has grown to nearly 300 providers in more than 25 specialties with

practice locations throughout the Mid-Hudson Valley region of New York. The practice continues to grow in terms of number of providers, geographic reach and number of patients. Last year HQMP saw approximately 250,000 unique patients.

HQMP is a physician-led organization, and HQMP physicians oversee all operational policies and decisions impacting the practice. Since I assumed a leadership position with HQMP we have brought on additional administrators, including a Chief Operating Officer and Chief Medical Officer, and hired additional personnel with expertise in revenue cycle operations and, notably, physician recruitment. HQMP utilizes a dyad-leadership model, which pairs physician leaders with administrators. This model allows individuals to focus on what they know best – for example, physician leaders are tasked with leading quality and patient safety initiatives while administrative leaders are tasked with day-to-day operations and activities that impact the cost-effectiveness of care.

Health Quest's Operation of the Connecticut Medical Foundation

Health Quest intends to operate the Connecticut Medical Foundation using the dyad-leadership model, as we have found that this model allows us to be most effective in delivering a positive patient experience and better health outcomes while controlling the cost of care. Like HQMP, the Medical Foundation will be subject to processes that encourage service excellence, quality, innovation, teamwork, and growth. The administrators and physician leaders from HQMP will work closely with the Medical Foundation to ensure that its immediate needs are met so that the healthcare needs of the Sharon community can be met. Specifically, our initial focus will be on infrastructure improvements and physician recruitment.

As my colleague Robert Friedberg testified earlier, Health Quest intends to use grant funds from the Foundation for Community Health, as well as its own operating funds, to

undertake significant capital improvements that will benefit both the Hospital and the Medical Foundation. This includes, notably, the conversion of the Hospital and Medical Foundation offices to an upgraded EMR platform. Upgrading to Cerner EMR will allow Sharon and the Medical Foundation to be fully integrated into the Health Quest system, affording patients maximum coordination of care between our various hospitals and providers.

Health Quest will also use the resources at its disposal to immediately address the physician recruitment needs at Sharon. As Mr. Friedberg mentioned, there is significant overlap in the service areas of HQMP and Sharon. We have physicians whose practices are located in and around the towns in Sharon's New York service area. In many cases their practices can easily be extended to include Sharon. These physicians can and will be repurposed to fill physician service needs in Sharon.

In addition, we have had tremendous success recruiting new physicians to HQMP and we expect to have similar success in Sharon. As a large group practice with a stable infrastructure and many experienced physicians to consult, HQMP is an attractive option for young physicians looking for mentorship as they begin their practices. This same support will be available to new physicians recruited to practice in and around Sharon. Health Quest also has a proven record of recruiting physicians to practice in rural communities like Sharon. In addition, whereas establishing a specialty physician practice in Sharon may be cost-prohibitive for an individual physician given fixed overhead and low patient volume, being part of a larger practice and healthcare system allows for costs to be spread over a larger number of patients, making these types of practices more cost-effective.

Our initial recruitment priorities for Sharon include medical specialties that have been non-existent or limited and for which we know there is a demand, as well as primary care

physicians. The specialties include oncology, orthopedics, cardiology, endocrinology, general surgery, and OB/GYN, to name a few. Our goal is to provide patients with more specialty care options and choice of providers so that they opt to receive care locally. When clinically indicated, local care is best for patient in terms of ease of access, follow-up care and ability for loved ones to be involved.

Note also that Health Quest intends to obtain Patient Centered Medical Home status for the Connecticut Medical Foundation, which will enhance access to care for patients, promote wellness and, if effective, reduce the overall cost of patient care. We will also be expanding our participation with various third-party payers to make it easier for patients in a border community such as Sharon to obtain covered services in either Connecticut or New York, thereby expanding patient choice. Also, the Medical Foundation will be a tax-exempt entity and, like other providers within the Health Quest system, will care for patient regardless of payer source and ability to pay consistent with its charitable status.

Conclusion

Thank you again for the opportunity to speak in support of the transfer of RHA to the Connecticut Medical Foundation and the larger transaction involving the sale of Sharon Hospital to Health Quest. Bringing physician services in Sharon under the Health Quest umbrella will vastly increase the resources available to these practices and their ability to expand to meet the healthcare needs of the community. This expansion will have a positive impact on the Hospital as well, ensuring that it remains a viable healthcare asset.

For these reasons, I again urge you to approve this CON request. We are available to answer any questions that you have.

The foregoing is my sworn testimony.

Glenn Loomis, MD, MSHM, FAAFP
Chief Medical Operations Officer
& President
Health Quest Medical Practice

Transfer of Ownership of Regional Healthcare Associates, LLC to a Subsidiary of Vassar Health Connecticut, Inc.

Docket No. 16-32133-CON

Prefiled Testimony of Peter R. Cordeau, RN, BSN, MBA
Chief Executive Officer, Sharon Hospital

Good afternoon Hearing Officer Hansted and members of the OHCA Staff. My name is Peter Cordeau and I am the Chief Executive Officer of Sharon Hospital ("Sharon" or the "Hospital"). With me today is Dr. Glenn Loomis, Chief Medical Operations Office for Health Quest Systems, Inc. ("Health Quest") and President of Health Quest Medical Practice ("HQMP). Thank you for this opportunity to speak in support of the CON Application for transfer of ownership of Regional Healthcare Associates, LLC ("RHA") to a Connecticut medical foundation (the "Medical Foundation") affiliated with Vassar Health Connecticut, Inc. ("Vassar Connecticut"). This transfer of ownership is part of a larger transaction involving the sale of Sharon to Vassar Connecticut, a subsidiary of Health Quest. This transaction will return the Hospital to non-profit status and bring RHA and TriState Women's Services, LLC ("TriState") together as a non-profit medical foundation under Health Quest ownership.

The Hospital currently provides administrative and management services to RHA and TriState through Professional Services Agreements ("PSA"). Approving the transfer of ownership of RHA (and TriState) will result in the coordinated delivery of physician services in the greater Sharon area. In addition, it will give RHA and TriState access to the resources of Health Quest, including the operational expertise of HQMP. This coordination of care and access to Health Quest's practice-management resources will help to enhance the accessibility and quality of physician services in the Sharon community. For these reasons, we urge OHCA to

approve this CON request along with the CON to transfer ownership of Sharon Hospital to Health Quest.

Background and Proposed Acquisition of Regional Healthcare Associates

RHA is a multi-specialty physician practice with offices in Sharon, Kent and New Milford. The practice provides physician services including primary care, general surgery, orthopedic surgery, hospitalist medicine, OB/GYN, and urology. RHA is a for-profit, physician-owned large group practice that employs 11 physicians and ancillary providers. It serves more than 15,000 patients and has a service area that spans Northwestern Connecticut and the Mid-Hudson Valley region of New York. Sharon has a PSA in place with RHA through which it provides a variety of administrative functions. We provide senior management to RHA, which includes recruiting and training a professional management team to oversee practice operations, billing operations and staff recruitment/training. Sharon also provides day-to-day operational support for RHA including accounting, supply procurement, acquiring office space/securing leases, payroll, human resources, IT, accounts payable, marketing, and other general business functions. The senior management team at RHA works closely with its physicians and the Hospital to ensure that the practice is meeting its goal of supporting the healthcare needs of the community.

As detailed in our CON submissions, Health Quest intends to establish a non-profit Medical Foundation under Chapter 594b of the Connecticut General Statutes to acquire the assets of both RHA and TriState. These practices will be operated as part of the Health Quest system and in a manner similar to, and in coordination with, HQMP. As my colleague Dr. Loomis will discuss in greater detail, HQMP is a multi-specialty practice with nearly 300

physicians and providers, more than 25 specialties, and over 20 locations throughout the Mid-Hudson Valley region.

Benefits of Health Quest Ownership of Regional Healthcare Associates

As our CON submissions in this and the companion proceeding for the transfer of ownership of Sharon Hospital detail, physician services have been an historic issue in Sharon. Specifically, our ability to recruit and retain specialty physicians under RCCH HealthCare Partners ("RCCH") ownership of Sharon Hospital has been limited. This is largely a result of Sharon's status as a "standalone" hospital within the RCCH system – geographically isolated from other system hospitals and lacking a local provider network. Without these resources, we have been unable to find physicians willing to practice in remote Sharon on what is often a part-time basis due to limited demand for certain specialty services. For these reason, we have had to terminate services.

Some notable examples are our Sleep Center, which was forced to close when the Medical Director relocated out of state and we were unable to recruit a replacement, as well as oncology services. Yale-New Haven Hospital established an outpatient oncology service in Sharon, which it had to close in 2015 after the physicians who were covering our area announced their respective retirements. The need for these services was not full-time, and finding an oncologist willing to relocate to this area to establish a part-time practice was impossible. We also know that we are losing patients in need of specialty services such as orthopedics, cardiology, general surgery, endocrinology, and OB/GYN to name a few because of our inability to recruit providers with certain skill sets and/or to give patients the choices they desire. From a volume perspective, RHA experienced a 27% decline in outpatient visits between FY 2013 and

FY 2016 as a result of the loss of providers in specialties including cardiology, pain management, OB/GYN, primary care, and pediatrics.

As mentioned in the CON submissions related to the Hospital transfer, our inability to recruit the specialty physician necessary to keep patient local has an adverse fiscal impact on the Hospital. For example, the loss of outpatient oncology services correlates to a decrease in inpatient admissions. Similarly, the lack of available specialists at Sharon Hospital often causes EMS personnel to opt for alternative hospitals depending upon a patient's condition. This results in a decrease in Emergency Department volume at Sharon and the Emergency Department is by far our largest feeder of inpatient volume. In addition, for those services we do provide where there are only a few physicians located in Sharon, we incur significant costs for locum tenens call coverage.

We are confident in Health Quest's ability to bring specialty physician services back to Sharon. The extensive network of HQMP providers will allow physicians to be reallocated to Sharon, in some cases on a temporary or part-time basis, to support services. For some, this will simply be an extension of their practices to include the Sharon service area. HQMP physicians will also be available to cover call. More importantly, as Dr. Loomis will discuss, HQMP has the resources and a proven track record with the recruitment of new physicians to help us meet our staffing needs. These include physicians who are new to practice, as well as those who have existing practices and might be interested in relocating to Sharon. HQMP has a history of success in recruiting physicians to practice in rural communities, which speaks well of their ability to recruit for Sharon. Being part of the Health Quest system will also allow physicians to spread their costs out over a larger patient base, making it easier to justify practices in Sharon where the volume may not be sufficient to support the overhead of an independent practice.

Conclusion

We look forward to working with Health Quest as they implement their physician strategies in Sharon. It is encouraging to see the successes that HQMP has had in increasing access to, and the quality of, physician services in New York. We know they will be able to do the same for us, growing physician services so that Sharon area residents no longer need to leave the community for specialty care. For these reasons, we ask that you approve the CON to transfer RHA to the Medical Foundation as part of the Sharon Hospital sale.

I would now like to introduce Dr. Loomis who will tell you about HQMP and the company's plans for the Connecticut Medical Foundation. After Dr. Loomis's presentation is complete, we will be available to answer any questions that you have.

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undertake significant capital improvements that will benefit both the Hospital and the Medical Foundation. This includes, notably, the conversion of the Hospital and Medical Foundation offices to an upgraded EMR platform. Upgrading to Cerner EMR will allow Sharon and the Medical Foundation to be fully integrated into the Health Quest system, affording patients maximum coordination of care between our various hospitals and providers.

Health Quest will also use the resources at its disposal to immediately address the physician recruitment needs at Sharon. As Mr. Friedberg mentioned, there is significant overlap in the service areas of HQMP and Sharon. We have physicians whose practices are located in and around the towns in Sharon's New York service area. In many cases their practices can easily be extended to include Sharon. These physicians can and will be repurposed to fill physician service needs in Sharon.

In addition, we have had tremendous success recruiting new physicians to HQMP and we expect to have similar success in Sharon. As a large group practice with a stable infrastructure and many experienced physicians to consult, HQMP is an attractive option for young physicians looking for mentorship as they begin their practices. This same support will be available to new physicians recruited to practice in and around Sharon. Health Quest also has a proven record of recruiting physicians to practice in rural communities like Sharon. In addition, whereas establishing a specialty physician practice in Sharon may be cost-prohibitive for an individual physician given fixed overhead and low patient volume, being part of a larger practice and healthcare system allows for costs to be spread over a larger number of patients, making these types of practices more cost-effective.

Our initial recruitment priorities for Sharon include medical specialties that have been non-existent or limited and for which we know there is a demand, as well as primary care

physicians. The specialties include oncology, orthopedics, cardiology, endocrinology, general surgery, and OB/GYN, to name a few. Our goal is to provide patients with more specialty care options and choice of providers so that they opt to receive care locally. When clinically indicated, local care is best for patient in terms of ease of access, follow-up care and ability for loved ones to be involved.

Note also that Health Quest intends to obtain Patient Centered Medical Home status for the Connecticut Medical Foundation, which will enhance access to care for patients, promote wellness and, if effective, reduce the overall cost of patient care. We will also be expanding our participation with various third-party payers to make it easier for patients in a border community such as Sharon to obtain covered services in either Connecticut or New York, thereby expanding patient choice. Also, the Medical Foundation will be a tax-exempt entity and, like other providers within the Health Quest system, will care for patient regardless of payer source and ability to pay consistent with its charitable status.

Conclusion

Thank you again for the opportunity to speak in support of the transfer of RHA to the Connecticut Medical Foundation and the larger transaction involving the sale of Sharon Hospital to Health Quest. Bringing physician services in Sharon under the Health Quest umbrella will vastly increase the resources available to these practices and their ability to expand to meet the healthcare needs of the community. This expansion will have a positive impact on the Hospital as well, ensuring that it remains a viable healthcare asset.

For these reasons, I again urge you to approve this CON request. We are available to answer any questions that you have.

The foregoing is my sworn testimony.

Glenn Loomis, MD, MSHM, FAAFP
Chief Medical Operations Officer, Health Quest Systems
& President, Health Quest Medical Practice

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS DIVISION

IN RE: TRANSFER OF OWNERSHIP OF SHARON HOSPITAL TO VASSAR HEALTH CONNECTICUT, INC.	)	DOCKET NO. 16-32132-CON
	)	MARCH 29, 2017

NOTICE OF APPEARANCE

In accordance with Section 19a-9-28 of the Regulations of Connecticut State Agencies, please enter the appearance of Updike, Kelly & Spellacy, P.C. ("Firm") in the above-captioned proceeding on behalf of Essent Health Care of Connecticut, Inc. d/b/a Sharon Hospital, Sharon Hospital Holding Company, Health Quest Systems, Inc., and Vassar Health Connecticut, Inc. (collectively the "Applicants"). The Firm will appear and represent the Applicants at the public hearing on this matter, scheduled for April 5, 2017.

Respectfully Submitted,

ESSENT HEALTHCARE OF CONNECTICUT, INC. d/b/a/ SHARON HOSPITAL;
SHARON HOSPITAL HOLDING COMPANY;
HEALTH QUEST SYSTEMS, INC.; &
VASSAR HEALTH CONNECTICUT, INC.

By: _____

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CERTIFICATION

This is to certify that a copy of the foregoing was sent via electronic mail this 29th day of March, 2017 to the following parties:

Victor Germack
The Community Association
To Save Sharon Hospital
P.O. Box 612
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JENNIFER GROVES FUSCO, ESQ.
Updike, Kelly & Spellacy, P.C.

Transfer of Ownership of Sharon Hospital
to Vassar Health Connecticut, Inc.

Docket No. 16-32132-CON

Prefiled Testimony of Peter R. Cordeau, RN, BSN, MBA
Chief Executive Officer, Sharon Hospital

Good afternoon Hearing Officer Hansted and members of the OHCA Staff. My name is Peter Cordeau and I am the Chief Executive Officer of Sharon Hospital ("Sharon" or the "Hospital"). With me today is Mike Browder, Executive Vice President and Chief Financial Officer of RCCH HealthCare Partners ("RCCH"), Robert Friedberg, President and Chief Executive Officer of Health Quest Systems, Inc. ("Health Quest") and Nancy Heaton, Chief Executive Officer of the Foundation for Community Health, Inc. ("FCH").

Thank you for this opportunity to speak in support of the CON Application for transfer of ownership of Sharon to Vassar Health Connecticut, Inc. ("Vassar Connecticut"). With this transaction Sharon will become part of Health Quest, a non-profit regional healthcare system based out of Eastern New York that includes tertiary and community hospitals, a physician practice with several hundred providers, and various other healthcare facilities. As our CON submissions and hearing testimony have shown, the sale of Sharon Hospital to Vassar Connecticut represents the best option for restoring and revitalizing a hospital that the Sharon community has relied on to serve its healthcare needs for more than a century. For the many reasons articulated throughout this process, we at Sharon Hospital urge OHCA to approve our request for a CON to transfer ownership of the Hospital to the Health Quest system.

Background

Sharon Hospital is a 78-bed acute-care hospital located in the Northwest corner of Connecticut. We are one of the smallest and most remote hospitals in the state, located nearly 30

miles from the next closest acute-care general hospital. Sharon provides a full complement of hospital services to the community, subject to the limitations on certain specialty services that will be discussed here today and that have had a significant impact on our ability to drive volume and revenue at the Hospital.

We are somewhat unique among Connecticut hospitals in that a significant percentage of Sharon's patients originate from outside of the state. In FY 2016, for example, 42% of our inpatient discharges were of New York residents. Our primary and secondary service areas extend well into Eastern New York, overlapping with those of Health Quest's other system hospitals and providers. Sharon is also an aging community with approximately 40% of the Hospital's service area population projected to be over the age of 55 by FY 2021. Moreover, as OHCA is well aware, Sharon became the first for-profit acute-care hospital in Connecticut when it was purchased by Essent Healthcare, Inc. ("Essent"), RCCH's predecessor, in 2002.

I have served as CEO of Sharon Hospital since November of 2015, first in an interim capacity and since March of 2016, on a permanent basis. Before that I served as Sharon's Chief Nursing and Chief Operating Officer. In each of these roles I have interfaced with Hospital administration and staff, as well as members of the Sharon community. In my short time at Sharon I have come to understand just how much the Hospital is valued both by those who work here and those who live in and around Sharon. I can also see clearly the significant financial and operational issues the Hospital is facing and the impact that these issues have had on our ability to provide access to the highest quality healthcare services. And perhaps more so than others who are not in the Hospital every day, I understand that these issues are systemic and will not be resolved without the sale of Sharon to Health Quest.

Decision to Sell Sharon Hospital

As you will hear from my colleagues at RCCH and Health Quest, it was a perfect storm that led us to this place where we are requesting permission to sell Sharon to Vassar Connecticut and restore the Hospital to non-profit status. As Mike Browder will testify, Essent has delivered on its promises to make the capital and other investments and commitments necessary to turnaround and sustain a Hospital that was on the verge of closing in the early 2000s. Essent invested in infrastructure and services, including complete overhauls of the Labor and Delivery Unit and Emergency Department, and brought prosperity to the Hospital that lasted through its first decade of ownership.

Recently, however, the Hospital's bottom line was hit hard by factors largely outside of our control, including cuts in Medicaid reimbursement, a provider tax levied by the Connecticut General Assembly that negatively impacted Sharon, increased cost of delivering physician services with limited provider availability (e.g. call-coverage costs), and an inability to recruit and retain the physicians necessary to maintain certain medical specialty services (e.g. oncology) within the community. With the increased tax burdens, lower reimbursement, and outmigration of patients in need of specialty services that are either unavailable or available in limited capacity within the Sharon community, the Hospital has seen a consistent decrease in its financial performance.

You will also hear from Mr. Browder that while RCCH did all it could to make the Hospital viable, the company understood when it was time to pursue other strategic options to meet the healthcare needs of the Sharon community. RCCH made the responsible decision to sell the Hospital and, through extensive due diligence, determined that Health Quest was the best fit for Sharon on multiple levels. Mr. Friedberg will discuss the synergies among Health Quest

and Sharon and the System's plans for the Hospital in greater detail. I can tell you from what I have seen over the last several months, Health Quest's mission and vision fit squarely with the mission and vision of Sharon Hospital. Health Quest understands Sharon's problems and has a plan and the resources necessary to address those problems for the benefit of our community.

Involvement of the Sharon Community

It is apparent to anyone who has worked at Sharon for any length of time how much this Hospital means to the community. We have heard from families who have had generations born at Sharon and who have a vested interest in ensuring that this Hospital survives. We have taken the time to listen to community members' concerns about the proposed sale of Sharon Hospital, both in one-on-one meetings and at a Community Forum held on March 16th in this same room. There were approximately 40 members of the Sharon community in attendance and they spent nearly two hours asking questions of Messrs. Browder and Friedberg about the transaction and the Hospital's future. We did our collective best to explain why the sale of Sharon is necessary, Health Quest's plans for the Hospital and why this change will be beneficial. It was a spirited discussion that focused largely on Health Quest's commitment to Sharon and how it will work to expand and enhance service availability in our community. We also touched on the uncertainty around Federal healthcare reform and the role that digital healthcare technology will play in the provision of services in rural areas such as Sharon. We hope that the forum helped assuage any concerns on the part of the community about the impact of the sale of Sharon Hospital on the accessibility, quality and cost-effectiveness of services.

In addition to the community forum, our CON submissions are publically available, including copies that we provided to the Sharon Town Hall and The Hotchkiss Library of Sharon. And my door is always open to anyone in the community who wants to discuss this

transaction of other matters related to Sharon Hospital. This will continue to be the case going forward under Health Quest leadership.

Lastly, we have had numerous Town Hall meetings with Hospital staff to discuss the proposed transaction with Health Quest and respond to any questions or concerns that they have. Thus far the feedback that we have gotten from Hospital staff about this sale has been universally positive.

I personally am extremely excited to complete this transaction and see Sharon Hospital move forward under Health Quest leadership. Just as RCCH concluded that Health Quest was the best fit for Sharon, I believe the same based on my dealings with the company thus far and the commitment they have already shown to this community and our Hospital. Change is always difficult, but in a case like Sharon it is absolutely necessary. I believe that Health Quest has the resources and wherewithal to make Sharon Hospital thrive once again, and that change will be a positive one for all involved.

Thank you again for your time. I would now like to introduce my colleagues Mike Browder and Robert Friedberg who will tell you a little more about the impetus for this transaction and Health Quest's plans for Sharon Hospital. Nancy Heaton will also speak briefly about FCH's role with the new non-profit Hospital.

The foregoing is my sworn testimony.

Peter R. Cordeau

Peter R. Cordeau, RN, BSN, MBA
Chief Executive Officer
Sharon Hospital

Transfer of Ownership of Sharon Hospital
to Vassar Health Connecticut, Inc.

Docket No. 16-32132-CON

Prefiled Testimony of Michael W. Browder
Executive Vice President & Chief Financial Officer,
RCCH HealthCare Partners

Good afternoon Hearing Officer Hansted and members of the OHCA Staff. My name is Mike Browder and I am an Executive Vice President and the Chief Financial Officer of RCCH HealthCare Partners ("RCCH"). RCCH is the parent company of Essent Healthcare of Connecticut, Inc., which owns and operates Sharon Hospital ("Sharon" or the "Hospital"). Thank you for this opportunity to speak in support of the CON Application for transfer of ownership of Sharon to Vassar Health Connecticut, Inc. ("Vassar Connecticut"), a subsidiary of Health Quest Systems, Inc. ("Health Quest"). My testimony today will focus on Sharon's history as a for-profit hospital and the growth and prosperity achieved during our ownership of the Hospital; the unforeseen issues that have negatively impacted Sharon's viability under RCCH ownership; as well as our difficult decision to sell Sharon and our selection of Health Quest as the purchaser who could best meet the needs of the Sharon community and turn the Hospital around once again.

I hope my presentation will give OHCA and the community members present today – many of whom attended our community forum and asked thoughtful questions about the sale and its impact on their hospital and healthcare services – a better understanding of why RCCH has chosen to transition the Hospital to a local health system, which can provide benefits that simply are not available to Sharon as a standalone hospital within the RCCH system. For the reasons stated in our CON submissions and as I will discuss today, the sale Sharon is necessary to ensure

access to the highest-quality hospital services for Sharon area residents. We at RCCH therefore urge you to approve our CON request.

Acquisition of Sharon Hospital by Essent Healthcare

I am in the unique position among my colleagues of having been part of the original for-profit conversion of Sharon Hospital in 2002, the first of its kind in the State of Connecticut. At the time I served as Chief Financial Officer of Essent Healthcare, Inc. ("Essent"). Essent's business model was to acquire "essential" community hospitals and provide them with the financial resources and expertise to support their growth.[1] Sharon Hospital was the perfect fit for Essent given its remote location (designated as a "sole community provider" under 42 CFR 412.92) and the breadth of support for the Hospital among members of the Sharon community.

Essent went through an extensive regulatory approval process involving both OHCA and the Office of the Attorney General prior to acquiring Sharon Hospital. We made many commitments to the Sharon community as part of that process, including a promise to make significant capital investments in infrastructure and service at the Hospital. These included, among other things, a $16.5 million expansion project in 2006 that involved the renovation and modernization of Sharon's Labor and Delivery Unit, Emergency Department and MRI Service. Over the course of 10 years we added services and technology including, but not limited to: CADstream Technology for early detection of breast cancer; laser vein therapy; digital mammography, stroke center designation from the Connecticut Department of Public Health; a sleep center; a pain management clinic; an interventional radiology suite; wound care and

[1] Beginning in 2012, Essent when through several parent-level restructuring transactions that resulted in mergers with RegionalCare Hospital Partners ("RegionalCare") and Cappella Health ("Cappella"). This extended the new company's hospital portfolio into other regions and changed the make-up of its hospitals away from smaller community hospitals to include larger facilities located in and around urban areas.

hyperbaric medicine; and an upgraded CT scanner. The Hospital also improved its patient safety ratings and expanded community health programs during Essent's tenure.

Sharon Hospital met or exceeded our volume growth and financial expectations for many years. In 2005, for example, we exceeded the net earnings threshold above which we had agreed to contribute monies to the Foundation for Community Health, Inc. ("FCH"), the successor foundation established as part of the 2002 for-profit conversion. Looking at Sharon's historic financials (Sharon Hospital/Regional Healthcare Associates), we achieved a 7% margin (income before interest and income taxes) as recently as FY 2011, and our inpatient admissions around that time were approximately 3,000 annually.

Decision to Sell Sharon Hospital

Despite the prosperity that Sharon experienced, there were issues beyond Essent's control that would eventually lead to the financial decline that resulted in our decision to sell the Hospital. A series of market factors including ongoing cuts in reimbursement from state funding programs, an increase in self-pay activity that drove up bad debt, provider tax increases, and physician coverage-based costs for specialty call services, came together to threaten the financial viability of the hospital. As a result, net losses have increased from ($1.41 million) in FY 2014 to ($2.5 million) in FY 2016.[2]

In addition, both inpatients and outpatient volume at Sharon Hospital have been consistently declining in recent years. Sharon saw a 16% decrease in inpatients discharges between FY 2013 and FY 2016. This was due, in part, to a 5% decline in Emergency Department visits (which result in many of the Hospital's inpatient admissions) between FY 2014 and FY 2016, insurance plan design, increased consumerism, and closure of the Hospital's

[2] The latter excludes an $11.21 million impairment loss on long-lived assets.

oncology service in FY 2015. The Hospital also experienced a 22% decline in inpatient surgical cases between FY 2014 and FY 2016.

Decreases in volume have been tied, in large part, to Sharon's inability to recruit and retain physicians to practice in rural Northwest Connecticut. As larger local systems continued to expand and make inroads into the Sharon community, recruitment has become even more difficult for the Hospital. At the same time, changes in physician-hospital dynamics have made staffing physician services in the Sharon area increasingly cost-prohibitive.

Sharon is in essence a standalone hospital, albeit part of the RCCH system. We at RCCH believe that time is running out on the viability of standalone community hospitals that operate without the resources of local health system. One of the primary reasons for this is the ability of a local system (and in turn the inability of a system without local resources) to recruit physicians and staff community physician services in a cost-effective manner. Sharon's geographic isolation both within Connecticut and the RCCH system has made the recruitment of physicians to provide specialty services increasingly difficult. By way of example, Sharon was forced to close it sleep service in 2015, after the Medical Director relocated out of state and the Hospital was unable to recruit a replacement for the part-time position. Similarly, the Yale-New Haven oncology service at Sharon closed in 2015, after the doctors who provided care at the Hospital on a part-time basis retired. There are many more examples of services that have been curtailed due to the Hospital's inability to find physicians willing to relocate to Sharon for less-than-full-time work.

For those services where we were able to recruit, we often found only one or two physicians willing to work in Sharon. We then had to incur significant costs on locum tenens, because one or two physicians cannot realistically provide call for a medical specialty 24/7.

Note this is an issue that a system like Health Quest will not experience vis-à-vis Sharon because it already employs providers whose practices can be extended to cover the Sharon service area. These physician costs are already being borne by the Health Quest system. But for RCCH, the issues with recruitment and increasing coverage costs combined to negatively impact the Hospital's bottom line.

As Sharon's financial position has deteriorated we have done everything within reason to achieve maximum cost-savings (e.g. lowering supply costs through group purchasing, curtailing underutilized services), grow revenues and turn the Hospital around. Despite our best efforts we have reached the point where the revenue we can generate at Sharon with RCCH resources does not cover the fixed costs associated with operating the Hospital. We are unable to do what needs to be done to generate the necessary additional revenue – namely, recruit physicians to staff specialty services and reverse the outmigration of patients from Sharon to healthcare providers outside of the community. For these reasons, RCCH made the difficult decision to sell Sharon Hospital rather than see it reduced to a critical access facility or, worse yet, have to close altogether leaving the community without any hospital services.

Selection of Health Quest as Purchaser

In 2015, RCCH began exploring a wide range of strategic options for Sharon Hospital. Foremost in our minds was a desire to see Sharon remain a full-service hospital to provide care for a community that has always been important to us. In the interest of being as thorough as possible we considered both for-profit and not-for-profit, in-state and out-of-state alternatives. RCCH considered the sale of Sharon to another for-profit health system, but many of those we spoke with had geographic limitations similar to RCCH and we knew that would not work for Sharon. After weighing all viable options RCCH determined that the best result for Sharon and

the community it serves would come from affiliating with a larger regional health system such as Health Quest.

RCCH ultimately selected Health Quest to purchase Sharon Hospital because the company presented the best option in terms of proximity, resources and overall fit. Robert Friedberg, the President and CEO of Health Quest, is here today and he will give you more detail on how Sharon fits into the Health Quest system and what their plans are for the Hospital and the Sharon community. Of note, there is a substantial overlap in the service areas of Sharon and the existing Health Quest hospitals and providers. Recall that approximately 42% of Sharon's inpatient volume is New York residents, making a New York system a logical choice to acquire the Hospital.

Significantly, we see great potential in Health Quest's ability to recruit specialty physicians to the Sharon area. The Health Quest Medical Practice ("HQMP") has hundreds of providers located throughout Eastern New York, including in and around towns that are part of Sharon's historic service area. They have a network of physicians built into their cost structure that can be tapped to provide services in Sharon as needed, including on a part-time basis or for call coverage. Moreover, we understand that HQMP has resources and processes in place to facilitate recruitment of new physicians to practice in Sharon. Being part of the Health Quest system will give these new doctors the security, flexibility and mentorship benefits that come from practicing as part of a large group, something that RCCH could not offer with its limited local presence. This should add up to more patients staying local to Sharon for specialty care, increasing volume and revenue at the Hospital as a result.

RCCH was also impressed with Health Quest's commitment to make the capital investments in infrastructure and other improvements that are needed to move Sharon Hospital

forward. Given the issues that Sharon is experiencing, and RCCH's limited local resources, we are simply unable to make extensive investments in the Hospital while remaining fiscally prudent and accountable to our other system providers. Again, Mr. Friedberg will provide greater detail on what Health Quest has planned for Sharon, but we understand that the capital investment will be significant.

Health Quest is a system known for quality and excellence. We are pleased to know that Sharon will become part of a care network that offers the highest quality services, including tertiary care and specialty physician services, in a coordinated, accessible and cost-effective manner.

Conclusion

I have worked for healthcare systems my entire career and I can assure you that the decision to sell a hospital is never an easy one. Essent made a commitment to the Sharon community 15 years ago and we fulfilled that commitment to the best of our ability. We invested millions of dollars in Sharon Hospital, modernized facilities and infrastructure, and grew services, volume and revenue. Now for reasons that are in many respects beyond our control, RCCH no longer offers the best option for growth and prosperity for the Hospital. Therefore, the responsible thing to do for our company, the Hospital and the Sharon community is to return Sharon Hospital to non-profit status with Health Quest. We have done our due diligence and believe that putting Sharon into Health Quest's hands is the preferred course of action for a community hospital that we want to see succeed and exist for many years to come.

For these reasons I again urge you to approve our CON request. I would now like to introduce Mr. Friedberg. We will make ourselves available to answer questions once our presentation is concluded.

The foregoing is my sworn testimony.

Michael W. Browder
Executive Vice President & Chief Financial Officer
RCCH HealthCare Partners

Transfer of Ownership of Sharon Hospital
to Vassar Health Connecticut, Inc.

Docket No. 16-32132-CON

Prefiled Testimony of Robert Friedberg
President & Chief Executive Officer,
Health Quest Systems, Inc.

Good afternoon Hearing Officer Hansted and members of the OHCA Staff. My name is Robert Friedberg and I am the President and Chief Executive Officer of Health Quest Systems, Inc. ("Health Quest"). Thank you for this opportunity to speak in support of the CON Application for the transfer of ownership of Sharon Hospital ("Sharon" or the "Hospital") to Vassar Health Connecticut, Inc. ("Vassar Connecticut"), a subsidiary of Health Quest, to be operated as a non-profit, charitable entity. My testimony today will focus on Health Quest's decision to acquire Sharon Hospital and why we believe it is a perfect fit for both the community and our broader system. I will also discuss what Health Quest has planned for capital improvements at Sharon Hospital and how we intend to enhance the availability of services in the primary and secondary services areas of the Hospital through focused physician recruitment and other initiatives. Lastly, I will touch on our new partnership with the Foundation for Community Health ("FCH") and why we believe their continued funding and involvement with Sharon Hospital governance going forward will be of great benefit to the Sharon community. Health Quest's acquisition of Sharon Hospital presents tremendous opportunities both for the Hospital and our existing providers to improve access to, and the provision of, healthcare services in and around Northwestern Connecticut. We at Health Quest therefore urge you to approve our CON request.

Background on Health Quest

Health Quest is a leading non-profit healthcare system based in Lagrangeville, New York, currently serving the Mid-Hudson Valley. The system includes three medical centers: Vassar Brothers Medical Center ("VBMC") in Poughkeepsie; Northern Dutchess Hospital ("NDH") in Rhinebeck; and Putnam Hospital Center in Carmel. We also operate Health Quest Medical Practice ("HQMP"), a network of nearly 300 physicians and providers, encompassing more than 25 specialties, practicing at our hospitals and at more than 20 offices located throughout the Mid-Hudson Valley. Health Quest also operates urgent care centers, a home care agency and The Thompson House, a skilled nursing facility, all located in New York.

Health Quest is a non-profit, tax-exempt organization that provides care to all patients regardless of ability to pay. In FY 2016, Health Quest provided more than $40 million in free and reduced-cost care. In addition, Health Quest reinvested substantially in its hospitals, facilities and providers. In the last three years alone, Health Quest has committed more than $750 million to improve VBMC, NDH, PHC, and HQMP. Hospitals operated by non-profit entities are considered community assets. Thus, they are governed by, and management is accountable to, boards of trustees that represent the interests of the local community. This will be the case with Sharon Hospital once it is acquired by Health Quest.

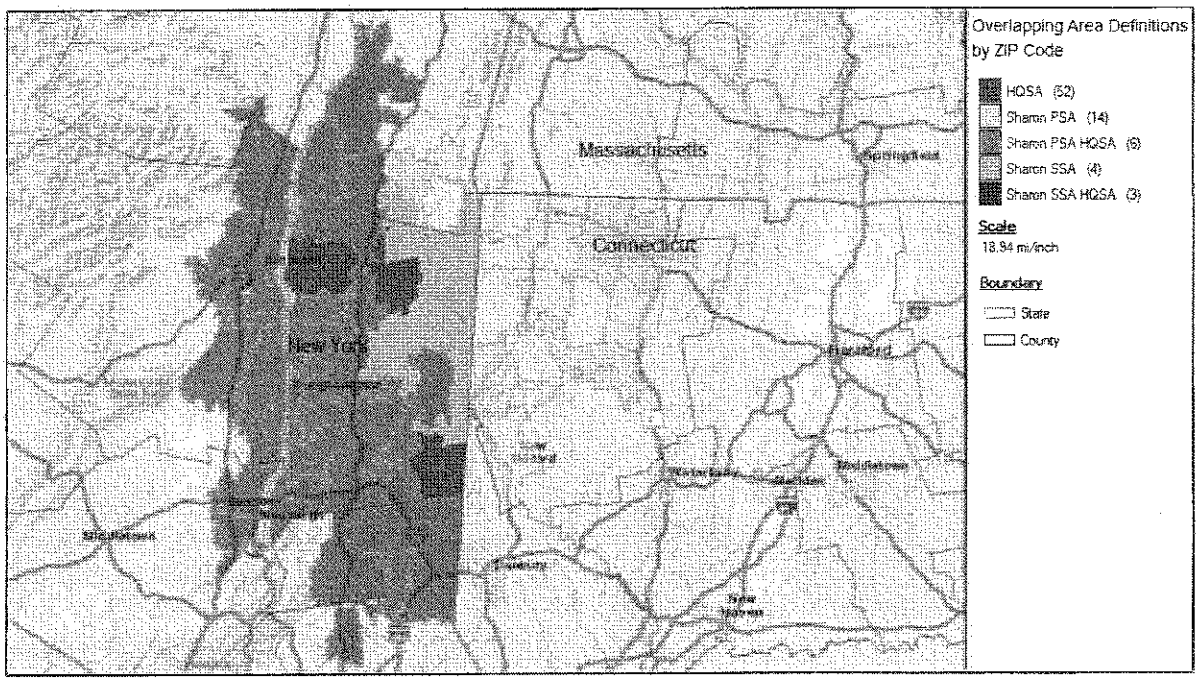
Health Quest's Mission is to deliver exceptional healthcare to the communities we serve. Our Vision is to be the region's leading healthcare organization recognized nationally for quality, safety, service and compassion. We have implemented this Mission and Vision through, among other things, striving for top-decile performance in quality and patient and employee satisfaction. As a measure of our success, Health Quest Medical Practice currently boasts an 80% physician

satisfaction rating. Among our existing facilities, NDH is leading the way for our hospitals with a patient satisfaction level that is nearly top-decile.

Health Quest's Mission and Vision will be extended to Northwest Connecticut and the surrounding community served for over a century by Sharon Hospital. Health Quest is driven by a core set of values that include Respect, Excellence, Accountability, Compassion, and Honor. Each of these values will apply equally to Health Quest's ownership and operation of Sharon Hospital going forward.

Decision to Acquire Sharon Hospital

Health Quest has had an interest in Sharon Hospital historically and, in fact, considered acquiring the hospital in the early 2000s before the former non-profit owners opted to sell to Essent, a for-profit entity. Our interest is based on common philosophies among our organizations, as well as great synergies that exist in terms of geography and services. As detailed in our CON submissions, Health Quest is a natural fit for Sharon Hospital (and vice versa) because of its geographic location and proximity to our other providers such as VBMC and NDH, and many of the HQMP offices. Given this geographic proximity there is necessarily overlap in the service areas of Sharon Hospital and the Health Quest providers. As the map below shows there is substantial overlap both in primary and secondary service areas extending far into New York:



In FY 2016 alone, more than 2,300 patients residing in the New York primary and secondary service areas of Sharon Hospital were discharged from Health Quest hospitals. Many more patients residing in these areas use HQMP for their physician services.

These synergies present opportunities for both organizations. Referral patterns show that patients from the Sharon Hospital primary and secondary service areas can and do obtain services at tertiary care centers such as VBMC with some regularity. These patients will now have the ability to obtain tertiary services at VBMC, if they so choose and it is clinically indicated, in a more coordinated manner inclusive of a common EMR and other Health Quest System practices. On the other hand, patients from the overlapping services areas who use Health Quest hospitals in New York can choose to obtain their services (subject to any clinical counter-indications) at Sharon Hospital and remain within Health Quest. In fact, both NDH and VBMC are experiencing capacity issues and we look forward to serving some of the patients at

Sharon Hospital. It is because of these types of synergies that the acquisition of Sharon Hospital makes tremendous sense for Health Quest.

Benefits to Sharon Hospital & the Sharon Community of Health Quest Ownership

Health Quest is committed to returning Sharon Hospital to the growth and prosperity it has experienced within the recent past. This will be achieved by, among other things, capital investments in infrastructure; leveraging local resources to recruit primary care and specialty physicians to practice in Sharon; and partnering with FCH to give the local community a say in Sharon Hospital and ensure that community healthcare needs are being met.

Capital Expenditures

Health Quest understands that its investment in Sharon Hospital does not end with its purchase of the Hospital. Sharon Hospital has significant and immediate capital needs and Health Quest is committed to completing many improvements within its first several years of ownership. For example, one of the largest and most costly capital expenditures involves upgrade and modernization of the EMR for Sharon Hospital and associated physician practices. Health Quest will replace the existing EMR system with Cerner, thereby linking Sharon Hospital to all existing Health Quest providers via a common digital platform. This project is expected to cost approximately $5 million. Health Quest is also planning the addition of geropsychiatric beds, expanding the existing Senior Behavioral Health Unit, a service for which there is limited capacity and tremendous demand. Along with the addition of these beds Health Quest will renovate space for clinical services including, but not limited to, medical oncology and infusion. These projects are expected to cost $3.5 million combined.

Health Quest also intends to renovate Sharon Hospital's Intensive Care Unit ("ICU"), including the addition of telemedicine equipment. This will allow Sharon Hospital to keep more

patients local by providing remote access to intensivists and other specialists, rather than transferring patients to other facilities. The ICU project is expected to cost approximately $1.5 million. In addition, Health Quest will make all of the Hospital's medical/surgical beds telemetry capable in order to enhance patient care and safety. This project will cost over $1 million. Moreover, Health Quest is considering the purchase of a da Vinci Robot so that additional general, gynecological and urological surgeries can be performed using this new technology. This equipment would cost approximately $2.5 million.

It should be noted that all of this is in addition to the normal course of business infrastructure maintenance and upgrades that are coming due in the near future. For example, there are boilers and an oil tank that need to be replaced and necessary HVAC upgrades, which will cost approximately $600,000. Health Quest will also undertake to "refresh" the aging infrastructure at Sharon Hospital to make it a more modern and appealing healthcare destination.

Health Quest fully understands the need to undertake these capital expenditures in order to meet its performance objectives at Sharon Hospital and improve the quality and accessibility of care. We are committed to moving forward and spending the necessary capital to ensure that Sharon Hospital has the appropriate physicians, equipment and facilities to best meet the needs of the Sharon community. As mentioned in the CON, a portion of this investment will be funded by a conditional grant from FCH. However, a vast majority will be funded by Health Quest through its cash reserves. Health Quest has a proven record of investing the necessary capital in its hospitals and facilities to maintain and expand the care available in the communities we serve. We intend to make significant investments in Sharon Hospital over the short and long-term to accomplish the same objectives, as previously noted.

Physician Recruitment

As Mike Browder mentioned in his testimony, one of the biggest hurdles RCCH faced in operating Sharon Hospital was its inability to recruit specialty physicians to practice in Sharon, primarily because of the lack of patient demand and other RCCH physicians to provide back-up and coverage. RCCH operated Sharon Hospital as a standalone hospital and, as such, had no local network of physicians to call upon. The sale of Sharon Hospital to Vassar Connecticut (Health Quest) will solve this issue. As my colleague Dr. Glenn Loomis will testify in the companion hearing on the transfer of Regional Healthcare Associates to a Connecticut Medical Foundation affiliated with Health Quest, the full resources of Health Quest will be available to the Connecticut Medical Foundation to assist with recruitment of physicians. Health Quest has a dedicated team of in-house physician recruiters whose only role is to identify physician recruits and employ them within the Health Quest System. We use a physician-led approach to practice and offer attractive compensation and benefits. We provide the security of a large group practice, which is attractive to younger physicians who want to be mentored and who do not want the responsibility for providing a specialty physician service to fall on their shoulders alone.[1]

HQMP has been extremely successful in its recent physician recruitment efforts. In FY 2016 alone we recruited 47 physicians to practice in the Mid-Hudson Valley region of New York, including 13 primary care physicians and 34 specialists. We expect to recruit at least another 40 physicians in FY 2017. Several of HQMP's offices are located in rural areas and medically underserved communities. We have been successful recruiting physicians to these

[1] Health Quest will also be implementing a Graduate Medical Education program system-wide beginning in FY 2019. Initial specialties will include family medicine and surgery. We expect to have 250 residents among our system hospitals by FY 2024. This program will serve as a pipeline for new physicians who want to continue practicing with the Health Quest system post-residency.

locations, which we believe speaks well of our ability to recruit physicians to practice in the Sharon primary and secondary service areas. Moreover, whereas previously a physician might not have wanted to relocate to Sharon for a part-time practice we can now repurpose our own physician to share time between practice locations in New York and Connecticut.

Our plans for Sharon Hospital are simple in this regard. Our first priority is to recruit and repurpose physicians (primary and specialty) in order to establish services that are not presently available in the Sharon community. This includes, notably, oncology services, which have not been available since Yale-New Haven closed its Smilow location in Sharon in 2015. We will also enhance other services where we know that patients are leaving the service area due to backlogs or limited physician availability or choice, for example cardiology, orthopedics, general surgery, and OB/GYN. As far as cardiology is concerned, Health Quest has three physicians committed to provide services in Sharon. With respect to orthopedics, Sharon physicians perform a small fraction (4%) of the approximately 650 total joint and spine surgeries for service area residents annually. We expect to recruit physicians who will be able to address the demand for these services directly in the community. General surgery is another area where Sharon Hospital is losing 80-90% of service area cases. Health Quest intends to help recapture this volume as well. We will also recruit to enhance patient choice for providers such as OB/GYNs where we know, for example, that some women are self-selecting providers outside of the community.

We also expect that the expansion of specialty services in the Sharon community will instill renewed confidence in Sharon Hospital on the part of local EMS providers. These providers will be more comfortable transporting patients to Sharon if they know there are specialty physicians available to provide needed care, whereas now they might select an alternate

hospital in order to avoid a second transport if the patient needs services that are not currently available.

Moreover, Health Quest intends to expand digital platforms that will allow for consultation by specialists outside of the community. We believe that this type of accessibility is an important aspect of how rural healthcare will be delivered in years to come.

Enhancing access and choice for physician services should also drive volume and revenue growth, as was the case historically. And, as Mr. Browder mentioned, the fixed costs associated with repurposed physicians are already being borne by Health Quest. In addition, HQMP physicians are able to cover call at Sharon at a lower cost than the locum tenens cost of coverage that Sharon Hospital contracts for presently. These cost savings, which are available by virtue of Sharon's membership in Health Quest, will contribute favorably towards the Hospital's financial improvement.

Foundation for Community Health

I would also like to speak briefly about the partnership that Health Quest has undertaken with the Foundation for Community Health ("FCH"). FCH is the successor organization to the Sharon Area Community Health Foundation, which was established to receive the proceeds of the sale of Sharon Hospital's assets to Essent in 2002. FCH is providing Health Quest with a $3 million conditional Asset Purchase Grant, towards the purchase of Sharon Hospital. Subsequently, FCH will provide an additional $6 million conditional Working Capital Grant to fund strategic investments in Sharon Hospital including direct physician and provider costs, investment in equipment, facility upgrades, ambulatory networks, IT infrastructure, and other strategic programmatic investments.

Our partnership with FCH is possible through the return of Sharon Hospital to a non-profit, charitable and tax-exempt organization. This will allow FCH to reinvest funds that were originally intended for Sharon Hospital but never achieved due to the Hospital's for-profit tax status. Now, as a tax-exempt organization, the funds can be directly provided in order to enhance the quality and accessibility of healthcare services for the community. We look forward to working with FCH in a meaningful way to benefit the health of Sharon area residents.

As part of our arrangement with the foundation, FCH is entitled to nominate 12 members (80%) of the initial Sharon Hospital Board under Vassar Connecticut ownership. These nominees will serve staggered terms and a number of the nominees will remain on the Board for a full six years. As their Chief Executive Officer Nancy Heaton will tell you in her remarks this afternoon, FCH has already conducted its due diligence and provided Health Quest with an exceptional group of nominees who we are interviewing and expect to appoint to the new Hospital Board in the near future. These nominees are from diverse personal and professional backgrounds and represent all corners of the Sharon Hospital service area, including both Connecticut and New York.

Once the terms of these FCH-nominated Board members expire new members will be nominated by the Sharon Hospital Board in the normal course and approved by Health Quest. Health Quest is absolutely committed to having local representation on Sharon Hospital Board going forward. We understand from operating other hospitals that local representation is critical to understanding and addressing the needs and concerns of the communities we serve.

In addition, as a tax-exempt hospital, we will be required to develop and implement a Community Health Needs Assessment ("CHNA") for the Sharon service area and to update that assessment periodically as required by law. The CHNA process for Health Quest hospitals is a

collaborative one involving clinicians, local boards of health, community members, and others who provide valuable input on community health priorities. We expect to be able to utilize FCH as a resource in this regard.

Projected Enhancement of Sharon Hospital

We understand that our volume and financial projections show significant growth in Sharon Hospital during Health Quest's first three years of operation. However we believe these projections are consistent with what has been achieved at Sharon Hospital historically and attainable given Health Quest's resources (human resources, financial resources, operational expertise and resources) and business plan. As Mr. Browder testified, Sharon Hospital/Regional Healthcare Associates achieved a 7% margin (income before interest and income taxes) as recently as FY 2011. We are projecting a consolidated (Sharon Hospital/Regional Healthcare Associates) margin of 6% by FY 2020. This is consistent with, and in many instances less than, the operating margins achieved by other Connecticut hospitals in FYs 2015 and 2016. Attached as Exhibit A is a comparison and summary of hospital operating margin data, compiled using audited financial statements and other information collected by OHCA. This data shows that each year there were seven (7) Connecticut hospitals with higher operating margins than what is projected for Sharon Hospital, including two (2) hospitals with operating margins in excess of 10%. It should also be noted that Health Quest hospitals have historically exceeded the average operating margins of hospitals in New York. For example, VBMC had an operating margin in excess of 6% last year, where the New York state average is just over 1%.

The projected growth at Sharon Hospital and RHA reflects Health Quest's commitment to invest, grow and expand services and access in and around Sharon. Expectations for Sharon's future are high, but are by no means out of line with what is occurring across Connecticut

hospitals today. There is tremendous upside capacity at Sharon Hospital. With the local resources of Health Quest and our ability to recruit and repurpose physicians and grow specialty services, our projections are entirely achievable. There are patients who are leaving the service area because ether specialty services are not available or are not to their liking. We can and will bring these patients back by elevating the level of services on the Sharon campus. An enhanced Sharon Hospital can also serve as a destination for service area residents who have opted to use NDH and VBMC in the past, but can now receive their care closer to home. Locally delivered care is best, when it is safe and feasible

Health Quest is a financially and strategically disciplined organization. We would not acquire Sharon Hospital and make significant investments (capital or otherwise) if we did not see the potential to achieve the projected growth and solid financial platform anticipated. We are confident in our ability to return Sharon Hospital to its former state of quality services, exceptional care and financial growth, much as we did with NDH. That hospital was nearly out of business when it became part of the Health Quest in 1999. Since then, we have undertaken two major building projects, replacing virtually all of the inpatient beds and the surgical operating suite and recovery room; added 16 licensed beds, with another 24-bed expansion planned; doubled the number of surgeons and primary care physicians on staff; and added the da Vinci and Navio surgical robots – investing $60 million just since 2014. NDH now has the best quality scores and financial margins in the Health Quest system. We expect to achieve comparable growth at Sharon.

Conclusion

Health Quest is eager to move forward with the purchase of Sharon Hospital and to make the necessary capital investments to achieve its publically stated goals and objectives. Health

Quest is in this for the long haul and we are making a commitment not just to maintain Sharon Hospital, but to enhance the accessibility and quality of the healthcare services available in the Sharon community. Health Quest has the financial and administrative resources to make this happen, and again, has committed to do so with specific actions, such as recruiting primary care and specialty physicians, enhancing existing services like cardiology, orthopedics and surgery, developing new services like oncology, making capital investments, and supporting routine maintenance expenditures. It is understood that the Sharon community does not want to see its hospital become a critical access facility or, worse yet, close. Health Quest presents the best option to ensure that Sharon Hospital survives to care for members of this community for generations to come.

Again, I thank you for your time and ask you to approve the CON for the transfer of Sharon Hospital to Vassar Connecticut, a non-profit member of Health Quest Systems. I am here to answer any questions you have after brief remarks by Nancy Heaton from the Foundation for Community Health.

The foregoing is my sworn testimony.

Robert Friedberg
President & Chief Executive Officer
Health Quest Systems, Inc.

EXHIBIT A

HOSPITAL STATEMENT OF OPERATIONS AND MARGIN DATA

	FY 2016			FY 2015		
	OPERATING MARGIN	NON-OPER MARGIN	TOTAL MARGIN	OPERATING MARGIN	NON-OPER MARGIN	TOTAL MARGIN
ASCENSION HEALTH						
SAINT VINCENT'S	-1.40%	1.42%	0.02%	-0.94%	-2.74%	-3.68%
EASTERN CT HEALTH NETWORK						
MANCHESTER (moved to Prospect)		Not available		4.79%	-0.88%	3.91%
ROCKVILLE (moved to Prospect)		Not available		-5.63%	-0.85%	-6.47%
HARTFORD HEALTHCARE CORP						
BACKUS	10.82%	9.43%	20.24%	14.04%	-0.28%	13.76%
HARTFORD	4.60%	1.80%	6.40%	5.66%	-0.67%	4.99%
HOSP OF CENTRAL CT	1.91%	3.08%	4.99%	-0.86%	-0.32%	-1.18%
MIDSTATE	8.47%	3.42%	11.89%	7.38%	-1.16%	6.21%
WINDHAM	-17.29%	-1.66%	-18.96%	-5.41%	-1.43%	-6.84%
WESTERN CT HEALTH NETWORK						
DANBURY	-0.66%	4.35%	3.69%	-2.40%	1.50%	-0.91%
NORWALK	0.96%	8.22%	9.18%	4.24%	5.84%	10.07%
YALE NEW HAVEN HSC						
BRIDGEPORT	7.78%	1.18%	8.96%	10.95%	0.19%	11.14%
GREENWICH	8.67%	0.51%	9.18%	9.08%	-1.57%	7.51%
YALE-NEW HAVEN	3.13%	2.60%	5.73%	4.50%	-0.16%	4.33%
INDIVIDUAL HOSPITALS						
BRISTOL	-2.14%	0.77%	-1.36%	0.39%	0.58%	0.96%
CT CHILDERNS	1.09%	0.93%	2.02%	7.47%	1.42%	8.90%
DEMPSEY	5.29%	2.32%	7.61%	5.30%	2.23%	7.52%
GRIFFIN	10.74%	-1.23%	9.51%	5.12%	-1.64%	3.48%
HUNGERFORD (moving to Hartford Hospital)	-5.71%	1.65%	-4.06%	-1.16%	2.40%	1.24%
L&M (moving to Yale New Haven)	1.25%	2.70%	3.95%	1.73%	2.71%	4.44%
MIDDLESEX	6.09%	3.07%	9.16%	1.39%	1.91%	3.30%
MILFORD	0.95%	0.15%	1.11%	-7.38%	0.17%	-7.20%
SAINT FRANCIS (part of Trinity)	1.35%	0.25%	1.59%	0.08%	-2.63%	-2.55%
SAINT MARYS (moved to Trinity)		Not available		7.13%	0.96%	8.09%
STAMFORD	7.47%	0.30%	7.77%	9.33%	-0.12%	9.21%
WATERBURY (moved to Prospect)		Not available		-5.85%	1.08%	-4.78%

[1]Hospital only. Based on income before intercompany fees and income taxes.

FY 2016 HOSPITAL STATEMENT OF OPERATIONS AND MARGIN DATA*

	FY 2016									
	NET PATIENT REVENUE	OTHER OP REVENUE	REV FROM OPERATIONS	NET OPER EXPENSES	GAIN/LOSS OPERATIONS	NON-OPER REVENUE	REVENUE O/(U) EXP	OPERATING MARGIN	NON-OPER MARGIN	TOTAL MARGIN
ASCENSION HEALTH										
SAINT VINCENT'S	$408,148,000	$21,611,000	$429,759,000	$435,859,000	($6,100,000)	$6,206,000	$106,000	-1.40%	1.42%	0.02%
EASTERN CT HEALTH NETWORK										
MANCHESTER (moved to Prospect)	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
ROCKVILLE (moved to Prospect)	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
HARTFORD HEALTHCARE CORP										
BACKUS	$300,144,000	$5,677,000	$305,821,000	$269,290,000	$36,531,000	$31,823,000	$68,354,000	10.82%	9.43%	20.24%
HARTFORD	$1,063,296,000	$105,622,000	$1,168,918,000	$1,114,116,000	$54,802,000	$21,400,000	$76,202,000	4.60%	1.80%	6.40%
HOSP OF CENTRAL CT	$358,394,000	$15,023,000	$373,417,000	$366,064,000	$7,353,000	$11,884,000	$19,237,000	1.91%	3.08%	4.99%
MIDSTATE	$214,452,000	$15,532,000	$229,984,000	$209,817,000	$20,167,000	$8,148,000	$28,315,000	8.47%	3.42%	11.89%
WINDHAM	$66,926,000	$2,823,000	$69,749,000	$81,614,000	($11,865,000)	($1,141,000)	($13,006,000)	-17.29%	-1.66%	-18.96%
WESTERN CT HEALTH NETWORK										
DANBURY	$621,214,000	$19,327,000	$640,541,000	$644,970,000	($4,429,000)	$29,126,000	$24,697,000	-0.66%	4.35%	3.69%
NORWALK	$372,224,000	$13,954,000	$386,178,000	$382,146,000	$4,032,000	$34,584,000	$38,616,000	0.96%	8.22%	9.18%
YALE NEW HAVEN HSC										
BRIDGEPORT	$472,739,000	$41,059,000	$513,798,000	$473,366,000	$40,432,000	$6,144,000	$46,576,000	7.78%	1.18%	8.96%
GREENWICH	$368,015,000	$15,716,000	$383,731,000	$350,290,000	$33,441,000	$1,960,000	$35,401,000	8.67%	0.51%	9.18%
YALE-NEW HAVEN	$2,547,180,000	$145,705,000	$2,692,885,000	$2,606,236,000	$86,649,000	$71,896,000	$158,545,000	3.13%	2.60%	5.73%
INDIVIDUAL HOSPITALS										
BRISTOL	$133,544,821	$3,643,010	$137,187,831	$140,143,704	($2,955,873)	$1,070,208	($1,885,665)	-2.14%	0.77%	-1.36%
CT CHILDERNS	$358,221,226	$29,900,949	$388,122,175	$383,842,980	$4,279,195	$3,648,257	$7,927,452	1.09%	0.93%	2.02%
DEMPSEY	$337,300,000	$22,995,000	$360,295,000	$340,779,000	$19,516,000	$8,551,000	$28,067,000	5.29%	2.32%	7.61%
GRIFFIN	$163,963,272	$4,146,002	$168,109,274	$150,278,226	$17,831,048	($2,037,603)	$15,793,445	10.74%	-1.23%	9.51%
HUNGERFORD (moving to Hartford Hospital)	$110,242,061	$6,483,839	$116,725,900	$123,502,173	($6,776,273)	$1,961,328	($4,814,945)	-5.71%	1.65%	-4.06%
L&M (moving to Yale New Haven)	$326,461,025	$31,451,397	$357,912,422	$353,326,579	$4,585,843	$9,936,909	$14,522,752	1.25%	2.70%	3.95%
MIDDLESEX	$380,107,000	$11,182,000	$391,289,000	$366,706,000	$24,583,000	$12,384,000	$36,967,000	6.09%	3.07%	9.16%
MILFORD	$62,023,918	$5,924,574	$67,948,492	$67,298,998	$649,494	$102,709	$752,203	0.95%	0.15%	1.11%
SAINT FRANCIS (part of Trinity)	$730,461,000	$40,641,000	$771,102,000	$760,698,000	$10,404,000	$1,925,000	$12,329,000	1.35%	0.25%	1.59%
SAINT MARYS (moved to Trinity)	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
STAMFORD	$494,196,000	$17,552,000	$511,748,000	$473,412,000	$38,336,000	$1,520,000	$39,856,000	7.47%	0.30%	7.77%
WATERBURY (moved to Prospect)	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available

*Compiled based on the audited financial statements available on OHCA's website

SH000924
03/29/2017

FY 2015 HOSPITAL STATEMENT OF OPERATIONS AND MARGIN DATA*

	FY 2015									
	NET PATIENT REVENUE	OTHER OP REVENUE	REV FROM OPERATIONS	NET OPER EXPENSES	GAIN/LOSS OPERATIONS	NON-OPER REVENUE	REVENUE O/(U) EXP	OPERATING MARGIN	NON-OPER MARGIN	TOTAL MARGIN
ASCENSION HEALTH										
SAINT VINCENT'S	$402,610,000	$18,338,000	$420,948,000	$424,794,000	($3,846,000)	($11,242,000)	($15,088,000)	-0.94%	-2.74%	-3.68%
EASTERN CT HEALTH NETWORK										
MANCHESTER (moved to Prospect)	$176,292,453	$12,387,148	$188,679,601	$179,724,323	$8,955,278	($1,638,670)	$7,316,608	4.79%	-0.88%	3.91%
ROCKVILLE (moved to Prospect)	$63,002,481	$2,225,773	$65,228,254	$68,867,915	($3,639,661)	($546,692)	($4,186,353)	-5.63%	-0.85%	-6.47%
HARTFORD HEALTHCARE CORP										
BACKUS	$285,528,000	$7,003,000	$292,531,000	$251,581,000	$40,950,000	($825,000)	$40,125,000	14.04%	-0.28%	13.76%
HARTFORD	$980,435,000	$114,818,000	$1,095,253,000	$1,033,675,000	$61,578,000	($7,290,000)	$54,288,000	5.66%	-0.67%	4.99%
HOSP OF CENTRAL CT	$339,152,000	$13,989,000	$353,141,000	$356,161,000	($3,020,000)	($1,143,000)	($4,163,000)	-0.86%	-0.32%	-1.18%
MIDSTATE	$212,392,000	$14,407,000	$226,799,000	$210,264,000	$16,535,000	($2,603,000)	$13,932,000	7.38%	-1.16%	6.21%
WINDHAM	$77,602,000	$4,764,000	$82,366,000	$86,761,000	($4,395,000)	($1,158,000)	($5,553,000)	-5.41%	-1.43%	-6.84%
WESTERN CT HEALTH NETWORK										
DANBURY	$592,876,000	$16,591,000	$609,467,000	$624,338,000	($14,871,000)	$9,265,000	($5,606,000)	-2.40%	1.50%	-0.91%
NORWALK	$355,511,000	$16,016,000	$371,527,000	$354,816,000	$16,711,000	$23,036,000	$39,747,000	4.24%	5.84%	10.07%
YALE NEW HAVEN HSC										
BRIDGEPORT	$466,074,000	$32,055,000	$498,129,000	$443,456,000	$54,673,000	$944,000	$55,617,000	10.95%	0.19%	11.14%
GREENWICH	$348,844,000	$14,393,000	$363,237,000	$330,759,000	$32,478,000	($5,622,000)	$26,856,000	9.08%	-1.57%	7.51%
YALE-NEW HAVEN	$2,457,990,000	$68,887,000	$2,526,877,000	$2,413,364,000	$113,513,000	($4,162,000)	$109,351,000	4.50%	-0.16%	4.33%
INDIVIDUAL HOSPITALS										
BRISTOL	$133,327,930	$3,838,007	$137,165,937	$136,633,273	$532,664	$795,166	$1,327,830	0.39%	0.58%	0.96%
CT CHILDERNS	$293,034,805	$18,806,567	$311,841,372	$288,197,545	$23,643,827	$4,501,314	$28,145,141	7.47%	1.42%	8.90%
DEMPSEY	$337,300,171	$22,995,416	$360,295,587	$340,779,258	$19,516,329	$8,202,084	$27,718,413	5.30%	2.23%	7.52%
GRIFFIN	$142,949,359	$5,691,910	$148,641,269	$141,153,441	$7,487,828	($2,396,689)	$5,091,139	5.12%	-1.64%	3.48%
HUNGERFORD (moving to Hartford Hospital)	$113,735,730	$6,810,204	$120,545,934	$121,979,246	($1,433,312)	$2,960,711	$1,527,399	-1.16%	2.40%	1.24%
L&M (moving to Yale New Haven)	$325,022,845	$31,431,251	$356,454,096	$350,127,953	$6,326,143	$9,936,909	$16,263,052	1.73%	2.71%	4.44%
MIDDLESEX	$357,637,000	$13,367,000	$371,004,000	$365,752,000	$5,252,000	$7,212,000	$12,464,000	1.39%	1.91%	3.30%
MILFORD	$60,372,640	$3,567,807	$63,940,447	$68,666,088	($4,725,641)	$111,904	($4,613,737)	-7.38%	0.17%	-7.20%
SAINT FRANCIS (part of Trinity)	$649,233,000	$35,438,000	$684,671,000	$684,142,000	$529,000	($17,533,000)	($17,004,000)	0.08%	-2.63%	-2.55%
SAINT MARYS (moved to Trinity)	$251,921,000	$8,206,000	$260,127,000	$241,388,000	$18,739,000	$2,522,000	$21,261,000	7.13%	0.96%	8.09%
STAMFORD	$476,413,000	$17,239,000	$493,652,000	$447,673,000	$45,979,000	($582,000)	$45,397,000	9.33%	-0.12%	9.21%
WATERBURY (moved to Prospect)	$192,703,886	$6,461,805	$199,165,691	$210,952,866	($11,787,175)	$2,169,188	($9,617,987)	-5.85%	1.08%	-4.78%

*Data obtained from OHCA website: "Statewide Hospital Margin Data"

Transfer of Ownership of Sharon Hospital
to Vassar Health Connecticut, Inc.

Docket No. 16-32132-CON

Prefiled Testimony of Nancy Heaton
Chief Executive Officer, Foundation for Community Health, Inc.

Good afternoon Hearing Officer Hansted and members of the OHCA Staff. My name is Nancy Heaton and I am the Chief Executive Officer of the Foundation for Community Health, Inc. ("FCH"). Thank you for this opportunity to speak in support of the CON Application for transfer of ownership of Sharon Hospital ("Sharon" or the "Hospital") to Vassar Health Connecticut, Inc. ("Vassar Connecticut"), a subsidiary of Health Quest Systems, Inc. ("Health Quest"). FCH is the successor entity to the Sharon Area Community Health Foundation ("SACHF"), which established in connection with the for-profit conversion of Sharon in 2002. With the anticipated return of Sharon to a non-profit hospital, FCH will be providing grant funds to assist with both the purchase of and strategic investment in the Hospital by Health Quest. FCH will also be given the opportunity to nominate a significant percentage of the initial Sharon Hospital Board under Health Quest ownership. FCH looks forward to this new partnership and ability to collaborate with our community hospital in ways that were not possible when Sharon was a for-profit facility. For these reasons, we urge OHCA to approve Applicants' request for a CON to transfer ownership of Sharon Hospital to Health Quest.

Background on Foundation for Community Health

FCH (originally formed as SACHF) is the "conversion foundation" approved by the Office of the Attorney General under Sections 19a-486 et seq. of the Connecticut General Statutes to receive the net proceeds of the sale of Sharon Hospital to Essent Healthcare of Connecticut, Inc. in 2002. FCH was also the recipient of all restricted and non-restricted funds

and income and legacies left in wills and from trusts that were originally designated to go to the former non-profit Hospital. FCH is a public charity within the meaning of the Code and, more specifically, a "supporting organization" that derives its tax-exempt status from the support it provides to other organizations in conducting charitable activities. In the case of FCH, our supported organizations include Berkshire Taconic Community Foundation, Community Foundation of the Hudson Valley, and Northwest Connecticut Community Foundation.

FCH's mission is to maintain and improve the physical and mental health of the residents of the area historically served by Sharon Hospital. We have been a leader and catalyst for the development of innovative and effective rural health delivery systems that focus on prevention, access and community-level collaboration. FCH accomplishes its mission through activities that include, but are not limited to, collaboration and advocacy, issuing grants, evaluating existing healthcare services, making program-related investments, and conducting research. Our grant of funds to Health Quest for the acquisition of Sharon and ongoing strategic investments in the Hospital is consistent with our mission and the purposes of our supported organizations, which include enhancing community health in the Sharon Hospital catchment area.

Decision to Partner with Health Quest – Asset Purchase & Working Capital Grants

The Foundation for Community Health, through its board and senior leadership, has determined that the greatest impact we can have on healthcare in the Sharon community is to assist Health Quest in returning Sharon to a non-profit hospital and community asset. We have conducted our due diligence, including visiting other Health Quest System hospitals and having extensive discussions with Health Quest management about their plans for Sharon. Based on this diligence and Health Quest's pledge of capital and resources, FCH is confident in Health Quest's ability to revitalize Sharon Hospital and certain of its long-term commitment to the

Sharon community. I can assure you, FCH would not be providing such a substantial grant to Health Quest if this was not the case.

As OHCA is aware, FCH has agreed to provide Health Quest with $9 million in grants in connection with the acquisition, operation and improvement of Sharon Hospital. This includes a $3 million Asset Purchase Grant, which will be used to fund a portion of the purchase price. It also includes a $6 million Working Capital Grant that will be used to fund "Investments" in Sharon. These include such items as direct physician and provider costs, equipment acquisitions, facility upgrades, investments in ambulatory networks, IT infrastructure upgrades, and other strategic programmatic investments. All Investments must directly benefit Sharon Hospital. We are aware of some of the investments that Health Quest has planned already, including EMR upgrades and service line expansions (e.g. oncology) that we believe will greatly enhance the quality and accessibility of healthcare services in the Sharon area.

FCH's funding under the Working Capital Grant covers a percentage of actual investments made by Health Quest at Sharon. It was important to our Board that Health Quest cover a percentage of each investment reimbursed by FCH in order to ensure the company's ongoing commitment to our Hospital and the community. Moreover, Health Quest is reimbursed on an annual basis for investments and FCH's obligation to fund investments through the Working Capital Grant ceases if all monies are not spent in Health Quest's first four years of operation. We believe this process will serve as incentive for Health Quest to move forward with needed capital investments as expeditiously as possible.

In addition, the question has been asked whether the grant of $9 million to Health Quest will impair FCH's ability to make other necessary grants to promote community health. First note that after disbursement of $9 million in grants to Health Quest, FCH will still have

approximately $16 million with which to continue its charitable mission in and around Sharon. Moreover, under the terms of the Grant Agreement between Health Quest and FCH, Health Quest has agreed to assist FHC in maintaining its existing level of community activities for the next ten years, either through direct funding or the assumption of community services and programs that would otherwise be funded by FCH. Lastly, the Grant Agreement contemplates a capital campaign whereby the funds provided by FCH to Health Quest for purposes of restoring Sharon Hospital to a non-profit community asset and enhancing care may be replenished through charitable giving.

Furthermore, we would like to point out certain safeguards in the Grant Agreement regarding the funding arrangement between FCH and Health Quest. Specifically, there are provisions that require the return of grant funds to FCH if Health Quest sells or closes the Hospital within the first five years or the Hospital loses its tax exemption. While we do not expect this to be the case, we want to assure OHCA that our investment is protected. In addition, the Grant Agreement requires Health Quest to maintain services at Sharon Hospital in accordance with any Order issued by this agency.

FCH's Right to Nominate Sharon Hospital Board Members

As part of the Grant Agreement with Health Quest, FCH has been given the right to nominate 12 of 15 members of the initial non-profit Sharon Hospital board. These nominees will serve staggered terms, giving FCH nominees a majority stake in the Sharon board for at least six years. We have already completed an extensive process, with the help of a consultant, which included identifying, vetting, interviewing and recommending our board nominees to Health Quest.

Our goal was to assemble a diverse group of community constituents. We were looking for individual with a stake in Sharon Hospital – those who reside in the service area and whose families obtain their healthcare services at Sharon. The nominees represent different interests within the Sharon community, come from all corners of the Sharon service area (including Connecticut and New York), and have varied professional backgrounds. There are nominees with expertise in healthcare and marketing, small business owners, and individuals who serve on other non-profit boards. We have also included nominees that represent the interest of the average healthcare consumer in the Sharon area.

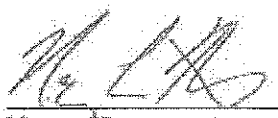
After the terms of the FCH-nominated board members have expired, the Sharon board itself will be responsible for nominating replacements, subject to Health Quest board approval. In our experience, this is similar to the process in place for most non-profit boards. It is our understanding that Health Quest is committed to having local representation and perspective on the Hospital's board and we are confident that they will appoint members of the community to serve for many years beyond the tenure of FCH's initial appointees.

Conclusion

Speaking for myself and members of the FCH board, we are pleased to see the Hospital returned to non-profit status. This provides FCH with opportunities to collaborate on issue related to community health that simply were not possible with a for-profit Sharon Hospital. FCH has identified significant health needs in our community and we look forward to partnering with Health Quest to address these needs going forward.

Thank you again for this opportunity to speak in support of the CON Application for approval to transfer ownership of Sharon Hospital to Health Quest. I am available to answer any questions you have about FCH or our involvement with this transaction.

The foregoing is my sworn testimony.



Nancy Keaton
Chief Executive Officer
Foundation for Community Health

Transfer of Ownership of Sharon Hospital
to Vassar Health Connecticut, Inc.
Docket No. 16-32132-CON

Transfer of Ownership of Regional Healthcare Associates, LLC
to a Subsidiary of Vassar Health Connecticut, Inc.
Docket No. 16-32133-CON

RESPONSES TO HEARING ISSUES

Per OHCA's request, below are written response to Hearing Issues dated March 17, 2017:

1. Provide a list prioritizing critical/immediate (over next 2-3 years) capital and operational improvements, including upgrades or strategic investments for the Hospital.

RESPONSE:

Below is a table listing all projects that Health Quest Systems, Inc. ("Health Quest") intends to undertake during the first two to three years following its acquisition of Sharon Hospital ("Sharon" or the "Hospital"). It should be noted that Health Quest, as it is not yet the owner of Sharon Hospital, has not completed a detailed strategic or capital plan for the Hospital. Moreover, Health Quest has not yet received input from the Sharon community about the needs for Sharon Hospital. Health Quest's final plan may well be amended once it has had the opportunity to better assess the capital needs and service needs of the Hospital. The final plan will be based on this detailed analysis and understanding of the capital and service requirements. The below table includes a description of the proposed project, its approximate capital cost, the funding source, and the estimated commencement/completion date. In addition, please note the following:

- When Health Quest is listed as a funding source this refers to the company's cash reserves and income from operations;
- When the Foundation for Community Health, Inc. ("FCH") is listed as a funding source this means until the Working Capital Grant funds are exhausted, after which projects will be fully funded by Health Quest;
- Health Quest has had various reviews undertaken and has further refined the costs of its proposed capital projects as follows:
    - The Cerner EMR upgrade, which was estimated at $3 to $3.5 million, will cost approximately $5 million;
    - The replacement and upgrade of boilers and underground storage tanks is estimated to be $600,000, which is less than was projected in initial CON submissions;
    - The renovation of space at the Hospital for the addition of beds to the Geropsychiatric Unit is estimated to cost $2 million, as opposed to the $1.5 million initially projected; and
    - Renovation of space for Medical Oncology/Infusion and other clinical services has been estimated at $1.5 million.

Anticipated Capital Improvements & Strategic Investments, FY 2017 – FY 2019

Project List	Description	Funding Source	Time to Complete
Conversion to Cerner Electronic Health Record ($5,000,000)	This project will replace the existing EMR at Sharon Hospital and RHA/TriState Offices	Health Quest and Foundation for Community Health	9 months, starting in July 2017, ending in April 2018
Life Safety and Regulatory Upgrades ($600,000)	This project will involve the removal and replacement/upgrade the boilers and underground fuel tanks	Health Quest and Foundation for Community Health	6 months, starting in July 2017, ending in December, 2017
Expansion of the Geropsychiatric Unit ($2,000,000)	This renovation project will increase the number of beds in the Geropsychiatry unit to accommodate additional demand for these services locally, as well as to make this a destination service for Health Quest patients	Health Quest and Foundation for Community Health	12 months, starting in January 2018, ending in December 2018
Renovation for Medical offices, including Oncology and Infusion ($1,500,000)	This will provide office space for additional physicians to be recruited to the area, including primary care, oncology, endocrinology and cardiology. It will also involve renovation of space for the addition of an infusion center for providing chemotherapy for oncology patients. Chemo infusion is not currently offered at Sharon Hospital	Health Quest and Foundation for Community Health	9 months, starting in October of 2017, ending in June 2018
Purchase of DaVinci Robot ($2,500,000)	Health Quest will purchase and install a DaVinci Robot, which is used for a variety of surgical procedures, reducing blood loss and decreasing recovery time. This is a new service for Sharon Hospital.	Health Quest and Foundation for Community Health	3 months, starting in January 2019, ending in April of 2019

Project List	Description	Funding Source	Time to Complete
ICU Renovation/Monitor Upgrades ($1,500,000)	Health Quest will renovate and install telemedicine equipment in the ICU, allowing Sharon to keep more patients in the Hospital by providing direct access to intensivists and specialists at VBMC.	Health Quest and Foundation for Community Health	4-6 months, starting in January/March 2019, ending in June 2019
Installing Wireless Telemetry on Medical/Surgical Unit ($1,000,000)	Health Quest will make all medical/surgical beds at the Hospital telemetry capable, improving patient care and safety.	Health Quest and Foundation for Community Health	3 months, starting in April 2019, ending in June 2019

Health Quest has also identified more than $1 million in cost savings opportunities available to Sharon Hospital once it becomes part of the Health Quest System. These savings are largely made possible due to the proximity of Sharon Hospital and Health Quest, which allows greater synergies than the relationship with its existing owner RCCH. These cost savings are in addition to those that may be achieved as a result of shared corporate services such as legal, compliance, human resources, IT, planning, and finance across Health Quest. In addition, Health Quest is evaluating whether it can save on Sharon's current medical malpractice expenses, which total $1.1 million annually.

Anticipated Annual Cost Savings

Area	Description	Annual Cost Savings
Pharmacy	Reduce Drug Costs	$31,500
Medical/Surgical	Reduce Supply Costs	$91,000
Purchased Services	Reduce Contract Costs	$227,000
Locum Tenens	Cost to staff with temporary nurses and physicians	$120,000
Coding	Discontinue use of third party coders	$150,000
Marketing	Use internal resources	$200,000
Equipment Maintenance	Discontinue use of outside services	$200,000

2. For each response to question one above, provide:
    a. The funding source; and
    b. The length of time estimated to implement each.

RESPONSE:

See Responses to Question 1 above.

3. Explain how the Hospital currently solicits, conveys to the Hospital Board and addresses community input and concerns. Furthermore, describe how the Hospital will continue to solicit, convey to the Hospital Board and address community input and concerns following the transfer of ownership.

RESPONSE:

Below are descriptions of the processes in place at the existing Sharon Hospital, and that will be put into place at the new Sharon Hospital, to solicit, convey to the Hospital Board and address community input and concerns.

Existing Sharon Hospital

Under current for-profit ownership, Sharon Hospital has both a Local Governing Board and an Advisory Board of Trustees ("Local Advisory Board"). The Local Governing Board derives its authority from the Essent Healthcare of Connecticut, Inc. corporate board and deals with issues relating to day-to-day operations at the Hospital. Authority has been delegated to the Local Governing Board to oversee matters including, but not limited to, physician credentialing, evaluation of performance of local management, and monitoring of clinical quality efforts. The Local Advisory Board was established pursuant to the Attorney General Order authorizing the conversion of Sharon to ensure a level of community involvement with the for-profit Hospital. It is comprised of elected public officials from the Sharon area, members of the Sharon Hospital Medical Staff, community members, and representatives of RCCH (formerly Essent Healthcare, Inc.).

There are numerous ways in which current Hospital administration solicits input and concerns from the local community. As Peter Cordeau, the CEO of Sharon Hospital, mentioned in his testimony he has an "open door" policy and is continually meeting with members of the community to discuss issues related to Sharon. Mr. Cordeau and other senior administrators have offices located off of the main lobby of the Hospital and are likely more accessible than any other hospital administrators in Connecticut. Sharon community members are encouraged to call or simply walk in and request a meeting if they have concerns to be addressed, including patient-care complaints.

In addition, Hospital administrators hold community forums and one-on-one meetings at local business establishments, newspapers and even at individual community members' homes. The forums are open to the public and Mr. Cordeau and his colleagues use these

meetings as an opportunity to solicit input and respond to any and all questions posed to them. Mr. Cordeau also has monthly meetings with community physicians, who relay any concerns that they hear from their patients. In addition, the Hospital conducts outreach on social media to both solicit input and keep the community apprised of matters related to Sharon.

Lastly, the Hospital solicits input from the Local Advisory Board, which was established to be the eyes and ears of the Sharon community in the absence of a non-profit hospital board. It is comprised of local community members including the Sharon First Selectman, the Hospital CEO, and residents from Sharon and surrounding towns.

Any and all comments or concerns raised by the community through any of these channels are shared among local Hospital administrators, RCCH corporate representatives, and members of the Local Governing Board (most of whom are community members), as necessary to inform decisions and resolve issues.

New Sharon Hospital

Health Quest will restore Sharon Hospital governance to a non-profit board. As mentioned in other submissions, the new Sharon board will be comprised, initially, of 12 members nominated by the FCH. As discussed below, these individuals represent a cross-section of the Sharon community from which the Hospital expects to solicit input and hear and address community concerns. Mr. Cordeau and his colleagues will also continue their "open door" policy under Health Quest ownership, with an understanding that input from local consumers is critical to meeting community needs and ensuring the future success of Sharon Hospital.

Specific to addressing community health needs, Health Quest will use the same process at Sharon that it uses at each of its other hospitals. Each Health Quest hospital has a Community Needs Committee consisting of hospital board members, physicians, staff, and members of the community. For instance, representatives from the Dutchess and Putnam Counties of Health are on the Northern Dutchess Hospital ("NDH"), Vassar Brothers Medical Center ("VBMC") and Putnam Hospital Center ("PHC") committees, respectively. Because issues of the aging are important in the NDH service area, there is representation from local NGOs on aging. At PHC, as the sole mental health provider in the county, there is representation from local mental health agencies.

Each of the hospital Community Needs Committees is responsible for identifying issues related to community need that the hospital and Health Quest should address in their respective service areas. These committees each develop a three year community service plan for their areas, which is reviewed for progress at each meeting and updated annually. Every three years Health Quest conducts a Community Needs Assessment. They have done this in conjunction with the Dutchess County Department of Health for NDH and VBMC and with the Putnam County Department of Health for PHC. As part of this process, Health Quest also conducts community forums on community health needs. They provide financial support for the County to conduct the survey and then use the results of the survey in the development of a Community Service Plan. Health Quest also conducts an annual symposium in conjunction with the County Health Departments regarding community health.

Health Quest just completed its Community Needs Assessment in 2016, and has developed its Community Service Year Plans for 2017, 2018 and 2019 based on this assessment. A copy of Health Quest's most-recent Community Service Plan is attached as Exhibit A. This plan, along with links to the assessments for Dutchess and Putnam Counties, may be found on Health Quest's website. They also distribute hard copies of the plan throughout Health Quest's service area. The Community Needs Committees give regular reports to their respective hospital boards.

In Sharon, Health Quest proposes to work with FCH and the local health departments to prepare its Community Needs Assessment. Health Quest would use as a starting point the Community Needs Assessment that FCH completed a few years ago. Health Quest would also work with these agencies to get advice on the membership of the Sharon Hospital Community Needs Committee. Health Quest would then develop a Community Service Plan for the area that incorporates the information from the assessment, from interviews and/or community forums that Health Quest would have. The Community Service Plan would be for 2018 and 2019, to put Sharon on the same cycle as the other Health Quest hospitals. In 2019, Health Quest would undertake a new Community Needs Assessment, just as they will do for the other System hospitals that year, which will become the basis for their next Community Service Plan, covering 2020-2022.

4. Please describe how the Hospital's board make-up currently incorporates representation of local health care consumers and how the Applicant will do so following implementation of the proposal.

RESPONSE:

The Hospital's Local Governing Board has nine (9) voting members, including seven (7) who reside in the local community and are representative of local healthcare consumers. The current Board Chair, Howard Fuhr, and member Dr. Robert Schnurr live in Sharon. Members Rusty Chandler and Dr. Jeremy Roth live in the surrounding towns of Salisbury and Cornwall, respectively. Member Dr. Donald Soucier lives outside of the service area, but he has served as the Chief of Cardiology at Sharon Hospital for 15 years. Patricia Chamberlain, Superintendent of Region 1 Public Schools and a Sharon resident is also a member, as is Waterbury Republican-American reporter and Kent resident Ruth Epstein. The Sharon Hospital CEO, Peter Cordeau, is a member and resides in Goshen. The only out-of-state voting member of the Board is Robert Jay, a representative of RCCH.

As previously mentioned, Health Quest will establish a local non-profit board once it acquires Sharon Hospital. This board will have responsibility for quality, physician credentialing and identifying community needs. The board will be populated by individuals who live in the service area. Health Quest relied heavily on FCH to identify 12 nominees for the newly constituted Sharon Hospital board. FCH hired an outside consultant and developed criteria for board member identification. FCH identified individuals from all parts of the Sharon service area, including Connecticut and New York, so that the board would have geographic diversity. FCH proposed nominees who could contribute their time and talents to develop a high functioning board for Sharon Hospital. After interviews and further

vetting of the potential board members, the nominations were presented to the Health Quest board for approval. The terms for the board members were staggered to allow for an orderly transition to new board members over time.

The new board will have a nominating committee, which will identify potential future board members from within the Sharon Hospital service area. These potential members will be interviewed and vetted and presented to the Health Quest board for approval. This is the exact process used to populate the boards of the other hospitals within the Health Quest system, which ensures adequate input from local healthcare consumers.

Note also that the Connecticut Office of Attorney General has relieved Health Quest of its obligation to continue the Local Advisory Board established by the for-profit Sharon Hospital because the new non-profit board will properly represent the community's needs.

EXHIBIT A

2016-2018

Community Service Plan

A Community Needs Assessment and Community Health Implementation Plan for:

Northern Dutchess Hospital

Putnam Hospital Center

Vassar Brothers Medical Center

December 2016

healthquest.org

VASSAR BROTHERS MEDICAL CENTER
PUTNAM HOSPITAL CENTER
NORTHERN DUTCHESS HOSPITAL
HEALTH QUEST MEDICAL PRACTICE, PC

HEALTHQUEST

SH000940
PP000654
03/29/2017

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Introduction

Health Quest's Community Service Plan and Community Health Implementation Plan were developed based upon both Federal and New York State Guidelines.

The New York State Guidelines were designed to meet the Prevention Agenda goals. The Prevention Agenda 2013-2018 is New York State's health improvement plan for 2013 through 2018, developed by the New York State Public Health and Health Planning Council (PHHPC) at the request of the Department of Health, in partnership with organizations across the state. This plan involves a mix of organizations including local health departments, health care providers, health plans, community based organizations, advocacy groups, academia, employers as well as state agencies, schools, and businesses whose activities can influence the health of individuals and communities and address health disparities. This collaboration informs a five-year plan designed to demonstrate how communities across the state can work together to improve the health and quality of life for all New Yorkers.

The Prevention Agenda features five priority areas:

- Prevent chronic diseases
- Promote healthy and safe environments
- Promote healthy women, infants and children
- Promote mental health and prevent substance abuse
- Prevent HIV, sexually transmitted diseases, vaccine-preventable diseases and healthcare associated Infections

The Prevention Agenda has five overarching goals:

- Improve health status in five priority areas and reduce racial, ethnic, socioeconomic and other health disparities including those among persons with disabilities.
- Advance a 'Health in all Policies' approach to address broad social determinants of health.
- Create and strengthen public -private and multi-stakeholder partnerships to achieve public health improvement at state and local levels.
- Increase investment in prevention and public health to improve health, control health care costs and increase economic productivity.
- Strengthen governmental and nongovernmental public health agencies and resources at state and local levels.

The Prevention Agenda establishes goals for each priority area and defines indicators to measure progress toward achieving these goals, including reductions in health disparities among racial, ethnic, and socioeconomic groups and persons with disabilities.

In addition, the Prevention Agenda serves as a guide to hospitals as they develop mandated Community Service Plans and Community Health Needs Assessments required by the Affordable Care Act and to local health departments as they work with their community to develop mandated Community Health Assessments. Community Service Plans (CSPs) are a New York State requirement for improving the health and well-being of our communities through a collaborative approach led by hospitals and healthcare systems. Healthcare organizations are required to create and implement CSPs to address identified health priorities in the communities they serve and map out strategies to achieve goals. Healthcare organizations must identify two Prevention Agenda priorities and a health disparity that will be addressed with community partners based on assessment and engagement process.

Hospitals share their CSPs with the public and update the Department of Health on their progress.

Mission

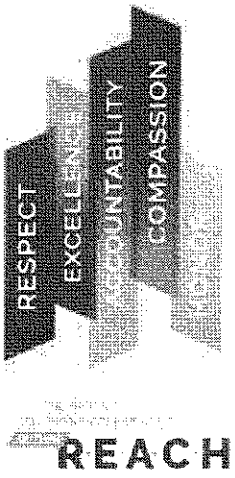
Our Mission is to deliver exceptional healthcare to the communities we serve by pursuing the highest standards of quality, safety, service and compassion.

Vision

Our Vision is to be the region's leading healthcare organization, recognized nationally for its quality, safety, service and compassion. Our dedication and investment in people, technology and facilities, distinguishes us as the provider of choice for patients, families and employees.

Values

Our Mission and Vision will only be attained through the commitment and motivation of our leaders, our employees, our physicians, and our volunteers. Our Values spell **REACH**. Together, demonstrating these **REACH** values is how we put patients and families first:



Respect – We treat everyone with dignity.

Excellence – We strive to achieve increasingly higher standards in quality, safety, service and compassion.

Accountability – We recognize that each employee plays a significant role in meeting the needs of our patients, and take ownership for our actions and our commitments.

Compassion – We believe that the nature of our roles requires us to extend empathy to our patients, their families, and each other.

Honor – We support each other and work as a team. We celebrate and acknowledge individual and collective success, and demonstrate integrity in everything we do.

Health Quest has deep roots in the Hudson Valley

Health Quest is a local family of 501c(3) hospitals and healthcare providers in the Hudson Valley. Our three award-winning hospitals — Northern Dutchess Hospital, Putnam Hospital Center and Vassar Brothers Medical Center — have deep roots in their respective communities and work together to provide quality care for our patients.

Whether you visit a Health Quest facility for emergency or urgent care or for specialty services in which Health Quest ranks nationally, you can trust you will receive compassionate care from trained, dedicated physicians, nurses and support staff.

In the ever-changing healthcare landscape, Health Quest continues to promote health and wellness while serving the medical needs of individuals and families in the region.

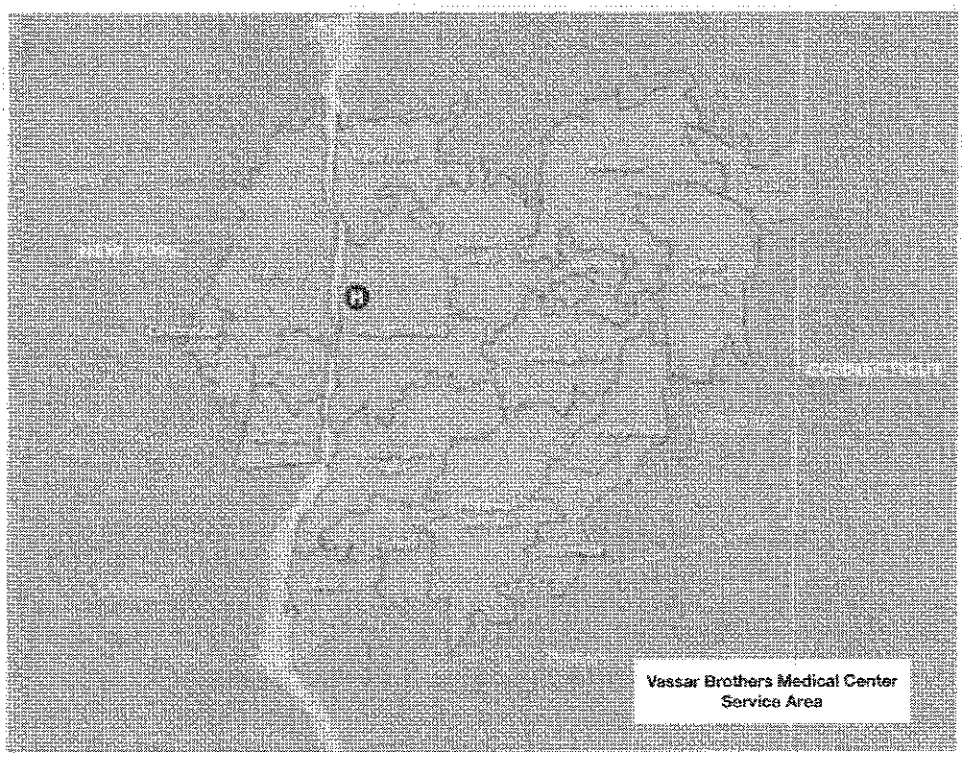
Health Quest was formed through an affiliation of three local hospitals: Northern Dutchess Hospital (Rhinebeck, NY), Putnam Hospital Center (Carmel, NY) and Vassar Brothers Medical Center (Poughkeepsie, NY). Health Quest also includes affiliated healthcare providers Health Quest Medical Practice and The Heart Center. Together, these hospitals and healthcare providers have devoted themselves to the development of clinical specialties and medical programs and services.

We also count among our partners long-term care facilities, a free-standing radiation oncology center, urgent care centers, a multi-specialty medical practice and a home care service.

Health Quest provides a continuum of care — care that is accessible, care that allows people in our community to stay close to home for all the healthcare services they need. It's about fostering a continuity of care that inspires confidence. This is reinforced by the unilateral commitment Health Quest has from our Board of Directors, healthcare providers, employees, volunteers and community members all working together to meet to the expectations and trust our communities place in us.

Community Served

Vassar Brothers Medical Center



Vassar Brothers Medical Center (VBMC) is a 365-bed facility that has served New York's Mid-Hudson Valley since 1887. Located in Poughkeepsie, VBMC has established centers of excellence in cardiac services, cancer care and women and children's health services. As a regional medical center, Vassar houses the area's first and only cardiothoracic surgery program between Westchester and Albany and the only Level III Neonatal Intensive Care Unit (NICU) in the region for premature, underweight and critically ill infants. Innovative procedures and services have been brought to the VBMC campus, including robotic orthopedic surgery, liver surgery, interventional neuroradiology, thoracic surgical oncology and transcatheter aortic valve replacement (TAVR), negating the need to travel for this care.

VBMC is building a 696,000-square-foot, seven-level patient pavilion with 264 private medical/surgical patient rooms and 30 critical care rooms that will solidify its place as the destination of choice for patients in the region. The first patient is expected to be cared for in the building in mid-2019.

VBMC recently became a Level II Trauma Center (provisional status), further advancing the vision to provide the community with local access to state-of-the-art medical care.

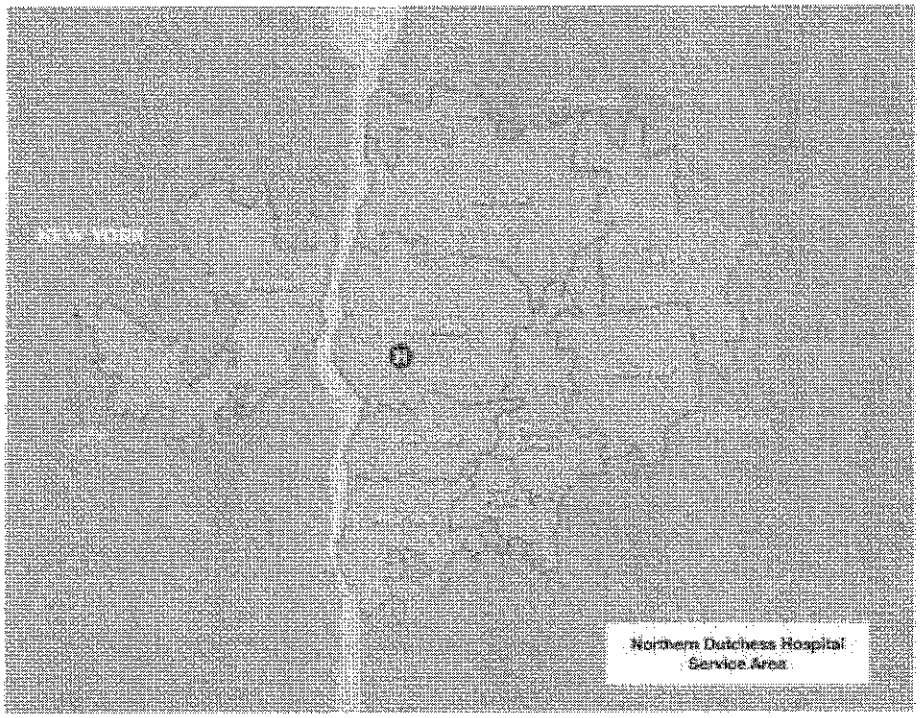
The Dyson Center for Cancer Care, located on the Vassar campus, is designed to accommodate patients and their families while providing radiation therapy, stereotactic radiosurgery and a wide variety of support groups.

VBMC						
	Total Population			*% Change Total*		
Age Cohort	**2016**	***2021***	***2026***	**'16-'21**	***'21-'26***	***'16-'26***
0-14	43,921	41,144	38,543	-6.3%	-6.3%	-12.2%
15-44	105,900	105,177	104,459	-0.7%	-0.7%	-1.4%
45-64	80,806	78,599	76,452	-2.7%	-2.7%	-5.4%
65-84	36,916	43,277	50,734	17.2%	17.2%	37.4%
85+	5,689	5,854	6,024	2.9%	2.9%	5.9%
Total	**273,232**	**274,051**	**276,212**	**0.3%**	**0.8%**	**1.1%**
F 15-44	51,619	51,060	50,507	-1.08%	-1.08%	-2.15%

Source: The Nielsen Company

VBMC's primary service area includes the southernmost half of Dutchess County, up to and including the Town of Hyde Park, as well as the easternmost parts of Orange and Ulster counties. Like many communities in New York State, the VBMC service area is experiencing minimal population growth with gradual declines in the numbers of young families and children. The largest demographic is 15-44 (39% of the total service area population), however the most significant growth is expected in the number of residents aged 65 and older. From 2016 to 2026, the percent change in the 65 plus age range is projected to be 43%. The average household income in the VBMC service area is $92,716. A high school diploma or GED is the highest level of education completed by 27% of the service area age 25 and older. (Source: The Neilsen Company).

Northern Dutchess Hospital



Northern Dutchess Hospital (NDH) is a 68-bed acute care, community hospital located in Rhinebeck, NY. NDH provides a comprehensive range of emergency, medical and surgical services offered through various specialty departments, including the Bone and Joint Center, Neugarten Family Birth Center, Emergency Department, Women's View, Dyson Center for Women's Imaging, Center for Healthy Aging, Wound Care and Hyperbaric Therapy Center, Cardio-Diagnostic Center, Outpatient Nutrition Department, Sleep Disorders Center, Paul Rosenthal Rehabilitation Center, outpatient rehabilitation service and our medically based Wellness Center.

The new Northern Dutchess Hospital Martin and Toni Sosnoff patient pavilion, which opened in February 2016, has turned a 111-year old hospital into a modern medical facility. The 87,000 square foot pavilion advances the clinical care available to local residents. From the spacious, private rooms to the state-of-the-art surgical suites equipped with minimally invasive technology, patients and their families no longer need to travel outside of the area for advanced medical care. With the new patient pavilion, Northern Dutchess Hospital has created a healing environment where modern medicine meets compassionate care.

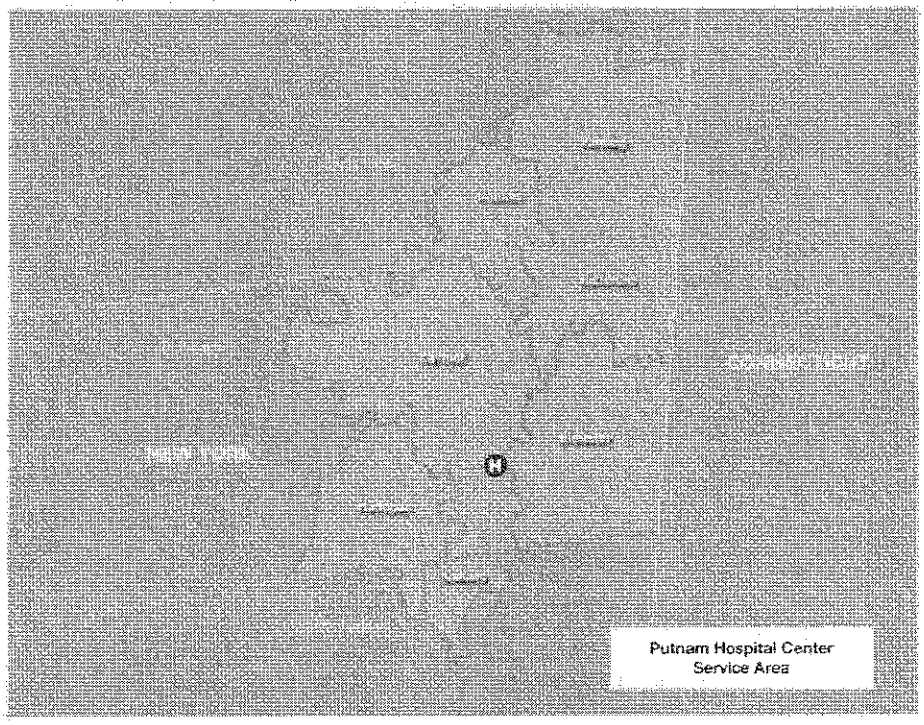
NDH						
	Total Population			% Change Total		
Age Cohort	2016	2021	2026	'16-'21	'21-'26	'16-'26
0-14	13,174	12,402	11,675	-5.9%	-5.9%	-11.4%
15-44	31,335	31,200	31,066	-0.4%	-0.4%	-0.9%
45-64	27,067	25,233	23,523	-6.8%	-6.8%	-13.1%
65-84	14,970	17,101	19,535	14.2%	14.2%	30.5%
85+	2,672	2,797	2,928	4.7%	4.7%	9.6%
Total	**89,218**	**88,733**	**88,727**	**-0.5%**	**0.0%**	**-0.6%**
F 15-44	15,649	15,553	15,458	-0.61%	-0.61%	-1.22%

Source: The Nielsen Company

As its name suggests, NDH's service area includes Dutchess County from Hyde Park north. It also includes several adjacent zip codes in Ulster County and some of the southernmost towns in Columbia County. Like the neighboring VBMC service area, population growth is projected to be limited to people aged 65 and older.

The highest populated age group is 15-44 (35% of the total service area population), however the most significant growth is expected in the number of residents aged 65 and older. From 2016 to 2026, the percent change in the 65 plus age range is projected to be 40%. The average household income in the NDH service area is $81,237. A high school diploma or GED is the highest level of education completed by 28% of the service area age 25 and older. (Source: The Neilsen Company).

Putnam Hospital Center



Putnam Hospital Center (PHC) is a 164-bed, acute care hospital offering medical, surgical, psychiatric and 24-hour emergency services. As the only hospital in Putnam County, Putnam Hospital Center has been serving the needs of Putnam, northern Westchester and southern Dutchess counties since 1964.

PHC provides a comprehensive range of inpatient and outpatient services offered through various specialty departments that include advanced orthopedic, robotic and bariatric surgeries; neurosciences including minimally-invasive spinal surgeries, stroke care and a sleep disorders lab; a blood management program; psychiatric care including a partial-hospitalization program; a comprehensive cancer program; maternity; 24/7 emergency care; the Center for Wound Healing, PHC Sleep Disorders Center and four Outpatient Physical Rehabilitation satellite facilities.

PHC						
	Total Population			% Change Total		
Age Cohort	2016	2021	2026	'16-'21	'21-'26	'16-'26
0-14	15,535	14,062	12,729	-9.5%	-9.5%	-18.1%
15-44	34,165	34,428	34,693	0.8%	0.8%	1.5%
45-64	31,587	30,614	29,671	-3.1%	-3.1%	-6.1%
65-84	15,348	18,286	21,786	19.1%	19.1%	41.9%
85+	2,305	2,486	2,681	7.9%	7.8%	16.3%
Total	**98,940**	**99,876**	**101,560**	**0.9%**	**1.7%**	**2.6%**
F 15-44	16,343	16,318	16,293	-0.15%	-0.15%	-0.31%

Source: The Nielsen Company

Eighty percent of PHC's patient population comes from the eastern half of Putnam, with the service area extending north to the southeast corner of Dutchess County and south to select bordering zip codes in northern Westchester County.

The overall population in the PHC service area is projected to grow slightly, but a decline is projected among children and women of childbearing age. The highest populated age range is 15-44 (35% of the total service area population), however from 2016 to 2026, the percent change in the 65 plus age range is projected to be 58.3%. The average household income in the Putnam Hospital service area is $119,818. A high school diploma or GED is the highest level of education completed by 27% of the service area age 25 and older. (Source: The Neilsen Company).

The Community Health Needs Assessment Process

The Health Quest hospitals participated in community needs assessment updates and community health improvement plan development with both Dutchess and Putnam Counties. Although our service areas differ, hindering our ability to submit a combined Community Health Assessment and Improvement Plan, we worked closely with both counties to form our individual plans.

Because our hospitals recently completed a community health needs assessment as part of the DSRIP process and the NYS Department of Health is not asking for a new comprehensive health assessment for the 2016-2018 cycle, we followed these state guidelines in our planning:

- collaborate with community partners to review community health data from recently completed health assessments, including updated data on the priority health issues;

- identify two Prevention Agenda priorities and one health disparity in the community based on the data;
- develop and submit an implementation plan that describes the evidence based interventions being implemented and the process measures being used to track progress toward these priorities; and
- demonstrate evidence of collaboration among LHDs, hospitals and community organizations in selecting new or confirming existing priorities and addressing them.

In addition to a thorough review of data and health priorities, the priorities selected by the committees represent priorities that are attainable at this time and that are aligned with each hospital's mission and service area demographics.

Because the communities and processes involved varied between the counties, this document will discuss each county separately. The Dutchess County Department of Behavioral and Community Health opted to complete a health assessment update based on the above requirements; the Putnam County Department of Health completed a comprehensive assessment.

Dutchess County

Vassar Brothers Medical Center and Northern Dutchess Hospital

Dutchess County embraces an inclusive and collaborative process for community planning. The Dutchess County Department of Behavioral & Community Health partnered with the local hospital systems, Health Quest and MidHudson Regional Hospital, to conduct a community health improvement stakeholder forum on October 18, 2016. Nearly one hundred representatives from healthcare agencies, behavioral health services, county agencies, and community organizations took part in the event to discuss community health priorities and review CHIP strategies. Agency and organizational partners also participate in ongoing dialogue through the Dutchess County Chronic Disease Coalition (which Health Quest is a member of) and the Dutchess County Substance Abuse Workgroup.

Community Health Indicator Review Process

The Department of Behavioral & Community Health routinely monitors numerous sources of data on health and wellbeing in Dutchess County, using tools including the NYS Prevention Agenda Dashboard, the Hudson Valley Community Dashboard, NYS Department of Health Community Health Indicator Reports, Sub-County Indicator Reports, NYS Cancer Registry Statistics, NYS Open Data (including the Expanded Behavioral Risk Factor Surveillance System), County Health Rankings and Roadmaps, the Kids Wellbeing Indicators Clearinghouse (KWIC), the MidHudson Valley Community Profiles, and the U.S. Census Bureau's American FactFinder.

The Department also conducts surveillance from original data including communicable disease reports, vital statistics (births and deaths), emergency department visits and hospital admissions from the Statewide Planning and Research Cooperative System (SPARCS), treatment service reports from the Office of Alcoholism and Substance Abuse Services (OASAS), and local surveys.

The annual Dutchess County Community Health Status Report, published in May 2016, summarizes these many data sources, examining disparities and providing comparisons to upstate New York and Healthy People 2020 goals, where available. The Community Health Status Report served as a guide to both VBMC and NDH as we prepared our Community Service Plan for 2016-2018.

Additionally, the County provided a Community Health Assessment Data Review that was used in conjunction with Health Status Report and the Prevention Agenda Dashboard to inform the selection of Health Quest's two priority areas. The Community Health Assessment Data Review looked at improving/worsening health status (5-10 years) and compared us to NYS, excluding NYC, where data are available.

In the fall of 2016, the Dutchess County Department of Behavioral and Community Health conducted a survey to assess the top priorities of the community. The survey period culminated with the half-day, county-wide Community Health Improvement Plan Stakeholder Forum. The purpose of the forum was to review the results of the recent survey and develop a locally relevant, comprehensive action plan to improve the health and lives of the residents of Dutchess County. The stakeholder sample included representatives from hospitals and healthcare, behavioral health services, county government, education and community-based organizations.

Through data review and stakeholder engagement, Dutchess County has confirmed the following Prevention Agenda priorities and disparity focus areas for the 2016-2018 period. The three overarching areas remain unchanged from the original 2013-2016 plan, with the new addition of tobacco use prevention and cessation as core components of the chronic disease focus area.

- Prevent Chronic Disease:
    - Reduce obesity
    - Reduce illness and death related to tobacco use

    - Increase access to high quality chronic disease preventive care and management
- Promote Mental Health & Prevent Substance Abuse:
    - Prevent substance abuse; in particular, prevent overdose due to opioids
- Promote a Safe & Healthy Environment:
    - Reduce the burden of tick-borne disease (Dutchess County specific priority area)

While insect-related disease does not fit into any NYS Prevention Agenda categories, it was a health concern for Dutchess County residents in the 2013-2016 assessment, as well as again in the current community survey.

In addition to the County forum, the Vassar Brothers Medical Center and Northern Dutchess Hospital Community Health Needs Committees held workgroups with hospital staff, physicians, Dutchess County Department of Behavioral and Community Health staff and community members to review the recently completed DSRIP Needs Assessment, the Community Health Assessment Data Review, the 2015 Dutchess County Health Status Report, internal discharge data, SPARCS data, the New York State Prevention Agenda Dashboard and the County Health Rankings Roadmap.

Vassar Brothers Medical Center and Northern Dutchess Hospital Community Health Committees identified the following two priorities:

1. Prevent Chronic Diseases
2. Promote a Healthy and Safe Environment (Reduce Fall Risks Among Vulnerable Populations)

In choosing Promotion of a Healthy and Safe Environment, VBMC and NDH deviated from the Dutchess County Department of Behavioral and Community Health's selected priorities. In New York State, fall-related injuries are the leading cause of injury hospitalizations among children ages 0-14 and adults 25 years and older. Falls are the leading cause of unintentional injury deaths for those 45 years and older. Falls can result in serious injuries, such as traumatic brain injuries or fractures. There is also a heavy financial burden to fall-related injuries. Falls Account for $1.7 billion in annual hospitalization charges and $145.3 million in annual outpatient emergency department changes (NYS DOH). In our combined service areas, almost 50% of the population is over 45 (46%). Aging related health issues was the fourth most important issue identified in the stakeholder survey following mental health, substance abuse and chronic disease. With our service area projected to age significantly in the next ten years and falls and

fracture from falls making up 10% of the Emergency Department visits at VBMC and 11% at NDH in 2015, we felt the need to address this priority.

County Priorities Not Formally Addressed by Health Quest

1. **Reduce Tick and Insect-related Diseases** – While we did not select this as a priority this year, it was a priority for both VBMC and NDH in our prior Community Service Plan (2013-2016). We will continue to support this initiative through our on-going partnership with the Dutchess County Department of Behavioral and Community Health. Health Quest representatives will sit on the newly-formed tick-borne disease prevention workgroup and we will continue with community education around tick and insect-related diseases.

2. **Prevent Substance Abuse** – While this issue was undoubtedly of great importance to our committees, VBMC and NDH elected not to address this with a formal initiative at this time because we do not have licensed substance abuse beds. MidHudson Region Hospital of Westchester has licensed behavioral and substance abuse beds and provides services to Dutchess County residents. We will look for ways to support the County in this initiative – ie. space for training, physician speakers, medication take-back days.

Community Health Improvement Plan/Implementation Strategy

Vassar Brothers Medical Center and Northern Dutchess Hospital

Priority Area #1: Prevent Chronic Diseases– *Reduce chronic disease and obesity in children and adults*

Chronic diseases and conditions—such as heart disease, stroke, cancer, type 2 diabetes, obesity, and arthritis—are among the most common, costly, and preventable of all health problems (Source: CDC).

Health risk behaviors are unhealthy behaviors that you can change. Among these health risk behaviors—lack of exercise or physical activity and poor nutrition—cause much of the illness, suffering, and early death related to chronic diseases and conditions. According to the CDC, in 2011, more than half (52%) of adults aged 18 years or older did not meet recommendations for aerobic exercise or physical activity. In addition, 76% did not meet recommendations for muscle-strengthening physical activity.

Physical activity is one of the highlights of Health Quest's implementation strategy for the next several years. Regular physical activity is important for good health, and it's especially

important in losing weight or maintaining a healthy weight. Physical activity also helps to reduce high blood pressure; reduce risk for type 2 diabetes, heart attack, stroke, and several forms of cancer; reduce arthritis pain and associated disability; reduce risk for osteoporosis and falls and reduce symptoms of depression and anxiety.

The committees also felt nutrition, healthy lifestyle choices and diabetes support complement the need for physical activity. Both NDH and VBMC have added additional interventions and activities that focus on these topics. Health Quest Medical Practice is currently developing a formal Diabetes Center, which is expected to launch in 2017, and we expect to add additional evidence-based programming around diabetes in years two and three.

Health Quest is excited to participate in new, innovative programs like the Microgreens Project in the City of Poughkeepsie, where 6% of the population does not receive many of the vital nutrients needed for desirable health outcomes. The first project of its kind in the community will increase the awareness about the importance of eating proper nutrients to prevent certain diseases and other undesirable health outcomes. This project will provide nutrient-dense food, in the form of microgreens, to certain segments of the population at no cost. Microgreens will be used in two key demographic groups: young children (in the City of Poughkeepsie School District) and senior citizens (recipients of congregate meals at senior centers and home-delivered meals). The partners in the program, including registered dietitians from Health Quest, will monitor participants' intake of the nutrients, as well as the improved health outcomes.

Additionally, adults with disabilities are 3 times more likely to have heart disease, stroke, diabetes, or cancer than adults without disabilities (CDC). Nearly half of all adults with disabilities get no aerobic physical activity, an important health behavior to help avoid these chronic diseases (CDC). Health Quest will explore partnerships with community organizations that serve adults with disabilities to include them in the Get Fit Program.

Priority Area #2: Promote a Healthy and Safe Environment - *Reduce falls and associated hospital admissions among vulnerable populations*

Health Quest is dedicated to providing the community with knowledge to improve physical mobility, quality of life and maximize independence in older adults. With increased education and assessment efforts, the goal is to reduce falls and increase awareness of falls risks. There are several free programs and activities available in Dutchess County to help reduce fall risks and help individuals remain independent and safe in their homes.

In addition to our programs for adults and seniors, VBMC is committed to reducing falls among children 14 and under. The most common causes of fall-related hospitalizations for children include: slipping or tripping, falling from playground equipment, falling from bed, and falling on or from stairs or steps. Education and awareness can help reduce these types of falls. In Ulster County, where 18% of our patient populations reside, the rate of emergency department visits due to falls per 10,000, aged 1-4 years, has significantly worsened. (NYS Prevention Agenda Dashboard).

Health Quest has a unique opportunity to educate young community caregivers on fall prevention in our babysitting class that prepares adolescents to care for infants and young children. We will adjust this curriculum to include information the NYS Childhood Fall Prevention Toolkit.

Vassar Brothers Medical Center Implementation Plan

NYS Prevention Agenda Priority Area #1: Prevent Chronic Disease

Focus Area	Chronic Disease and Obesity in Children and Adults
Goal:	1. Create community environments that promote and support healthy food and beverage choices and physical activity. 2. Expand the role of healthcare and health service providers in obesity prevention.
Objective 1:	**Expand Opportunities for safe physical activity in the community** 1. Increase enrollment in the Get Fit Hudson Valley Fitness Challenge for next 3 years. 2. Host educational seminars each year in conjunction with Get Fit
Objective 2:	**Expand school, community and employee wellness programs** 1. Offer one Chronic Disease Self-Management and One Diabetes Self-Management session per year a. Increase attendance at sessions 2. Initiate worksite challenges to create walking groups and walking paths as part of Get Fit in order to provide employees with opportunities for physical activities. Develop programs with 3 worksites by 2018. (AHA) 3. Offer employee wellness programs to our own 6000+ employees 4. Pursue a partner to develop a Fun, Food, Fitness Program for kids age 8-13 in VBMC market
Objective 3:	**Increase Breastfeeding** • Pursue Baby-Friendly Designation by 2018
Objective 4:	**Create Community Environments that promote and support healthy food choices** 1. Sponsor the Poughkeepsie Plenty Mobile Farmers Market in 2017/2018 2. Provide registered dietitians and support at community events to

	discuss healthy options and cooking ideas
Objective 5:	**Prevent childhood obesity through early child-care and schools.** 1. Sponsor the Dutchess County/City of Poughkeepsie Microgreens Project 2. Partner with Microgreens project to evaluate results
Objective 6:	**Vassar will support the Dutchess County Department of Behavioral and Community Health to achieve the following:** 1. Yearly Obesity Conference 2. Host the Chronic Disease Networking Group 3. Hospital compliance to new NYSDOH Breastfeeding Regulations effective 2017.
Interventions/Activities:	1. Bi-annual Get-Fit Hudson Valley Challenge (Spring & Fall) a. Develop educational series to complement Get Fit Challenge 2. Pursue Baby-Friendly Designation. Evaluate criteria to certification. 3. Provide new moms with information and support on breastfeeding and healthy diets for their babies 4. Poughkeepsie Plenty Mobile Market 5. Microgreens Project 6. Self-management programming – Chronic Disease and Diabetes 7. Create, distribute and provide educational services to the community and providers a. Author 12 Healthy Nutrition/Healthy Habits columns in community papers and online per year b. Build targeted topics into educational lecture series with Poughkeepsie Senior Centers, Marist Center for Lifetime Studies c. Host one "Dinner with the Doc" on Chronic Disease/Nutrition per year – one focus should be on children and nutrition/diabetes
Partners:	Dutchess County Department of Behavioral and Community Health, City of Poughkeepsie, Dutchess County, DC Office of the Aging, Health Quest Medical Practice, Get Fit Partners, Poughkeepsie Plenty, American Heart Association, Northern Dutchess Hospital, Putnam Hospital Center
Outcome Measures:	**Short-term measures** 1. Increase number of people enrolled in Get Fit 10% per challenge 2. Maintain the average entry per participant between 8-10 year one; Increase average entry per participant by 20% a year thereafter 3. Grow Get Fit community by 5% over 3 years - from 3,783 members to 3,975 4. Increase unique web users by 5% for Get Fit per year 5. Develop 3 worksite wellness sites for Get Fit in 3 years 6. Become a certified Baby Friendly Hospital by 2018 7. Attendance at DSM and CDSM programs 8. Number of Healthy Columns authored in one year - 12 per year 9. Review results of Microgreens project to evaluate success and determine how to utilize results after 2-year pilot. 10. Have a plan for a Fun, Food, Fitness Program for kids age 8-13 in

	VBMC market 11. Number of attendees at lectures and events (utilize new CRM tool when implemented to track new patients in key areas). 12. Number of people who request more information from Health Quest **Long-Term Measures** Reduce the percentage of adults and children who are overweight or obese
Evidence Base:	https://www.health.ny.gov/prevention/prevention_agenda/2013-2017/plan/chronic_diseases/ebi/docs/breastfeeding_fact_sheet.pdf http://www.health.ny.gov/prevention/nutrition/wic/breastfeeding/ http://www.cdc.gov/healthyweight/physical_activity/index.html

NYS Prevention Agenda Priority Area #2: Promote a Healthy and Safe Environment

Focus Area	Promote a Healthy and Safe Environment
Goal:	1. Reduce falls and associated hospital admissions among vulnerable populations – children age 0-14 and adults 65+ 2. Increase education and awareness of resources available to the community
Objective 1:	**Promote community-based programs for fall prevention** 1. Sponsor and host the Matter of Balance Program 2. Host one session at a Health Quest hospital each year 3. Increase referrals from HQMP to Matter of Balance Programs 4. Train community workers in evidence-based intervention programs for older adults such as Tai Chi: Moving for Better Balance and A Matter of Balance.
Objective 2:	**Implement Falls Prevention Screening Program in Health Quest Medical Practice for patients**
Objective 3:	**Increase awareness among community and providers about the resources and programs available**
Objective 4:	**Expand Education** 1. Develop injury prevention outreach program with VBMC Trauma team 2. Increase education of inpatients on fall risks while hospitalized a. Use inpatient stays as an educational opportunity – develop Preventing Falls Brochure for VBMC 3. Develop Fall Curriculum for Babysitting Classes offered through Health Quest 4. Create Social Media educational/awareness campaign for falls prevention – youth and adult 5. Add Falls Prevention to pediatric discharge instructions 6. Create a pediatric-specific Falls Handout for patients in pediatric unit

Interventions/ Activities:	1. Sponsor and host the Matter of Balance Program in partnership with the DC Office of the Aging 2. Create an informational page/resources page Health Quest website 3. Create, distribute and provide educational services to the community and providers a. Author or pitch one Fall Prevention/Healthy Habits blog/columns in community papers and online b. Build targeted topics into educational lecture series with Poughkeepsie Senior Centers, Marist Center for Lifetime Studies. One session to include: yoga, arthritis, balance c. Create educational brochures to be used during hospitalization and to go home with patients 4. By Q1 2017, add NYS Childhood Fall Prevention Toolkit materials to Babysitting Class curriculum
Partners:	Dutchess County Department of Behavioral and Community Health, DC Office of the Aging, City of Poughkeepsie, Health Quest Medical Practice, Health Quest Community Education
Outcome Measures:	1. By Q1 2017 add NYS Childhood Fall Prevention Toolkit materials to Babysitting Class curriculum 2. Increase enrollment in Babysitting Class by 20% over 3 years 3. By Q4 2017, have Falls Prevention information implemented in the EMR to auto-generate for pediatric patients. 4. By end of Q2 2017, develop a Falls Prevention brochure specific to pediatric population 5. MOB Program Outcomes a. Attendance of participants b. First session and last session survey results c. 6-month survey 6. Number of attendees at lectures and events (utilize new CRM tool when implemented to track new patients in key areas). 7. Number of new contacts created or people who request Health Quest info 8. Dedicate one Social Media Post a month to injury and falls preventions
Evidence Base:	https://www.ncoa.org/healthy-aging/falls-prevention/falls-prevention-programs-for-older-adults/ http://www.cdc.gov/homeandrecreationalsafety/falls/compendium.html http://www.cdc.gov/arthritis/basics/physical-activity-overview.html https://www.health.ny.gov/prevention/injury_prevention/children/toolkits/childhood_fall/

Northern Dutchess Hospital Implementation Plan

NYS Prevention Agenda Priority Area #1: Prevent Chronic Disease

Focus Area	Chronic Disease and Obesity in Children and Adults
Goal:	1. Create community environments that promote and support healthy food and beverage choices and physical activity. 2. Expand the role of health care and health service providers in obesity prevention.
Objective 1:	**Expand Opportunities for safe physical activity in the community** 1. Increase enrollment in the Get Fit Hudson Valley Fitness Challenge for next 3 years. 2. Host educational/physical activity events in the community 3. Host one Fun, Food Fitness class for kids age 8-13 per year
Objective 2:	**Expand school, community and employee wellness programs** 1. Initiate worksite challenges to create walking groups and walking paths as part of Get Fit in order to provide employees with opportunities for physical activities. Partner with VBMC, PHC and AHA to develop programs with 3 worksites by 2018. 2. Offer employee wellness programs to our own 6000+ employees
Objective 3:	**Promote evidence-based care to manage chronic diseases.** 1. Offer at least one CDC National Diabetes Prevention Program (NDPP) to the community per year
Objective 4:	**NDH will support the Dutchess County Department of Behavioral and Community Health to achieve the following:** • Yearly Obesity Conference • Host the Chronic Disease Networking Group
Interventions/Activities:	1. Bi-annual Get-Fit Hudson Valley Challenge (Spring & Fall) a. Develop educational series to complement Get Fit Challenge 2. Fun, Food Fitness class for kids age 8-13 3. CDC National Diabetes Prevention Program 4. Implement employee wellness/fitness center incentives for Health Quest Employees 5. Create, distribute and provide educational services to the community and providers a. Author 12 Healthy Nutrition/Healthy Habits columns in community papers and online b. Build targeted topics into educational lecture series c. Host one "Dinner with the Doc" on Chronic Disease/Nutrition per year
Partners:	Dutchess County Department of Behavioral and Community Health, Health Quest Medical Practice, Get Fit Partners, American Heart Association, Putnam Hospital Center, Vassar Brothers Medical Center, QTAC NY
Outcome Measures:	**Short-Term Measures:** 1. Increase number of people enrolled in Get Fit 10% per challenge 2. Maintain the average entry per participant between 8-10 year one;

	Increase average entry per participant by 20% a year thereafter 3. Grow Get Fit community by 5% over 3 years - from 3,783 members to 3,975 4. Increase unique web users by 5% for Get Fit per year 5. Attendance in the NDPP Program 6. Average weight loss achieved at 12 months – minimum of 5% of starting body weight. 7. Participants in the NDPP will record physical activity minutes at 60% or more of all sessions attended. 8. Pre and post survey of Fun, Food, Fitness participants to track knowledge gained through the program. **Long-Term Measures** Reduce the percentage of adults who are overweight or obese Age-adjusted hospital discharge rate for diabetes per 10,000 population
Evidence Base:	https://www.health.ny.gov/prevention/prevention_agenda/2013-2017/plan/chronic_diseases/ebi/docs/ebi_fact_sheet.pdf http://www.cdc.gov/healthyweight/physical_activity/index.html http://www.qtacny.org/programs/national-diabetes-prevention-program/

NYS Prevention Agenda Priority Area #2: Promote a Healthy and Safe Environment

Focus Area	Promote a Healthy and Safe Environment
Goal:	Decrease falls among seniors, age 65 and older and associated hospital admissions
Objective 1:	**Promote community-based programs for fall prevention** 1. Sponsor and host the Matter of Balance Program 2. Host one session at a Health Quest hospital each year 3. Increase referrals from HQMP to Matter of Balance Programs 4. Train community workers in evidence-based intervention programs for older adults such as Tai Chi: Moving for Better Balance and A Matter of Balance.
Objective 2:	**Increase awareness among community and providers about the resources and programs available** 1. Partner with Rhinebeck Rotary to promote their Community Improvement program (small home repairs) to identify fall hazards and remediate in the community.
Objective 3:	**Implement a Driver Assessment Program to help identify deficiencies after falls that impact head/neck or back.**
Objective 4:	**Expand Body & Harmony Fall Prevention Clinic (PT and Pharmaceutical assessment for falls)**
Objective 5:	**Increase education of inpatients on fall risks while hospitalized**

Interventions/Activities:	1. Sponsor and host the Matter of Balance Program in partnership with the DC Office of the Aging 2. Create an informational page/resources page Health Quest website 3. Create, distribute and provide educational services to the community and providers a. Author Fall Prevention/blog columns in community papers and online b. Build targeted topics into educational lecture series with Center for Healthy Aging and NDH. Topics to include: yoga, arthritis, balance. c. Create educational brochures to go home with patients d. Use inpatient stays as an educational opportunity – develop Preventing Falls Brochure e. Dedicate one Social Media Post a month to falls and falls preventions
Partners:	Dutchess County Department of Behavioral and Community Health, DC Office of the Aging, City of Poughkeepsie, Health Quest Medical Practice, Rhinebeck Rotary
Outcome Measures:	1. Number of referrals to Driver Assessment Program 2. MOB Program Outcomes a. Attendance of participants b. First session and last session survey results c. 6-month survey 3. Number of attendees at lectures and events (utilize new CRM tool when implemented to track new patients in key areas). 4. Increase frequency and attendees at Body & Harmony Fall Prevention Clinic 5. Dedicate one Social Media Post a month to falls and falls preventions
Evidence Base:	https://www.ncoa.org/healthy-aging/falls-prevention/falls-prevention-programs-for-older-adults/ http://www.cdc.gov/homeandrecreationalsafety/falls/compendium.html http://www.cdc.gov/arthritis/basics/physical-activity-overview.html

Putnam County

Putnam County Needs Assessment

Putnam Hospital Center

Putnam Hospital Center has a long-standing and well-established relationship with the Putnam County Department of Health (DOH). Health assessment activities, public health education campaigns, and emergency and response activities have been worked on jointly for more than a decade.

The Putnam County DOH initiated and continues to facilitate the Mobilizing for Action through Planning and Partnerships (MAPP) strategic planning process with community partners in order to develop the Community Health Assessment (CHA). Established partnerships, including the Live Healthy Putnam Coalition, the Mental Health Provider Group, and Putnam Hospital Center's Community Health Needs Committee, have been joined by new alliances, the Suicide Prevention Task Force and the Communities That Care (CTC) Coalition, providing guidance and support in the areas of mental health and substance abuse. Each group brings a particular agenda and strength to the collective; all work in concert with the ultimate goal to improve the health of the community.

The MAPP process uses four unique assessments to determine community priorities: Community Health Status, Local Public Health System, Community Themes and Strengths, and Forces of Change. These assessments inform the development of the Community Health Improvement Plan (CHIP). More than 85 organizations participated in these assessments and greater than 600 Putnam County residents responded to the community survey. Through the MAPP process two overarching priorities were identified and served as a foundation for developing the Putnam County CHIP: Prevent Chronic Diseases and Promote Mental Health and Prevent Substance Abuse.

A third priority was recently added to the Putnam CHIP: Promote a Healthy and Safe Environment. This change came because Putnam Hospital Center and the county Office for Senior Resources will be implementing programs to prevent falls in the growing elderly population.

The Putnam Department of Health Annual Health Summit, which was held on June 7, 2016, provided an excellent platform to present and discuss data, review existing strategies and select priorities to concentrate on in the upcoming year.

Following the Summit, the Putnam Hospital Center Community Health Needs Committee held workgroup sessions with hospital staff, physicians, Putnam County Department of Health staff

and community members to review the recently completed DSRIP Needs Assessment, results of the Putnam County Community Asset Survey, internal discharge data, SPARCS data, the New York State Prevention Agenda Dashboard and the County Health Rankings Roadmap.

The Putnam Hospital Center Community Health Committee identified the following priorities:

1. Prevent Chronic Diseases
2. Promote Mental Health and Prevent Substance Abuse

Additionally, PHC decided to address a third priority:

3. Promote a Healthy and Safe Environment (Reduce Fall Risks Among Vulnerable Populations)

Community Health Improvement Plan/Implementation Strategy

Putnam Hospital Center

Priority Area #1: Prevent Chronic Diseases – *Reduce chronic disease and obesity in children and adults*

Chronic diseases and conditions—such as heart disease, stroke, cancer, type 2 diabetes, obesity, and arthritis—are among the most common, costly, and preventable of all health problems (Source: CDC).

Health risk behaviors are unhealthy behaviors you can change. Among these health risk behaviors—lack of exercise or physical activity, poor nutrition—cause much of the illness, suffering, and early death related to chronic diseases and conditions. According to the CDC, in 2011, more than half (52%) of adults aged 18 years or older did not meet recommendations for aerobic exercise or physical activity. In addition, 76% did not meet recommendations for muscle-strengthening physical activity.

Physical activity is one of the highlights of Health Quest's implementation strategy for the coming years. Regular physical activity is important for good health, and it's especially important if you're trying to lose weight or to maintain a healthy weight. Physical activity also helps to maintain weight, reduce high blood pressure, reduce risk for type 2 diabetes, heart attack, stroke, and several forms of cancer, reduce arthritis pain and associated disability, reduce risk for osteoporosis and falls and reduce symptoms of depression and anxiety.

The committee also felt nutrition, healthy lifestyle choices and diabetes support complement the need for physical activity. PHC has added additional interventions and activities that focus on these topics.

Priority Area #2: Promote Mental Health and Prevent Substance Abuse - *Promote mental, emotional and behavioral (MEB) well-being in the community and Prevent Substance Abuse and other Mental Emotional Behavioral Disorders*

As the only hospital in the Health Quest system with a comprehensive behavioral health program, the PHC Community Health Needs Committee felt this should be a priority for them. Our Health Quest behavioral health team is made up of specially trained physicians, licensed social workers, crisis intervention specialists and mental health workers.

The PHC Committee overwhelmingly agreed with the Mental Health Priority identified through the MAPP process.

Priority Area #3: Promote a Healthy and Safe Environment - *Reduce falls and associated hospital admissions among senior age 65+*

Although they will not be formally reporting on this priority, it was important to the committee to select a third priority so they could partner with NDH and VBMC on fall prevention best practices.

Putnam Hospital Center Implementation Plan

NYS Prevention Agenda Priority Area #1: Prevent Chronic Diseases

Focus Area	Chronic Disease and Obesity in Children and Adults
Goal:	1. Create community environments that promote and support healthy food and beverage choices and physical activity. 2. Expand the role of health care and health service providers in obesity prevention.
Objective 1:	**Expand opportunities for safe physical activity in the community** 1. Increase enrollment in the Get Fit Hudson Valley Fitness Challenge for next 3 years. 2. Host educational/physical activity events in the community
Objective 2:	**Expand school, community and employee wellness programs** 1. Initiate worksite challenges to create walking groups and walking paths as part of Get Fit in order to provide employees with opportunities for physical activities. Partner with VBMC, NDH and Putnam DOH to develop programs with 3 worksites by 2018. a. Include PHC as a Getfit location 2. Offer employee wellness programs (gym reimbursement) to our own 6000+ employees
Objective 3:	**Promote evidence-based care to manage chronic diseases.** 1. Offer one Chronic Disease Self-Management Class per year (may transition to NDPP) 2. Implement the CDC National Diabetes Prevention Program (NDPP) at PHC

	a. Year 1: Identify staff to train, work with NDH for best practices to implement program at PHC, develop metrics b. Offer one DPP class in year 2 and 3 3. Work with Mental Health Association to offer these programs to their clients
Objective 4:	**Increase awareness among community and providers about the resources and programs available** 1. Highlight community programs that support initiative
Objective 5:	**PHC will support the Putnam County Health to achieve the following:** • Expand chronic disease self-management into the community • Explore a county-wide collaborative to offer the National Diabetes Prevention Program
Interventions/Activities:	1. Bi-annual Get-Fit Hudson Valley Challenge (Spring & Fall) 2. Host educational/physical activity events in the community 3. Offer Chronic Disease Self-Management Program (may transition entirely to NDPP due to lack of participation) 4. Implement National CDC Diabetes Prevention Program at PHC 5. Implement employee wellness/fitness center incentives for Health Quest Employees 6. Create, distribute and provide educational services to the community and providers a. Author 2-4 Healthy Nutrition/Healthy Habits columns in community papers and online b. Build targeted topics into educational lecture series c. Host one "Dinner with the Doc" on Chronic Disease/Nutrition per year 7. Highlight community programs that support initiative – like Communities that Care "Kooking with Kids" initiative
Partners:	Putnam County Department of Health, Health Quest Medical Practice, Get Fit Partners, Putnam Hospital Center, Vassar Brothers Medical Center, QTAC NY, VNA HV, Putnam County Mental Health Association
Outcome Measures:	**Short-Term Measures:** 1. Increase # of people enrolled in Get Fit 10% per challenge 2. Maintain the average entry per participant between 8-10 year one; Increase average entry per participant by 20% a year thereafter 3. Grow Get Fit community by 5% over 3 years - from 3,783 members to 3,975 4. Increase unique web users by 5% for Get Fit per year 5. Participation in the Chronic Self-Management Program/Review retention rates 6. Develop metrics in year one for NDPP program; implement in year two (will be similar to NDH metrics) 7. Number of attendees at lectures and events 8. Track number of email addresses obtained and people who request information. 9. Increase participation at PHC sponsored community events

	Long-Term Measures Reduce the percentage of adults who are overweight or obese Age-adjusted hospital discharge rate for diabetes per 10,000 population
Evidence Base:	https://www.health.ny.gov/prevention/prevention_agenda/2013-2017/plan/chronic_diseases/ebi/docs/ebi_fact_sheet.pdf http://www.cdc.gov/healthyweight/physical_activity/index.html http://www.gtacny.org/programs/national-diabetes-prevention-program/

NYS Prevention Agenda Priority Area #2: Promote Mental Health and Prevent Substance Abuse

Focus Area	Promote Mental Health And Prevent Substance Abuse
Goal:	1. Promote mental, emotional and behavioral (MEB) well-being in the community 2. Prevent Substance Abuse and other Mental Emotional Behavioral Disorders
Objective 1:	**Increase community awareness of warning signs of suicide and available resources** 1. Host/sponsor One Safe Talk per year 2. Host/Sponsor One Asist Program a year 3. Host/Sponsor One Mental Health First Aid
Objective 2:	**Prevent underage drinking, non-medical use of prescription pain relievers by youth, and excessive alcohol consumption by adults** 1. Host medication take-back event at PHC twice a year with Communities that Care, NCADD and Putnam Sheriff (Spring & Fall) 2. Host Opioid Substance Abuse Conference once a year with Communities that Care and NCADD
Objective 3:	**Increase awareness among community and providers about the resources and programs available** 1. Author blog/columns in community papers and online 2. Promote programs to HQMP offices 3. Develop Social Media Campaign
Objective 4:	**Continue to increase internal screening and communication to PHC patients that began in 2013-2016 Community Service Plan**
Interventions/Activities:	1. Offer one Safe Talk per year a. Utilize newly created survey results from Safe Talk participants to analyze program 2. Offer one Asist Program per year 3. Develop/Implement the Mental Health First Aid Program 4. Create, distribute and provide educational services to the community and providers a. Author blog/columns in community papers and online b. Promote programs to HQMP offices c. Develop Social Media Campaign
Partners:	Putnam County DOH, HQMP, Communities that Care, NCADD, Mental Health Association, Putnam County Sheriff

Outcome Measures:	1. Utilize newly created survey results from Safe Talk participants to analyze program 2. Develop metrics for Mental Health First Aid in year one 3. Number of Attendees at Mental Health First Aid; grow base by 10% in year 2 4. Evaluate Assist Program by creating a survey a. After class attendees will be able to: i. Identify people who have thoughts of suicide ii. Understand how your beliefs and attitudes can affect suicide interventions iii. Seek a shared understanding of the reasons for thoughts of suicide and the reasons for living 5. Expand reach of social media campaign; increase views and reach of posts
Evidence Base:	https://www.mentalhealthfirstaid.org/cs/ http://www.sprc.org/resources-programs/suicide-alertness-everyone-safetalk https://www.omh.ny.gov/omhweb/suicide_prevention/training/asist.html

NYS Prevention Agenda Priority Area #3: Promote a Healthy and Safe Environment

Focus Area	Promote a Healthy and Safe Environment
Goal:	Decrease falls among seniors, age 65 and older and associated hospital admissions
Objective 1:	**Promote and expand community-based programs for fall prevention** 1. Explore Tai Chi for Falls Prevention Program at PHC 2. Develop and host Yoga program for core strength and falls prevention 3. Develop fall prevention educational outreach at local senior housing communities and senior community centers a. Health Fairs will include falls and balance screening topics
Objective 3:	**Develop a Body & Harmony Fall Prevention/Gait Clinic (similar to NDH)** 1. PT and Pharmaceutical assessment for falls
Objective 4:	**Increase awareness among community and providers about the resources and programs available**
Objective 5:	**Increase education of inpatients on fall risks while hospitalized** 1. Use inpatient stays as an educational opportunity – develop Preventing Falls Brochure for PHC
Objective 6:	**Partner with Putnam County DOH to Explore the creation of a County-wide Falls Prevention Task Force**

Interventions/Activities:	1. Develop and implement a Body & Harmony Fall Prevention/Gait Clinic (use best practices from NDH) 2. Develop fall prevention educational outreach at local senior housing communities and senior community centers 3. Potential Tai Chi for Falls Prevention Program at PHC 4. Health Fairs will include falls and balance screening topics 5. Create, distribute and provide educational services to the community and providers 6. Author Fall Prevention/blog columns in community papers and online 7. Build targeted topics into PHC educational lecture series. Topics to include: yoga, arthritis, balance. 8. Dedicate one Social Media Post a month to falls and falls preventions 9. Implementation of Prevention of Falls Brochure to inpatient community a. Create educational brochures to go home with patients 10. Creation of Task force by end of year one
Partners:	Vassar Brothers Medical Center, Northern Dutchess Hospital, Putnam County Department of Health, Putnam County Office of Senior Resources, Health Quest Medical Practice
Outcome Measures:	1. Attendance at Fall Prevention/Gait Clinics 2. Number of attendees at lectures and events (utilize new CRM tool when implemented to track new patients in key areas). 3. Implementation of Prevention of Falls Brochure to IP community 4. Number of attendees at Health Fairs 5. Increase the number of outreach events to senior housing and senior centers 6. Task force development by end of year one
Evidence Base:	https://www.ncoa.org/healthy-aging/falls-prevention/falls-prevention-programs-for-older-adults/ http://www.cdc.gov/homeandrecreationalsafety/falls/compendium.html http://www.cdc.gov/arthritis/basics/physical-activity-overview.html

Dissemination to the Public

Health Quest will make the Community Health Needs Assessment and three-year Community Service Plan available in PDF format in the About Us section of www.healthquest.org. A public awareness campaign will be rolled out in the first half of 2017 to drive the community to the website. These efforts may include a press release, posts on social media and internal communications to staff and leadership. In addition, printed copies of these documents will be made available to the public (free of charge) in the administrative offices at Health Quest Corporate offices, Northern Dutchess Hospital, Putnam Hospital Center and Vassar Brother Medical Center. Printed copies will be sent to all Health Quest and individual hospital Board Members and members of the Community Health Needs Committees for further dissemination to the community.

Our partner agency, the Putnam County Department of Health also makes the Health Quest Community Health Needs Assessment and three-year Community Service Plan available on their website (http://www.putnamcountyny.com/health/data/).

Maintaining Engagement and Tracking Progress

Each Health Quest hospital has a Community Health Needs Committee (CHNC) with representation from board members, the executive team, hospital staff, community members and representatives from the local health departments. By charter, the CHNCs are tasked with overseeing the development and updating of community health needs assessments, monitoring the hospitals' responses to the assessment to ensure that the identified healthcare needs are being met and reporting back to the hospital and Health Quest boards. Additionally, representatives from all hospitals participate in community boards and task forces that keep them in regular touch with community partners. The CHNCs meet quarterly to review progress toward the goals stated in this document and determine if any changes to objectives are required. Project-specific workgroups at each hospital also meet regularly to implement the tactics outlined in this document.

Health Quest would like to extend its sincerest thanks to the Putnam County Department of Health and Dutchess County Department of Behavioral and Community Health for their contributions and assistance creating this report.

Appendix/Links

Dutchess County Community Health Status Report

Dutchess County Needs Assessment and Community Health Improvement Plan

Putnam Needs Assessment and Community Health Improvement Plan

One Region, One CNA DSRIP Needs Assessment

NYS Prevention Agenda

User, OHCA

From: victorger@pipeline.com
Sent: Wednesday, March 29, 2017 5:29 PM
To: User, OHCA
Cc: Jennifer Groves Fusco; Hawes, Gary W.; Charlene LaVoie; Lazarus, Steven
Subject: Re: Testimony Resubmitted By CASSH for April 5, 2017 Public Hearing
Attachments: 3-29-17 Testimony Submitted From CASSH.docx

To: Ms.Yvonne T. Addo, Deputy Commissioner, Office of Health Care Access
and Mr. Kevin T. Hansted, Hearing Officer

Testimony Resubmitted by The Community Association to Save Sharon Hospital
for the April 5, 2017 Public Hearing

There is one word change on Page 1 of our Testimony
Please note the one word typo correction on page 1 -
the word **Association** to replace Foundation-

It Should Now Read:

Testimony Submitted by The Community Association to Save Sharon Hospital

Please replace the first page. Thank you.

Victor Germack
Vice President
The Community Association to Save Sharon Hospital

The Community Association to Save Sharon Hospital

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March 29, 2017

Ms. Yvonne T. Addo, MBA
Deputy Commissioner
State of Connecticut Dept. of Public Health
Office of Health Care Access Division
410 Capital Avenue, MS #1 HCA
P.O. Box 340308
Hartford, CT. 06134-0308

Re: Certificate of Need: Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut
Certificate of Need: Transfer of Ownership of Regional Healthcare Associates and Tri State Women's Services to a Connecticut Medical Foundation

DOCKET NO. 16-32132-CON
& DOCKET NO. 16-32133-CON

Testimony Submitted by The Community Association to Save Sharon Hospital

For the Public Hearing to be held by the Department of Public Health Office of Health Care Access on April 5, 2017 at Sharon Town Hall, Sharon, CT.

Some sixteen years ago, I testified as the Vice President of The Association to Save Sharon Hospital (CASSH) at the original CON public hearing in Sharon, CT. before Attorney General Blumenthal and the Office of Health Care Access concerning the sale of Sharon Hospital to Essent Healthcare. Since then, Sharon Hospital has had three corporate owners, its services have deteriorated, patient volume has declined, and it is unprofitable. My testimony today seems even more important than it was sixteen years ago as Sharon Hospital today only has one more chance for it to become a viable entity.

In general, we support non-profit hospitals as a better alternative than the for-profit model. On a preliminary basis, subject to our reservations, we support the planned sale of Sharon Hospital to Health Quest provided certain additional information, not provided in the CON, is furnished, and certain written assurances are obtained from Health Quest about the extent and amount of their financial commitment to Sharon Hospital.

In addition, we seek certain specific changes to the existing Foundation's Grant Agreement, dated September 13, 2016, between the Foundation, Health Quest, and Berkshire Taconic Community Foundation, Inc. (The "Agreement") which will remedy certain shortcomings in the Agreement. We have outlined specific recommendations below that we hope the Office of Healthcare Access will adopt. We have also written to the Attorney General asking him to represent the public interest which is embodied in The Foundation for Community Health since they are providing the majority of the financing for this purchase; and not to do so would be an abrogation of the Attorney General's constitutional duties

We have asked the Attorney General to review and then mandate, in the public interest, certain specific changes in the existing Foundation's Grant Agreement, which will remedy certain shortcomings in the Agreement. We have outlined below specific recommendations for changes which we hope that the Office of Health Care Access and the Attorney General will adopt.

We feel that the Agreement, as it is currently written, is not a 'good deal' for the community, is 'one-sided', and is not fair for those who have contributed to the Foundation. It is unfair and prejudicial to the public interest, to the interests of the Foundation contributors and to those individuals in the Community who initially contributed to Sharon Hospital, prior to its initial conversion in 2002 and subsequently from 2002 to the present. Those who contributed to the Foundation between 2002 and the present were contributing in the expectation and knowledge that their contributions would be going to the stated purpose of helping fund worthwhile health care projects in our Community, not that their funds would be committed to buy Sharon Hospital.

1. **There Is No Binding Commitment by Health Quest to Continue to Financially Support Sharon Hospital for a Specified Period of Time and, or For a Specific Amount:**
   As the financial and operating numbers in the CON show, Sharon Hospital has been in decline for a long period of time – over the past several years, the Hospital has been cutting staff and services, losing quality doctors by attrition and poor management by three corporate owners, leading to a decline in the number of both in-and outpatients. This has caused many former patients and potential patients to seek health care elsewhere. We met with Sharon Hospital's management on March 6, 2017 to get additional insight into their operation. They said that they only had 6 inpatients that week in the Hospital, and in the prior week, they had only admitted one new inpatient. They said that the emergency room is the main driver of inpatients and that a real cultural change is necessary for the EMS groups that bring patients to the Hospital and transfer them out. They feel that they lose some 500 patients annually who get transferred-out because Sharon Hospital lacks the specialists and the services. They also mentioned the negative impact of the Connecticut 6% hospital provider tax which cost them some $3.1 million last year. This wasn't a surprise to us, as all you have to do is read the local newspapers, speak to the doctors, and speak to the former

patients who have given up on Sharon Hospital. In a small, local Community, such as ours, news travels mainly by word of mouth and referrals.
Since it took such a long time for Sharon Hospital to decline, it will also take a long period of time, for the word to travel that Sharon Hospital is a quality health resource once again for former patients to return and new ones to approach the Hospital. This takes time, staying power and money

The business plan and financial projections as set forth in the CON by Health Quest for Sharon Hospital are too aggressive and are just not believable. We took the financial worksheets that were submitted in the CON for Sharon Hospital and Regional Healthcare Associates and consolidated them into a separate worksheet, Exhibit 1 which is attached. The reason for the consolidation is that for financial reporting purposes, both entities are combined. Exhibit 1 shows Sharon Hospital returning to profitability in two short years – earning $5.2 million – by 2018. In the CON, in a response to a question by OHCA, Sharon Hospital showed in its Incremental Growth Projections, discharges increasing by 53% between 2016 actual and 2018. Exhibit 1 projects adding incremental operating revenue of $17.5 million in the first two years (2017 and 2018) with an associated operating profit margin of 45.1% on this incremental revenue base. This is a very high unjustified margin. The CON financial projections show an operating profit margin for Sharon Hospital in 2018 of 6.9% on its projected total revenue of $74.9 million. The projected operating profit margin is higher that any hospital has ever achieved in Connecticut in recent years. Using OHCA's 2015 financial results for Connecticut listed on their website (FY 2015 Hospital Health System – Statement of Operations Data - the latest year that OHCA has made this information publicly available), the hospital with the best operating profit margin in Connecticut is Yale-New Haven which reached 4.5% for 2015. In fact, of the 17 hospital systems listed and reported in the OHCA data, just 10 systems showed profitable profit margins, and most did not exceed a 1% operating profit margin. There is no reason to believe that in just two short years Sharon Hospital can turn around and outperform every other hospital in Connecticut. The Sharon Hospital CON projections are just not believable and these projections cast serious doubt on the soundness of Health Quest's overall business plan for the New Sharon Hospital. <u>We would like to see realistic business and operating projections</u>.

What is missing in the CON is a lack of the detailed explanations and the level of support on how Health Quest will implement the Sharon Hospital turnaround and make their projected results happen. It will take years for Sharon Hospital to reach a significant level of profitability and then only, with solid management, leadership and underlying financial support from Health Quest.

There are no contractual minimum levels of financial support that are set forth by Health Quest in the Agreement, or in the CON. Nor is Health Quest bound to support Sharon Hospital for any minimum period of time. The Foundation is committing $9 million to Sharon Hospital which may never be recovered, if the Hospital fails under Health Quest ownership. What this means, in the meantime, is that the Foundation will have $9 million less to spend on worthy health-related

Community projects throughout our area. Additionally, there is no contractual guarantee contained in the Agreement, that Health Quest won't come back to the Foundation and ask for more financial support.

We would therefore ask that Health Quest commit to financially and operationally supporting Sharon Hospital for a minimum period of 10 years, and commit that they will not ask the Foundation for any additional financial support

2. **Detailed CON Review and Requests for Information and Clarification**
We have noted in our review of the CON, a number of inadequate or incomplete responses to the questions raised by the OHCA staff. Some of these are:

   A. In its CON, Health Quest states that, "Vassar Connecticut expects to maintain current services for a period of three years, subject to patient demand and the availability of physicians and other clinical providers and staff" – what exactly does this guarantee to our Community? Health Quest should make a long-term commitment to provide essential medical at New Sharon Hospital for a minimum period of 10 years. This should be a minimum requirement.
   B. How much working capital is needed to finance the operation of Sharon hospital until 'real' profitability is achieved. We don't know now as we have a business plan/financial projection that is not believable, and no cash flow projection has been submitted. Please furnish the working capital requirements over time.
   C. In a response to a question asked by OHCA, to "explain the 143% increase in inpatient discharges or outpatient visits to cover financial incremental expenses between FY 2018 and FY 2019 as stated on page 44 of the application. How did the Applicants arrive at this increase in incremental inpatient and outpatient utilization?" The answer does not appear to be responsive, and is somewhat confusing. It doesn't explain the increase in utilization and, furthermore, using the specific discharge rate of $10,000 per discharge, and $300 for each outpatient visit, generates revenue of $4,254,90 in 2019 – way in excess of the total estimated incremental costs of $2,125,000. Would Health Quest please explain this?
   D. How does Health Quest's charity or indigent care policy differ from that provided by Sharon Hospital – and on a going forward basis, and using Health Quest's charity care policy at New Sharon Hospital, how many patients will be covered and to what degree, compared to Sharon Hospital's existing policy? Will Sharon Hospital's charity care patients be better off or worse off under Health Quest's charity care program, and by how much?
   E. The CON states that capital improvements will cost, at least $11.5 million. We believe that this may be materially understated. At the March 16, 2017 Public Forum, Mr. Friedberg, President of Health Quest, said that they will put capital into retrofit some areas but physical plant is not likely to need expansion. Upon information and belief, we understand that Sharon Hospital paid for an energy efficiency and savings program/energy audit that Trane conducted, approximately two years ago. It showed that Sharon Hospital is still burning grade 6 fuel oil (which is not permitted in New York – and is terribly dirty

stuff) – and they must convert the system and make a fuel change over to burning cleaner fuel which is absolutely essential. We read in the Con, that the Hospital is planning to spend some $1.5 million and take an old oil tank out of the ground and make a partial change in their energy generation system. The main boilers will still be over 50 years old. We understand that the energy study showed that a complete change and energy upgrade would cost approximately $5 million, but would generate savings of approximately $400,000 plus in annual utility savings. Sharon Hospital's private equity owner did not want to spend for this program or incur additional debt. Does Health Quest intend to invest to upgrade the energy generation and improve the Hospital's energy efficiency?

F. Health Quest says that "Sharon Hospital is projecting to add a total of eighteen (18) full time positions through FY 2020, all of which are non-physician positions". It also says it will add "48 additional full time employees through FY 2020". How many full time physicians will be added to Sharon Hospital and when? Will they be primary care or what will be their specialty – can this be broken out? Will these physicians be working solely at Sharon Hospital, or will they be dividing their time at other Health Quest hospitals? Will Health Quest provide a staffing spreadsheet by timing, specialty and location - spelling out the above information?

G. In Sch. 4.16 Tax Returns, it says that Regional Healthcare Associates LLC has not filed its federal or state income tax returns or paid any corresponding income taxes for the last 2 fiscal years ending 9/30/14 and 9/30/15. We were told at our March 6 meeting with Sharon Hospital management that this was a clerical issue., and that they are treated as a partnership for Federal and State income tax. As full disclosure, we still would like to see the returns and understand why they weren't timely filed. When will these returns be filed?

3. **The Foundation for Community Health Involvement in the Purchase of Sharon Hospital and Suggested Changes in the Structure, Governance and Oversight**

The Foundation has currently $25 million in assets which includes the Essent Healthcare purchase price, existing endowment funds at the time of sale in 2002, and funds raised and interest earned since then. The Grant Agreement requires that the Foundation restrict $9 million of its funds, or 36%, of its total funds. This will dramatically negatively impact the Foundation's future annual grant making ability to the Community which it has successfully implemented over the past 15 years. The $9 million also represents over 56% of the $16 sale amount that the Foundation received from the sale of Sharon Hospital to Essent Healthcare in 2002. In fairness to the many contributors to Sharon Hospital, pre 2002, and to the Foundation, post 2002, we urge the Attorney General and the Office of Healthcare Access to mandate the changes that we have recommended below, and to make this a fairer and more equitable structure and agreement and protect the public interest.

A. Coverage by the Attorney General:
Since the Foundation is a public charity within the meaning of Code 501(c) (3), it comes under the jurisdiction and review of the Attorney General of Connecticut.

B. Purchase Price:
Under the Grant Agreement, the Foundation is committing $9 million (which become restricted funds) in grants to Health Quest. 60% of the Sharon Hospital acquisition purchase price - $3 million out of the $5 million total purchase price will be committed by the Foundation and another $6 million in Investment up to 4 years is being committed to Health Quest.

Since the Foundation is not the buyer of Sharon Hospital and is only helping Health Quest finance the acquisition, why then does it have to put in 60% of the purchase price? By any manner of comparison, Health Quest, as the owner of Sharon Hospital, does not have enough financial stake and financial commitment in this planned purchase. Additionally since the Foundation does not get a carried ownership interest, or have a real governance role at Sharon Hospital or gets its investment back if the Hospital is sold to a third party after the first five years of ownership, then the Foundation's agreement to fund the $3 million is not prudent or fair.

We suggest that a purchase investment of only $1 or 2 million by the Foundation would be appropriate – given the limited stated representation that the Foundation will have on the Sharon Hospital Board of Trustees (just an advisory board), the Health Quest Board of Trustees (just one seat) and its lack of an ownership, carried interest or no governance role as it is currently stated in the Agreement. These issues are spelled out in greater detail below.

C. Working Capital Grant:
These grants totaling $6 million "…are dedicated for actual direct cost outlays associated with Health Quest's strategic investments at New Sharon Hospital including, without limitation, investments in direct physician and provider costs, investments in strategic equipment, facility upgrades, investments in ambulatory networks, investments in information technology infrastructure, and other strategic programmatic investments (collectively, "Investments")". We don't believe that paying for direct physician and provider costs are strategic investments – what they are is normal operating costs. Health Quest should be providing enough working capital to support Sharon Hospital's ongoing operations, including physician costs.

We would suggest that the Grant Agreement language pertaining to the Working Capital Grant should be changed to remove any references to investments in, or paying for direct physician and provider costs.

D. Return of Grant Amount:
If Sharon Hospital is sold to a third party after the first five years of ownership by Health Quest, then the Foundation does not get its asset purchase grant and, or its capital grant returned.
This is unfair to the public interest and to the Foundation. We would suggest that it should be changed so that if Sharon Hospital is sold to a third party during the first 15 years of ownership by Health Quest, then the Foundation should get its asset purchase grant, and working capital grant, less all Capital Campaign Funds raised to date by the Foundation, returned to it.

E. Governance – Sharon Board of Trustees:
The Grant Agreement provides that the Foundation can have up to 12 representatives (80% of the total) serve on the Sharon Board of Trustees (which is basically a local advisory group) which will be composed of 15 members. There are three groups of Trustees with different terms, but in no event is there a contractual right for the Foundation to have its representatives serve as trustees after the sixth year.
This is unfair and we would suggest that it should be changed so that after the sixth year, there will continue to be a majority of the trustees who will be selected by the Foundation and who will serve on the Sharon Hospital Board of Trustees as long as Sharon Hospital is owned by Health Quest, and part of its system.

F. Governance – Health Quest Board of Trustees:
The Grant Agreement states that, "The Chair of the Board of Trustees of New Sharon Hospital shall serve ex-officio on the Health Quest Board of Trustees." There is not enough board representation by the Foundation on the Health Quest Board of Trustees given the Agreement's current requirement that the Foundation invest $9 million into New Sharon Hospital.

We would suggest that at least three members of the New Sharon Hospital Board of Trustees be named to the current 18 members Health Quest Board of Trustees, and that they be full voting members as long as Sharon Hospital is owned by Health Quest.

G. Annual Information Reporting to the Community to be Required:
To serve and inform the Community on its progress in improving Sharon Hospital, the Grant Agreement should be modified to require that the Sharon Hospital Board of Trustees will issue a written annual report to the Community, no later than March 1 of the following year, on the state of Sharon Hospital as it pertains to the services offered, the quality of health, physician recruitment, hospital services added, patients serviced and discharged – inpatients and outpatients, the financial results, and whatever other critical information the Sharon Hospital Board feels it needs to present to the Community.

H. A Monitor Should Be Added:
We would suggest that a monitor be appointed by either the Attorney General or OHCA for the first five years, following the purchase of Sharon Hospital by Health

Quest, to insure that the terms of the Agreement are followed and there is an equitable accounting of the funds given by the Foundation to Health Quest under the terms of the Agreement, and that the medical services that were committed to by Health Quest in the CON are supplied to New Sharon Hospital.

By way of background, I am the President of RateFinancials Inc. which was started in 2002. Our company rates the financial reporting, accounting and governance practices of corporations, including health care companies and hospitals – and as such, we are considered financial experts. I am the President of Heritage Capital Corp. – a middle market investment banking company which was started in 1977. I am also the Treasurer and on the Board of The Osborne Association – a non-profit social services agency which works in over 20 prisons in New York State, providing a full range of services including behavioral, court advocacy, job placement, addiction treatment, etc.

The members of The Community Association to Save Sharon Hospital all live in the area served by Sharon Hospital and have organizational standing as we are all impacted and affected by the medical services offered by Sharon Hospital. If Sharon Hospital ceases to exist, we would all be directly adversely affected so therefore we have a meaningful stake in the outcome of the public hearings and what is decided.

We would also ask that the Attorney General also act in these proceedings, since the interests of the public are involved due to the involvement of the Foundation for Community Health and adopt our suggestions for the various changes we have requested.

Thank you for your consideration.

Sincerely,

Victor Germack
Vice President

cc: The Honorable Attorney General George Jepsen
The Honorable Senator Richard Blumenthal
The Honorable Senator Chris Murphy
Deputy Commissioner Ms. Yvonne T. Addo
Assistant Attorney General Gary W. Hawes
Representative Brian Ohler
Charlene LaVoie, Esq.
Jennifer Groves Fusco, Esq.

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FAX SHEET

March 31, 2017

To: Ms. Yvonne T. Addo, MBA
Deputy Commissioner
Office of Health Care Access

Mr. Kevin T. Hansted, Hearing Officer
Mr. Steven Lazarus

Fax Number: 860- 418-7053

From: The Community Association to Save Sharon Hospital

Subject: Re: Certificate of Need: Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut
Certificate of Need: Transfer of Ownership of Regional Healthcare Associates and Tri State Women's Services to a Connecticut Medical Foundation

DOCKET NO. 16-32132-CON & DOCKET NO. 16-32133-CON

Rebuttal Testimony Submitted by The Community Foundation to Save Sharon Hospital In Response to Prefiled Testimony of Mr. Robert Friedberg
For the Public Hearing to be held by the Department of Public Health Office of Health Care Access on April 5, 2017 at Sharon Town Hall, Sharon, CT.

Copy by email to:
Mr. Gary W. Hawes, Assistant Attorney General
Jennifer Groves Fusco, Esq.
Updike, Kelly & Spellacy

Please Note: For speed of communications, could you please direct all contacts to the email address, fax or phone above. Thank you.

The Community Association to Save Sharon Hospital

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March 31, 2017

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Deputy Commissioner
State of Connecticut Dept. of Public Health
Office of Health Care Access Division
410 Capital Avenue, MS #1 HCA
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Mr. Kevin T. Hansted, Hearing Officer
Mr. Steven Lazarus

Copy by email to:
Mr. Gary W. Hawes, Assistant Attorney General
Jennifer Groves Fusco, Esq.

Re: Certificate of Need: Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut
Certificate of Need: Transfer of Ownership of Regional Healthcare Associates and Tri State Women's Services to a Connecticut Medical Foundation

DOCKET NO. 16-32132-CON
& DOCKET NO. 16-32133-CON

Rebuttal Testimony Submitted by The Community Association to Save Sharon Hospital In Response to Prefiled Testimony of Mr. Robert Friedberg

For the Public Hearing to be held by the Department of Public Health Office of Health Care Access on April 5, 2017 at Sharon Town Hall, Sharon, CT.

A. Prefiled Testimony of Mr. Friedberg
Mr. Friedberg says that, 1. "We understand that our volume and financial projections show significant growth in Sharon Hospital during Health Quest's first three years of operations. However we believe these projections are consistent with what has been achieved at Sharon Hospital historically and

attainable given Health Quest's resources..." 2. We are projecting a consolidated (Sharon Hospital/Regional Healthcare Associates) margin of 6% by FY 2020. This is consistent with, and in many instances less than, the operating margins achieved by other Connecticut hospitals in FY's 2015 and 2016. Attached, as Exhibit A is a comparison and summary of hospital operating margin data, compiled using audited financial statements and other information collected by OHCA. This data shows that each year there were seven (7) Connecticut hospital with operating margins in excess of 10%"

Our Response: Mr. Friedberg states that these financial and volume projections that Heath Quest makes are consistent with what has been achieved at Sharon Hospital historically. Considering the last several years, this is not correct.

We hope Mr. Friedberg's real skills lay in operating management and not in understanding financial accounting, or the interpretation of financial results. First, as our Exhibit 1 shows (previously submitted in our prior Testimony, and attached here as well), the bulk of the projected incremental revenue and increase in profits come by 2018 - within the first two years after purchase – in fact, 83% of the increase in incremental revenue from FY 2017 through FY 2020 occurs in just two years, by 2018, not by 2020. By 2018, Health Quest is projecting achieving a 6.9% operating profit margin for Sharon Hospital.

Now, Mr. Friedberg is using the OHCA supplied data in his Exhibit A but he's using the wrong information from OHCA. The information contained in his Exhibit A is only the operating results of hospitals. To get the true and correct financial picture for each hospital; you must consolidate that information with physician and group practices/affiliates' financial results that are associated with each operating hospital. These results are shown by OHCA in its FY 2016 Hospital Health System – Statement of Operations Data – which we will call Exhibit 2. OHCA's FY 2015 results are shown as Exhibit 3. Exhibit 2 - the 2016 OHCA results, after the consolidation of the hospitals and their associated physician practices, show much lower financial results than is shown by Mr. Friedberg's testimony. In fact, contrary to Mr. Friedberg's assertion, using Exhibit 2, no hospital achieves a 6% operating margin in Connecticut! Griffin Health Services showed a 5.24% operating profit margin – this was the highest operating profit margin in Connecticut in 2016. 16 hospitals are reported and only 8 hospitals report positive operating profit margins. As we have said in our Testimony, the Health Quest revenue and profit projections and their business plan for Sharon Hospital are just not believable and will not be attained within the projected time period. We would ask that OHCA require Health Quest to furnish a revised realistic business plan and projections so we can see the correct working capital and investment needs to turn Sharon Hospital around. Further, OHCA should require a written commitment from Health Quest regarding the required level of investment and a time commitment to restore our Hospital to health.

B. Prefiled Testimony of Mr. Robert Friedberg

1."Lastly, I will touch on our new partnership with the Foundation for Community Health ("FCH") and why we believe their continue funding and involvement with Sharon Hospital governance going forward will be of great benefit to the Sharon Community"

And

2. "Once the terms of these FCH-nominated Board members expire new members will be nominated by the Sharon Hospital Board in the normal course and approved by Health Quest"

Our Response: We object to these statements because, as we have previously stated in our Testimony, the New Sharon Hospital Board is first, just an advisory board with no fiduciary or governance role; The Foundation for Community Health ('the Foundation") will not have a governance role at Sharon Hospital, secondly, contractually, the Board members' terms don't extend beyond the first six years, third, new members of the Board are to be nominated by the Sharon Hospital Board and not by the Foundation, fourth, the Foundation is not a partner as partners share equitably, and lastly, according to the Grant Agreement, Health Quest retains the right to eliminate all of the advisory boards at their hospitals if they alone decide it is in their interests – see Grant Agreement – 2.7.4 – "For example, if one Other Hospital board would be dissolved, then all of the Other Hospital boards should be dissolved"

C. We still don't understand why Health Quest needs the Foundation's $9 million to purchase and fund Sharon Hospital. Health Quest is a major hospital with sufficient resources to fund this purchase and make the necessary investments. By his own admission, Mr. Friedberg says, "In the last three years alone, Health Quest has committed more than $750 million to improve VBMC, NDH, PHC, and HQMO."

Our Response: The Foundation has only $25 million in assets committed to helping the Community with various worthwhile grants – if they weren't required to fund this purchase and provide working capital, then they would have $9 million more available to make grants, in addition to fund raising they could do on their own. If the Foundation were not required to fund the purchase price and make working capital grants, then I'm sure the Foundation would be happy to lend its counsel, help and advice to Health Quest and Sharon Hospital to make it succeed. The Foundation – could still be a "partner", and it would still work just as hard.

As it is, the Foundation is making a financial commitment, but contractually, not getting what it should.

D. Mr. Friedberg is still somewhat vague on the number of physicians and their specialties and where they will be based or what percentage of their time will be committed to Sharon Hospital.

Our Response: We would like to see the detail of his projected staffing and recruitment. He must have it since there is a business plan and projections provided with the CON.

E. Mr. Friedberg talks about a "conditional Asset Purchase Grant' and a "conditional Working Capital Grant"

Our Response: What does he mean by using the word, "conditional"? There is nothing conditional about this on the part of the Foundation.

F. Mr. Friedberg's statement that, "This will allow FCH to reinvest funds that were originally intended for Sharon Hospital but never achieved due to the Hospital's for-profit tax status. Now, as a tax-exempt organization, the funds can be directly provided in order to enhance the quality and accessibility of healthcare services for the community".

Our Response: His statement is absolutely incorrect. The Foundation had the right of first refusal to repurchase Sharon Hospital for a definite time period if Sharon Hospital were to be sold during that period. That right expired, and the Foundation was under no legal obligation to support the Hospital whether it is for-profit, or not-for-profit. In fact, on its own, the Foundation has been doing terrific work in support of local healthcare groups and needs.

EXHIBIT 1

Combined Sharon Hospital & Regional Healthcare Associates (In $ millions) *

Pro Forma Operating Results

	FY 2015 Act. Results	FY 2016 Act. Results Estimated	FY 2017 Projected W/out CON	FY 2017 Projected Incremental	FY 2017 Projected With CON	FY 2018 Projected W/out CON	FY 2018 Projected Incremental	FY 2018 Projected With CON	FY 2019 Projected W/out CON	FY 2019 Projected Incremental	FY 2019 Projected With CON	FY 2020 Projected W/out CON	FY 2020 Projected Incremental	FY 2020 Projected With CON
Operating Revenue	$54.00	$50.10	$56.80	$5.20	$62.00	$57.30	$17.50	$74.90	$58.20	$20.00	$78.00	$59.00	$21.00	$80.00
Operating Expenses	54.8	55.7	59.2	2.4	61.6	60.1	9.6	69.7	61.2	11.40%	72.6	62.3	12.9	75.2
Operating Income	-0.8	-5.6	-2.4	2.8	0.4	-2.8	7.9	5.2	-3.0	8.6	5.4	-3.3	8.1	4.8
Net Income	-17.7	-5.6	-2.4	2.8	0.4	-2.8	7.9	5.2	-3.0	8.6	5.4	-3.3	8.1	4.8
Operating Margin - %	-1.48%	-11.17%	-4.22%	53.84%	0.65%	-4.88%	45.14%	6.94%	-5.15%	43.00%	6.92%	-5.59%	38.57%	6.00%
Total Margin - %	-32.77%	-11.17%	-4.22%	53.84%	0.65%	-4.88%	45.14%	6.94%	-5.15%	43.00%	6.92%	-5.59%	38.57%	6.00%

* All financial information is taken from the financial worksheets submitted as part of the CON by Sharon Hospital and Regional Healthcare Associates

Worksheet Prepared by Victor Germack - 3/11/17

EXHIBIT 2

FY 2016 HOSPITAL HEALTH SYSTEM - STATEMENT OF OPERATIONS DATA

	FY 2016 NET PATIENT REVENUE	FY 2016 OTHER OPERATING REVENUE	FY 2016 REVENUE FROM OPERATIONS	FY 2016 NET OPERATING EXPENSES	FY 2016 GAIN/(LOSS) FROM OPERATIONS	FY 2016 NON OPERATING REVENUE	FY 2016 REVENUE OVER/(UNDER) EXPENSES	FY 2016 OPERATING MARGIN	FY 2016 NON-OPERATING MARGIN	FY 2016 TOTAL MARGIN
								Gain/(Loss) from Oper / (Revenue from Operations+Non Operating Rev)	Non Oper Revenue / (Revenue from Operations+Non Operating Rev)	Revenue Over/Under Exp / (Revenue from Operations+Non Operating Rev)
PRIVATELY OPERATED										
BRISTOL HOSPITAL & HEALTHCARE GROUP	$169,423,693	$5,919,418	$175,343,111	$176,835,839	[illegible]	$1,304,934	[illegible]	[illegible]	0.74%	[illegible]
CCMC CORPORATION INC.	$358,221,226	$40,148,735	$398,369,961	$397,642,835	$727,126	$12,526,617	$13,253,743	0.18%	3.05%	3.23%
DAY KIMBALL HEALTHCARE INC.	$127,013,156	$7,117,868	$134,131,024	$133,792,367	$338,657	$641,978	$980,635	0.25%	0.48%	0.73%
EASTERN CT HEALTH NETWORK INC.[1]	$0	$0	$0	$0	$0	$0	$0	0.00%	0.00%	0.00%
GREATER WATERBURY HEALTH NETWORK, INC.[1]	$251,626,867	$11,814,048	$263,440,915	$297,005,778	[illegible]	$2,120,231	[illegible]	[illegible]	0.80%	[illegible]
GRIFFIN HEALTH SERVICES CORPORATION	$170,397,927	$18,509,383	$188,907,310	$178,946,749	$9,960,561	$1,309,748	$11,270,309	5.24%	0.69%	5.92%
HARTFORD HEALTHCARE CORPORATION	$2,350,802,000	$313,129,000	$2,663,931,000	$2,528,378,000	$135,553,000	$71,686,000	$207,239,000	4.96%	2.62%	7.56%
C. HUNGERFORD HOSPITAL	$110,242,061	$6,483,839	$116,725,900	$123,502,173	[illegible]	$1,961,328	[illegible]	[illegible]	1.65%	[illegible]
JOHNSON MEMORIAL MEDICAL CTR, INC.[2] (3 months)	$0	$0	$0	$0	$0	$0	$0	0.00%	0.00%	0.00%
LAWRENCE + MEMORIAL CORPORATION[3]	$418,160,496	$18,646,595	$436,807,091	$464,422,293	[illegible]	$2,560,142	[illegible]	[illegible]	0.58%	[illegible]
MIDDLESEX HEALTH SYSTEM, INC.	$403,365,000	$12,659,000	$416,024,000	$397,793,000	$18,231,000	$12,382,000	$30,613,000	4.26%	2.89%	7.15%
MILFORD HEALTH & MEDICAL, INC.	$67,105,682	$6,894,033	$73,999,715	$76,178,411	[illegible]	$1,130,276	[illegible]	[illegible]	1.50%	[illegible]
SAINT MARY'S HEALTH SYSTEM, INC.[4] (10 months)	$0	$0	$0	$0	$0	$0	$0	0.00%	0.00%	0.00%
SAINT VINCENT'S MEDICAL CENTER[5]	$457,103,000	$49,355,000	$506,458,000	$529,342,000	[illegible]	$6,940,000	[illegible]	[illegible]	1.35%	[illegible]
SHARON HOSPITAL HOLDING COMPANY, INC.	$55,199,240	$698,785	$55,898,025	$58,399,946	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
STAMFORD HEALTH INC.	$544,621,000	$18,923,000	$563,544,000	$558,412,000	$5,132,000	$5,470,000	$10,602,000	0.90%	0.96%	1.86%
TRINITY HEALTH - NEW ENGLAND[6]	$962,505,000	$56,981,000	$1,019,486,000	$1,022,859,000	[illegible]	$60,818,000	$57,445,000	[illegible]	5.63%	5.32%
WESTERN CT HEALTH NETWORK, INC.	$1,181,451,000	$38,511,000	$1,219,962,000	$1,211,319,000	$8,643,000	$52,466,000	$61,109,000	0.68%	4.12%	4.80%
YALE-NEW HAVEN HEALTH SERVICES CORP.[7]	$3,579,271,000	$207,633,000	$3,786,904,000	$3,647,566,000	$139,338,000	$320,570,000	$459,908,000	3.39%	7.80%	11.20%
STATE OPERATED										
UNIVERSITY OF CT HEALTH CENTER[8]	$532,676,000	$210,390,000	$743,266,000	$1,053,578,000	[illegible]	$460,111,000	$149,799,000	[illegible]	38.23%	12.45%

Source: FY 2016 Audited Financial Statements. (Some adjustments have been made by OHCA from the original AFS for Other Operating Revenue and Non Operating Revenue to conform to the above presentation for several health systems.)

Net Patient Revenue amount shown is the amount after the provision for bad debts as indicated in the hospital audited financial statements.
Other Operating Revenue includes AFS amounts for items such as Other Operating Revenue and Net Assets Released from Restrictions.
Non-Operating Revenue includes AFS amounts for items such as investment income & losses, changes in the value of investments, profits & losses from joint ventures and donations.

[1]Note #1 - Prospect Medical Holdings acquired Eastern CT Health Network (ECHN) and Greater Waterbury Health Network in October 2016. ECHN was given a time extension to file their audited financial statements.
[2]Note #2 - Johnson Memorial Medical Center (JMMC) will represent activity from October 1, 2015 to December 31, 2016 which was before it affiliated with Trinity Health New England. JMMC was given a time extension to file their audited financial statements
[3]Note #3 - Lawrence & Memorial Corporation represents a full year of activity October 1, 2015 to September 30, 2016. The health system affiliated with YNHHSC in September 2016. The totals include amounts for Westerly Hospital in Rhode Island.
[4]Note #4 - St. Mary's Health System (SMHS) will represent activity from October 1, 2015 to July 31, 2016 which was before it affiliated with Trinity Health New England. SMHS was given a time extension to file their audited financial statements.
[5]Note #5 - On January 1, 2016, Ascension Health became the sole member of St. Vincent's Medical Center (SVMC) and the entities of the former St. Vincent's Health Services Corporation became part of SVMC.
[6]Note #6 - Trinity Health New England acquired St. Francis Care, Inc. in October 2015 followed by Johnson Memorial Medical Center (January 2016) and St. Mary's Health System (August 2016).
[7]Note #7 - Yale-New Haven Health Service Corporation's (YNHHSC) Audited Financial Statements include a $241 million contribution to non-operating income related to the acquisition of L+M Corporation.
[8]Note #8 - UCONN is State operated and its non-operating revenue was primarily the result of State and Capital appropriations of over $464 million.

OHCA will release this document again at a later date after all hospitals have filed their FY 2016 Audited Financial Statements.

EXHIBIT 3

FY 2015 HOSPITAL HEALTH SYSTEM - STATEMENT OF OPERATIONS DATA*

	FY 2015 NET PATIENT REVENUE	FY 2015 OTHER OPERATING REVENUE	FY 2015 REVENUE FROM OPERATIONS	FY 2015 NET OPERATING EXPENSES	FY 2015 GAIN/(LOSS) FROM OPERATIONS	FY 2015 NON OPERATING REVENUE	FY 2015 REVENUE OVER/(UNDER) EXPENSES	FY 2015 OPERATING MARGIN	FY 2015 NON-OPERATING MARGIN	FY 2015 TOTAL MARGIN
								Gain/(Loss) from Oper / (Revenue from Operations+Non Operating Rev)	Non Oper Revenue / (Revenue from Operations+Non Operating Rev)	Revenue Over/Under Exp / (Revenue from Operations+Non Operating Rev)
BRISTOL HOSPITAL & HEALTHCARE GROUP	$168,109,451	$6,317,978	$172,427,428	$172,340,088	$87,341	$997,043	$1,084,384	0.05%	0.57%	0.63%
CCMC CORPORATION INC.	$341,250,390	$39,119,347	$380,369,737	$379,326,166	$1,043,571	$10,376,378	$11,419,949	0.27%	2.66%	2.92%
DAY KIMBALL HEALTHCARE INC.[1]			$0		$0		$0	0.00%	0.00%	0.00%
EASTERN CT HEALTH NETWORK INC.	$297,145,105	$18,422,521	$315,567,626	$315,848,076	($280,450)	($2,235,410)	($2,515,860)	-0.09%	-0.71%	-0.80%
GREATER WATERBURY HEALTH NETWORK, INC.	$233,666,461	$11,401,405	$245,067,866	$268,052,904	($22,985,038)	$597,134	($22,387,904)	-9.36%	0.24%	-9.11%
GRIFFIN HEALTH SERVICES CORPORATION	$151,665,668	$16,916,293	$168,581,961	$167,787,046	$794,915	($626,903)	$168,012	0.47%	-0.37%	0.10%
HARTFORD HEALTHCARE CORPORATION	$2,239,380,000	$207,215,000	$2,446,595,000	$2,416,588,000	$30,007,000	($13,368,000)	$16,639,000	1.23%	-0.55%	0.68%
C. HUNGERFORD HOSPITAL	$113,735,730	$6,810,204	$120,545,934	$121,979,246	($1,433,312)	$2,960,711	$1,527,399	-1.16%	2.40%	1.24%
JOHNSON MEMORIAL MEDICAL CENTER, INC.[2]			$0		$0		$0	0.00%	0.00%	0.00%
LAWRENCE + MEMORIAL CORPORATION[3]	$438,782,346	$21,207,462	$459,989,808	$470,286,412	($10,296,604)	$11,832,973	$1,536,369	-2.15%	2.51%	0.33%
MIDDLESEX HEALTH SYSTEM, INC.	$377,006,000	$14,648,000	$391,654,000	$390,600,000	$1,054,000	$7,195,000	$8,249,000	0.26%	1.80%	2.07%
MILFORD HEALTH & MEDICAL, INC.	$64,899,709	$4,647,727	$69,547,436	$77,415,816	($7,868,380)	$1,211,823	($6,656,557)	-11.12%	1.71%	-9.41%
SAINT FRANCIS CARE, INC.	$772,752,000	$49,214,000	$821,966,000	$818,524,000	$3,442,000	($17,533,000)	($14,091,000)	0.43%	-2.19%	-1.75%
SAINT MARY'S HEALTH SYSTEM, INC.	$285,389,000	$10,072,000	$295,461,000	$293,300,000	$2,161,000	$2,528,000	$4,689,000	0.73%	0.85%	1.57%
SAINT VINCENT'S HEALTH SERVICES CORP.	$442,387,000	$46,108,000	$488,495,000	$508,201,000	($19,706,000)	($13,177,000)	($32,883,000)	-4.15%	-2.77%	-6.92%
SHARON HOSPITAL HOLDING COMPANY, INC.[4]			$0		$0		$0	0.00%	0.00%	0.00%
STAMFORD HEALTH INC.	$521,111,000	$19,320,000	$540,431,000	$525,446,000	$14,985,000	($2,579,000)	$12,407,000	2.79%	-0.48%	2.31%
WESTERN CT HEALTH NETWORK, INC.	$1,123,622,000	$33,617,000	$1,157,439,000	$1,144,647,000	$12,792,000	$18,590,000	$31,382,000	1.09%	1.58%	2.67%
UNIVERSITY OF CT HEALTH CENTER	$512,950,000	$208,200,000	$721,168,000	$1,007,042,000	($285,874,000)	$440,084,000	$154,210,000	-24.62%	37.90%	13.28%
YALE-NEW HAVEN HEALTH SERVICES CORP.	$3,492,685,000	$109,595,000	$3,602,280,000	$3,442,624,000	$159,656,000	($15,565,000)	$144,091,000	4.45%	-0.43%	4.02%

Source: FY 2015 Audited Financial Statements. (Some adjustments have been made by OHCA from the original AFS for Other Operating Revenue and Non Operating Revenue to conform to the above presentation for several health systems.)
Notes: The Net Patient Revenue (NPR) amount shown is the amount after the provision for bad debts as indicated in the health systems' audited financial statements.
[1]Note - Day Kimball Healthcare was given a time extension until March 30, 2016 to file their audited financial statements.
[2]Note - Johnson Memorial Medical Center was given a time extension to file it's audited financial statements until March 31, 2016.
[3]Note - L+M Corporation includes amounts for Westerly Hospital in Rhode Island.
[4]Note - Sharon Hospital Holding Company was given a time extension to file it's audited financial statements until May 1, 2016.

*OHCA will release this document again at a later date after all hospitals have filed their FY 2015 Audited Financial Statements.

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April 6, 2017

Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut, Inc.

Docket No. 16-32132-CON

Testimony for Public Hearing

Good afternoon. Thank you for the opportunity to testify. For the record, I am Roberta Willis, the former State Representative representing nine towns in NW Connecticut. I also have served on the Advisory Board of Sharon Hospital since it was acquired by Essent Healthcare in 2002. The formation of the Advisory Board and my membership were a condition of the original decision by the Attorney General, Richard Blumenthal. As a public official, I have been involved with the hospital for sixteen years and worked with the Office of Health Care Access and the Attorney General Blumenthal on developing the conditions and obligations of Essent Health Care in the original sale of the hospital.

I am here to support Sharon Hospital's application for a Certificate of Need that is required for the hospital to once again become a community non-profit full service acute care health center.

Like many families in this area, Sharon Hospital has been providing health services for me and my family over many generations. My mother was born there. My children were born there. My grandchildren were born there. Our family continues to receive medical care including inpatient services there. Therefore, as consumers of the services they provide, we are pleased that we will continue to have access to the services we presently receive and welcome the prospect of having increased access to a greater network of professional providers. We look forward to the added opportunity for expanded services when Sharon joins Health Quest hospitals.

Since the acquisition of Sharon Hospital by Essent Healthcare, the healthcare landscape in Connecticut has be changed in several ways. Many of those changes have made it increasingly difficult for our hospitals, especially our small community hospitals to sustain themselves. Already, three-quarters of Connecticut's 28 general hospitals are either part of larger health systems that operate multiple hospitals, or are in talks to join one. With the proposal for our closest independent hospital, Charlotte Hungerford, and Hartford Hospital,

Sharon becomes one of the few hospitals in Connecticut that does not have an affiliation, which puts this small rural hospital at a tremendous disadvantage. As CT's sole for profit hospital, and a small rural community hospital, partnerships or affiliations with larger networks were really impossible. Health Quest is a natural fit for Sharon. It is the nearest tertiary care facility to Sharon. To survive in the present healthcare landscape, the state's small hospital requires a sustainable framework. This partnership will help position our hospital to remain a financially viable health care resource for our area.

The FCH was initially funded with the net proceeds of the sale of the hospital. As a condition required by the State, the FCH had the 'right of first refusal', if Essent decided to sell during the first five years. While that did not occur, it is worth remembering that provision as part of their original charge.

I would like to publicly express my thanks and gratitude to the board members of the Foundation for Community Health(FCH) and their executive director, Nancy Heaton for their service and dedication to this community over their many years of work as the stewards of this community's funds. They have been dedicated to determining our needs with the aim of promoting and insuring that there is access to quality healthcare. We are particularly fortunate to have them at this time. They are well respected and knowledgeable community members, who have taken their charge to the utmost degree. They come from varied backgrounds in healthcare and business, making them ably qualified to review this proposal. They have always represented the best interests of community. I would like to express my complete confidence in their due diligence during this process. This is a complex process. They insured that it was thorough, professional, fair and in the best interests of all of us.

The sale of the hospital in 2002 was a real leap of faith, and was viewed with much skepticism. Thankfully, Essent and Regional Partners kept the hospital doors opened and it continued to operate as an acute care health center. It would be safe to say, otherwise there may not have been a hospital today for Health Quest to acquire. I do not think anyone involved over 15 years ago, would have ever predicted that Sharon Hospital would return to its original non-profit status.

Thank you for considering the Certificate of Need application being submitted by Sharon Hospital. I think I can say with confidence, the community is hopeful that this application is approved as expeditiously as possible.

Thank you for your attention to this important matter for our communities. I would be pleased to answer questions you might have on this proposal.

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April 4, 2017

Ms Yvonne T. Addo, MBA
Deputy Commissioner
Office of Health Care Access
Department of Public Health
State of Connecticut
410 Capitol Avenue
MS # 13HCA
Hartford, CT 06134-0308

Dear Ms. Addo,

I am writing this letter in support of the sale of Sharon Hospital to Health Quest.

I live in Lakeville CT with my wife and 3 children and have an understanding of Sharon Hospital and the proposed sale of Sharon Hospital to Health Quest from several perspectives.

- I am an Emergency Physician in the Sharon Hospital Emergency Department (full-time 1999-2015, part-time 2015-present). During my career at Sharon Hospital, I have transferred many patients from the Emergency Department directly to Vasser Hospital for more advanced care than we could provide at Sharon. My professional interactions with the physicians at Vasser Hospital (most notably in the ED and cardiology) and with Health Quest community physicians have been excellent.

- I serve on the Board of The Foundation for Community Health (FCH). As such, I have a clear understanding of how this sale will affect FCH and our mission to improve the health of our community. Additionally, and as part of the due diligence regarding this transaction, I have met with physicians and Health Quest administrators, and have reviewed clinical quality data from the 3 Health Quest hospitals.

- My family and I have lived in Lakeville CT for 18 years. Our youngest child was born at Sharon Hospital and over the years we have used a spectrum of services at the hospital including the Emergency Department, Occupational Therapy, Inpatient Surgery, Radiology, and Laboratory Services, to name a few.

Sharon Hospital is a critical part of this community. The hospital provides crucial access to health care that would otherwise necessitate a 45 minute drive in any direction, including for Emergency Department services. As an Emergency Physician, I am well aware that any delay in emergency care of conditions such as stroke, heart attack, trauma, and sepsis could be devastating for a patient. The hospital also plays a key role in this community beyond direct clinical care. Sharon Hospital provides jobs and opportunities for

professional advancement, and is an important provider of outpatient community healthcare. For many people, the presence of a high quality community hospital like Sharon Hospital is an important part of the decision to live in the area.

I believe that Health Quest represents the best available solution for the current financial and clinical challenges facing Sharon Hospital today. Health Quest has demonstrated at their existing facilities that they will expand services, increase and streamline access to care in our community, and enhance the services at Sharon Hospital. Many patients in our community must now travel to other hospitals to receive care that Health Quest proposes to enhance locally (such as oncology and cardiology).

The proposed acquisition plan will also allow the Foundation of Community Health to continue our current program funding levels for at least the next decade. As an FCH board member, I look forward to a closer working relationship with Sharon Hospital so we can achieve a common goal of improving the overall health of our community.

For all these reasons, I urge you to approve the sale of Sharon Hospital to Health Quest.

Sincerely,

Arthur Eugene Chin, MD
Board Member
The Foundation for Community Health

Statement of Robert Kuhbach
In support of the
Transfer of Ownership of Sharon Hospital to Health Quest
Public Hearing
Sharon Town Hall
April 5, 2017

Good afternoon.
My name is Robert Kuhbach and I am a full time resident in the Town of North East, New York, living in the Coleman Station Historic District, just west of the Sharon Hospital. I have had a home in this area since 1981.
I am a director of the Foundation for Community Health, having joined the Board in the summer of 2015. I am currently Secretary, and a member of the Finance and Executive Committees. I also served as a member of the special Board Committee charged with the responsibility of evaluating and recommending to the full Board any arrangement involving use of Foundation resources to facilitate the transition of Sharon Hospital from "for profit" status to "not-for-profit" status.
Professionally, I retired from full-time employment in 2012 at age 65, having served as General Counsel and Chief Financial Officer at four public companies for nearly 30 years.

As a long time resident of the Millerton, New York area, I am familiar with the critical role which Sharon Hospital plays in providing quality, accessible health care to this area. At various times over the years, I have personally been treated at Sharon Hospital, as has my wife, and other family members. In all cases, the service was very professional, timely and effective.

I fully support this proposed transaction for two key reasons. First, Sharon Hospital supplies vital health care services in a rural area of northwest Connecticut and eastern Dutchess and Columbia Counties. If Sharon Hospital were to close, it would have a devastating impact on the lives of the residents of this area, who depend on the continued operation of this hospital. This is particularly important for those of us more senior in age, where chronic health issues and convenient access to high quality care is

more compelling. Health Quest's plans to increase services like oncology and cardiology is of particular interest to the aging population, which has been expanding in this area.

My second reason for supporting this transaction, and in particular, the Foundation's grant commitments, is based on a thorough assessment of the alternatives and the fact that the Foundation's support is fully consistent with its mission. The Foundation's special Board committee, consisting of experienced medical service providers and senior business executives spent over a year and a lot of time analyzing the situation, and potential solutions. Consistent with my business experience, we evaluated Health Quest's capabilities and track record, considered alternatives, assessed the risks and concluded that focusing on having a local, successful hospital operator become Sharon Hospital's new owner made the most sense. Having reached that tentative conclusion, our committee negotiated hard to get the best deal for the community, using the Foundation's resources. At the end of the day, I am fully satisfied that the transaction as currently structured, provides the community and the Foundation with the best opportunity to successfully stabilize and revitalize Sharon Hospital for the greater public good.

In conclusion, I would ask that the OHCA approve the sale of Sharon Hospital to Health Quest so as to ensure continued access to high quality hospital and physician services to the greater northwest Connecticut and eastern Dutchess County and Columbia County region.

Thank you for your time.

User, OHCA

From: Lazarus, Steven
Sent: Tuesday, April 04, 2017 1:53 PM
To: Jennifer Groves Fusco (jfusco@uks.com); victorger@pipeline.com
Cc: User, OHCA; Olejarz, Barbara; Martone, Kim; Hansted, Kevin; Riggott, Kaila; Foster, Tillman; Schaeffer-Helmecki, Jessica; Fernandes, David; Greer, Leslie
Subject: Tentative Agenda and Table of the Records for April 5th Hearing, DNs: 32132 & 32133
Attachments: 16-32132 16-32133 Combined Agenda.doc; 32132 table.doc; 32133 table.doc

Please see the attached Tentative Agenda and Table of the Records for tomorrow' s public hearing under DNs: 16-32132 &16-32133. If you have any questions regarding anything in the material, please do not hesitate to contact me.

Thank you,

Steven

Steven W. Lazarus
Associate Health Care Analyst
Division of Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue
Hartford, CT 06134
Phone: 860-418-7012
Fax: 860-418-7053

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Office of Health Care Access

TENTATIVE AGENDA

Docket Number: 16-32132-CON Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc Transfer ownership of The Sharon Hospital to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.

And

Docket Number: 16-32133-CON Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc. Transfer ownership interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.

April 5, 2017 at 4:00 p.m.

I. Convening of the Public Hearing

II. Public Comment

III. Docket Number: 16-32132-CON

- **A. Applicants' Direct Testimony**
- **B. Intervenor's Direct Testimony**
- **C. Applicants' cross-examination of Intervenor**

IV. Docket Number: 16-32133-CON

- **A. Applicants' Direct Testimony**
- **B. Intervenor's Direct Testimony**
- **C. Applicants' cross-examination of Intervenor**

V. OHCA's Questions of both Applicants

VI. Public Comment

VII. Closing Remarks

VII. Public Hearing Adjourned

An Equal Opportunity Provider
(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)
410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Office of Health Care Access

TABLE OF THE RECORD

APPLICANTS: **Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc**

DOCKET NUMBER: **16-32132-CON**

PUBLIC HEARING: **April 5, 2017 at 4:00 pm**

PLACE: **Sharon Town Hall**
63 Main Street
Sharon, CT 06069

EXHIBIT	DESCRIPTION
A	Letter from Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc (Applicants) dated November 3, 2016 enclosing the Certificate of Need (CON) application for the Transfer ownership of The Sharon Hospital to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc. under Docket Number 16-32132, received by OHCA on November 3, 2016. (639 Pages)
B	Letters from the public in the matter of the CON application filed under Docket Number 16-32132. (7 pages)
C	Letter to OHCA from Representative Roberta B. Willis dated November 7, 2016, received November 21, 2016 and OHCA's response dated December 2, 2016 in the matter of the CON application under Docket Number 16-32132. (2 pages)
D	OHCA's letter to the Applicants dated December 2, 2016, requesting Additional information and/or clarification in the matter of the CON application under Docket Number 16-32132.(8 Pages)
E	Applicants responses to OHCA's letter of December 2, 2016, dated January 17, 2017 in the matter of the CON application under Docket Number 16-32132, received by OHCA on January 17, 2017. (241 Pages)
F	OHCA's letter to the Applicants dated February 16, 2017 requesting Additional information and/or clarification in the matter of the CON application under Docket Number 16-32132.(2 Pages)

G	Applicants responses to OHCA's letter of February 16, 2017, dated February 21, 2017 in the matter of the CON application under Docket Number 16-32132, received by OHCA on February 21, 2017. (13 Pages)
H	Designation of Hearing Officer in the in the matter of the CON application under Docket Number 16-32132, dated March 3, 2017. (1 page)
I	OHCA's letter to the Applicants dated March 3, 2017 enclosing order consolidating this hearing with Docket Number 16-32133 for hearing purposes in the matter of the CON application under Docket Number 16-32132 (1 page)
J	OHCA's letter to the Applicants dated March 3, 2017 deeming the application complete in the matter of the CON application filed under Docket Number 16-32132. (1 page)
K	OHCA's request for legal notification in *Republican American* and OHCA's Notice to the Applicants of the public hearing scheduled for April 5, 2017 and in the matter of the CON application under Docket Number 16-32132, dated March 7, 2017. (5 pages)
L	OHCA's letter to the Applicants dated March 17, 2017 requesting prefile testimony and enclosing issues in the matter of the CON application under Docket Number 16-32132. (3 pages)
M	Letter from the Community Association to Save Sharon Hospital ("Petitioner") to OHCA dated March 23, 2017 requesting intervenor status in the in the matter of the CON application under Docket Number 16-32132, received by OHCA on March 23, 2017. (3 pages)
N	Letter from the Applicant to OHCA dated March 24, 2017 Objecting to the request for intervenor status in the matter of the CON application under Docket Number 16-32132, received by OHCA on March 24, 2017.(5pages)
O	OHCA's Ruling on a Petition filed by Community Association to Save Sharon Hospital to be designated as an Intervenor with Limited Rights in the matter of the CON application under Docket Number 16-32132,dated March 24, 2017. (1page)
P	Letter of Support received from Senator Miner and Representative Ohler dated March 27, 2017 in the matter of the CON application under Docket Number 16-32132, received by OHCA on March 27, 2017. (1page)
Q	Intervenors letter dated March 27, 2017 enclosing a copy of their letter to the Attorney General's Office date dMarch 27, 2017 in the matter of the CON application under Docket Number 16-32132, received by OHCA on March 27, 2017 (7 pages)
R	Letter from the Intervenor dated March 29, 2017 enclosing testimony in the matter of the CON application under Docket Number 16-32132, received by OHCA on March 29, 2017 (8 pages)

S	DPH response to Senator Miner and Representative Ohler dated March 29, 2017 in the matter of the CON application under Docket Number 16-32132, received by OHCA on March 27, 2017. (2 pages)
T	Applicants letter dated March 29, 2017 enclosing Notice of Appearance, responses to issues and prefile testimonies in the matter of the CON application under Docket Number 16-32132, received by OHCA on March 29, 2017. (151 pages)
U	Letter from the Intervenor dated March 29, 2017 enclosing revised testimony in the matter of the CON application under Docket Number 16-32132, received by OHCA on March 29, 2017. (151 pages)
V	Letter from the Intervenor dated March 31, 2017 enclosing rebuttal testimony in the matter of the CON application under Docket Number 16-32132, received by OHCA on March 31, 2017. (8 pages)

Administrative Notice:

- Administrative notice is take of Docket Number: 16-32133-CON, Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Office of Health Care Access

TABLE OF THE RECORD

APPLICANTS: **Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.**

DOCKET NUMBER: **16-32133-CON**

PUBLIC HEARING: **April 5, 2017 at 4:00 pm**

PLACE: **Sharon Town Hall**
63 Main Street
Sharon, CT 06069

EXHIBIT	DESCRIPTION
A	Letter from Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc. (Applicants) dated November 3, 2016 enclosing the Certificate of Need (CON) application for the Transfer ownership interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.under Docket Number 16-32133, received by OHCA on November 3, 2016. (562Pages)
B	OHCA's letter to the Applicants dated December 2, 2016, requesting Additional information and/or clarification in the matter of the CON application under Docket Number 16-32133.(5 Pages)
C	Applicants responses to OHCA's letter of December 2, 2016, dated January 17, 2017 in the matter of the CON application under Docket Number 16-32133, received by OHCA on January 17, 2017. (63 Pages)
D	OHCA's letter to the Applicants dated February 16, 2017, requesting Additional information and/or clarification in the matter of the CON application under Docket Number 16-32133.(3 Pages)
E	Applicants responses to OHCA's letter of February 16, 2017, dated February 21, 2017 in the matter of the CON application under Docket Number 16-32133, received by OHCA on February 21, 2017. (5 Pages)
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R	Letter from the Intervenor dated March 31, 2017 enclosing rebuttal testimony in the matter of the CON application under Docket Number 16-32133, received by OHCA on March 31, 2017. (8 pages)

Administrative Notice:

Administrative notice is take of Docket Number: 16-32132-CON, Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.

Office of Health Care Access

APPLICANT

(Only persons speaking on behalf of Applicants must sign in)

PUBLIC HEARING-SIGN UP SHEET

April 5, 2017

4:00 pm

Docket Number: 16-32133-CON

Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.

Transfer ownership interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.

PRINT NAME	Phone	Email	Title
Christian Bergeron	860 364 4084	christian.bergeron@sharonhospital.com	Sharon CFO
Gary Zmrhal	845 475 9538	[redacted]@health-quest.org	Health Quest CFO
Peter Cordeau	860-806-4212	peter.cordeau@sharonhospital.com	Peter R. Cordeau
Jennifer Fusco	203-786-8316	jfusco@cuts.com	Attorney for Applicants
Nancy L Heaton	(860)364-5157	nancy@fchealth.org	FCH CEO

Docket Number: 16-32133-CON
Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.

PRINT NAME	Phone	Email	Title
Michael Brower	615/483-4311	mike.brower@rhcnashville.com	Executive Vice President & CFO

Applicant Sign up-*Only persons speaking behalf of the Applicant may put their names on this sheet*

Docket Number: 16-32133-CON
Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.

Print Name	Phone	Email	Title

Applicant Sign up-*Only persons speaking behalf of the Applicant may put their names on this sheet*

Office of Health Care Access

GENERAL PUBLIC

(Only persons speaking as general public must put their names on this list)

PUBLIC HEARING-SIGN UP SHEET

April 5, 2017
4:00pm

Docket Number: 16-32132-CON Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc Transfer ownership of The Sharon Hospital to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.	Docket Number: 16-32133-CON Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc. Transfer ownership interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.
PRINT NAME	**Representing Organization (If applicable) or Self**
* JOEL W. JONES	SELF
✓ Roberta Willis	self
✓ Rob Kuhbach	FCH
✓ Victor GERMACK	CASSH

Docket Number: 16-32132-CON Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc	Docket Number: 16-32133-CON Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.
PRINT NAME	**Representing Organization (If applicable) or Self**
✓ BARBARA PRINDLE	SELF
✓ * Dale C. Jones	Self - board of Selectmen
✓ EDWARD MURRAY	NDP EMS
[illegible]	Self
Cynthia Hoffsnyder	Lakeville Journal
Andre Williams	" "
LORI SITEPARO	Self
Lorna Brodtkorb	
✓* JESSICA FOWLER	BOS
✓ * Malcolm Brown	Former 1st Selectman

General Public: Anyone not associated with the Applicants, Intervenor or Elected/Public Officials

General Public

Docket Number: 16-32132-CON Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc	Docket Number: 16-32133-CON Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.
PRINT NAME	**Representing Organization (If applicable) or Self**
Sharon Daniel Kroeger	self
Pari Forood	self

General Public: Anyone not associated with the Applicants, Intervenor or Elected/Public Officials

Docket Number: 16-32132-CON Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc	Docket Number: 16-32133-CON Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc.
PRINT NAME	**Representing Organization (If applicable) or Self**
William Heller	Self
Tara O'Neill	self
Brent Colley	Town of Sharon

General Public: Anyone not associated with the Applicants, Intervenor or Elected/Public Officials

User, OHCA

From: Jennifer Groves Fusco <jfusco@uks.com>
Sent: Tuesday, April 11, 2017 12:21 PM
To: Hansted, Kevin; Riggott, Kaila; Lazarus, Steven; Schaeffer-Helmecki, Jessica; Fernandes, David
Cc: Ping, David; User, OHCA; victorger@pipeline.com
Subject: Sharon Hospital-RHA -- Docket Nos. 16-32132-CON & 16-32133-CON
Attachments: DOCS-#1534067-v1-HEALTH_QUEST_SHARON_LATE_FILE_(FINAL).pdf

All:

Attached please find Applicants' Late File Nos. 1 and 2, as requested at the April 5th public hearing. Please let me know if you have any questions or if you require additional information.

Thanks,
Jen

Jennifer Groves Fusco, Esq.
Principal
Updike, Kelly & Spellacy, P.C.
One Century Tower
265 Church Street
New Haven, CT 06510
Office (203) 786.8316
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MERITAS LAW FIRMS WORLDWIDE

Jennifer Groves Fusco
(t) 203.786.8316
(f) 203.772.2037
jfusco@uks.com

April 11, 2017

VIA ELECTRONIC MAIL

Kevin T. Hansted
Hearing Officer
State of Connecticut Department of Public Health
Office of Health Care Access Division
410 Capitol Avenue, MS #1 HCA
P.O. Box 340308
Hartford, CT 06134-0308

Re: Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut, Inc.
Docket No. 16-32132-CON &
Transfer of Ownership of Regional Healthcare Associates, LLC to a Subsidiary of Vassar Health Connecticut, Inc.

Dear Hearing Officer Hansted:

This office represents Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital, Sharon Hospital Holding Company, Regional Healthcare Associates, LLC, Health Quest Systems, Inc. ("Health Quest"), and Vassar Health Connecticut, Inc. (collectively the "Applicants") in connection with the above-referenced dockets.

For your review, the Applicants enclose Late File Nos. 1 and 2, as requested at the joint public hearing held on April 5, 2017. Late File No. 1 is a copy of the Medical Staff Development Plan that Health Quest had completed for Sharon Hospital and the Sharon service area. Late File No. 2 is a chart that includes volume and financial data for Northern Dutchess Hospital ("NDH") from 2000 through 2016.

Regarding Late File No. 1, in early 2017 Health Quest retained Veralon, a firm specializing in physician needs for organizations such as Sharon Hospital, including the types of physicians relative to the existing service areas (primary and secondary), to prepare a Medical Staff Development Plan. The Veralon study looked at the area demographics, developed a list of physicians in the area by specialty and age, and then, based on that analysis and ratios of physician need to population, determined the approximate number of physicians required in the Sharon service area. Health Quest intends to utilize this study in helping to determine how many physicians should be recruited to the area and the priority for recruiting those physicians.

Primary care physicians – specifically internal medicine and family practice physicians represent the largest deficit identified by Veralon. This is Health Quest's highest priority at the current moment for recruitment. Obstetrics and surgical specialties (including general surgery) also have shortages and are priority recruitments. Cardiology also shows a large deficit and it should be

noted that Health Quest has three cardiologists – the number that the service area is short – who are obtaining their Connecticut licenses and will be practicing at Sharon Hospital. While oncology does not show a physician shortage, this is somewhat misleading. The numbers in essence are overstated as the oncologists shown in the area are not permanent, but rather reflective of a transient basis since they are "travelers" or on the edges of the service area. As such, this does not reflect the true need for oncologists in the area and Health Quest will recruit this specialty on a high priority basis as well.

Regarding Late File No. 2, the data provided for NDH begins in 2000, which is the first full year of operation following the 1999 merger of NDH and Vassar Brothers Medical Center ("VBMC") to form Health Quest. NDH was a distressed hospital at the time of the merger, and had been losing money for several years prior to the merger. As illustrated, there has been substantial improvement in all the categories since the acquisition. However, in particular, the following should be noted:

- In the first full four (4) years of operation (2000-2004) as part of Health Quest, NDH experienced a significant turnaround. Inpatient discharges grew by approximately 25 percent during that time. The operating margin went from a -6.7% to a +4.3%, a turnaround of over $3.3 million. Of note, this was done at a time prior to Health Quest forming Health Quest Medical Practice ("HQMP"). HQMP was formed in 2008, and Health Quest did not have a good platform for recruiting physicians until the formation of HQMP. It is clear from the chart that once HQMP was formed, and along with the management change in 2014, NDH experienced record growth in both volumes and financial success.

- Effective January 1, 2014, Health Quest engaged new leadership, initially at the corporate level and eventually at two of its three hospitals (including NDH). In comparing 2013, the last year under the previous management team, to the following years, there has been steady, consistent growth in discharges, as well as NDH's operating and EBIDA (Earnings Before Interest, Depreciation and Amortization) margins.

- As noted in the CON filings and at the public hearing, Health Quest has continually invested in its facilities. This too occurred at NDH where Health Quest expended $47 million for a new patient tower (Sosnoff Pavilion), which opened in February of 2016. This new facility had a resounding impact, not only on admissions and discharges, but financially as well. NDH recorded a historic $16,374,148 of Net Operating Income with a 14.9% operating margin in 2016.

In summary, as clearly noted at the hearings, while Health Quest sets aggressive growth targets, they have been consistently achieved. NDH is just one example of this. Sharon Hospital has advantages that NDH did not have in its early years with Health Quest. First, Health Quest was just forming when NDH joined the system. Health Quest was developing the system and incorporating NDH simultaneously. Second, HQMP did not exist until 2008, and there was little infrastructure for physician recruitment and retention until HQMP was formed. Finally, the new Health Quest management team, which has been in place since 2014, is committed to top-decile performance and

has been successful at achieving this. Sharon Hospital benefits from not only these three factors but many others and has the potential to achieve levels of growth similar to NDH and perhaps more readily because of the mature status of Health Quest.

Thanks you for your consideration of this Late File information. Please let me know if you require anything further for your review.

Very truly yours,

Jennifer Groves Fusco

Enclosures

cc: David Ping *(w/enc)*
Michael W. Browder *(w/enc)*
Victor Germack *(w/enc)*

LATE FILE NO. 1

SH000975
PP000689
04/11/2017

Sharon Hospital

Medical Staff Development Plan

January 25, 2017

Table of Contents

Introduction

Engagement Context and Overview

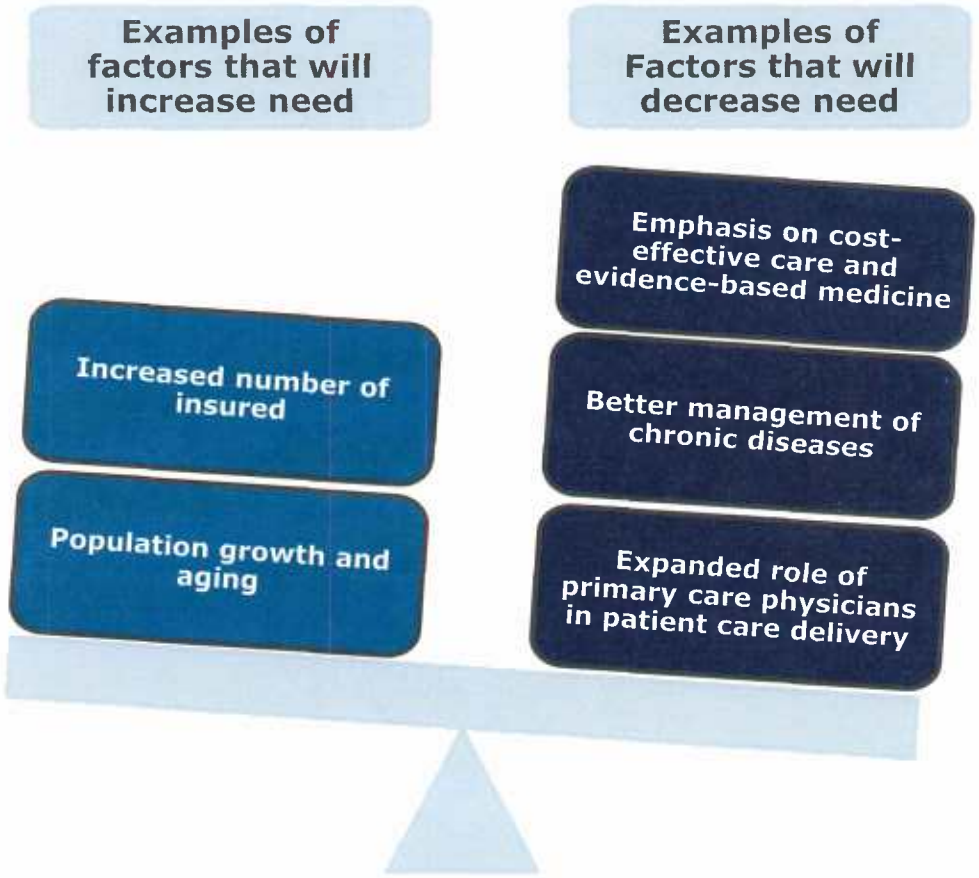
- HealthQuest is acquiring Sharon Hospital ("Sharon") and therefore must understand the Sharon Hospital service area's need for physicians
- HealthQuest engaged Veralon to assist with medical staff planning for Sharon
- Veralon prepared this draft report based on analysis of medical staff data and other physician information

Engagement Objectives

- ☑ Determine the current and future mix of physicians required to meet the community need
- ☑ Provide support and documentation for Sharon's physician recruitment and other practice activities

Factors Affecting Future Physician Need

Physicians

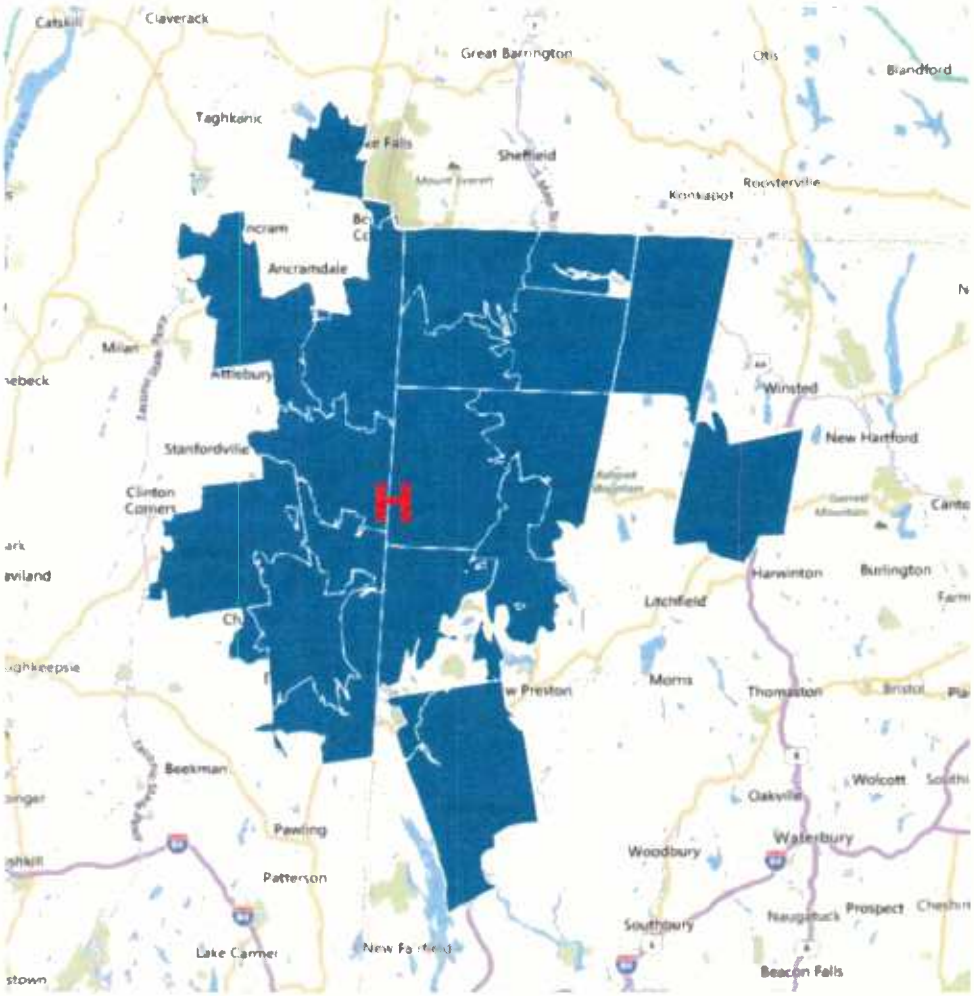


SH000980
PP000694
04/11/2017

HEALTHQUEST Sharon HOSPITAL VERALON

Service Area Overview

Sharon Service Area



Zip Code	City
06018	Canaan
06024	East Canaan
06031	Canaan (Falls Village)
06039	Lakeville
06068	Salisbury
06069	Sharon
06754	Cornwall Bridge
06755	Gaylordsville
06757	Kent
06776	New Milford
06790	Torrington
06796	West Cornwall
12501	Amenia
12516	Copake
12522	Dover Plains
12545	Millbrook
12546	Millerton
12567	Pine Plains
12592	Wassaic
12594	Wingdale
06058	Norfolk

SH000982
PP000696
04/11/2017

Based on 2016 Sharon inpatient discharge data. Service area includes the top towns comprising 75% of total discharges

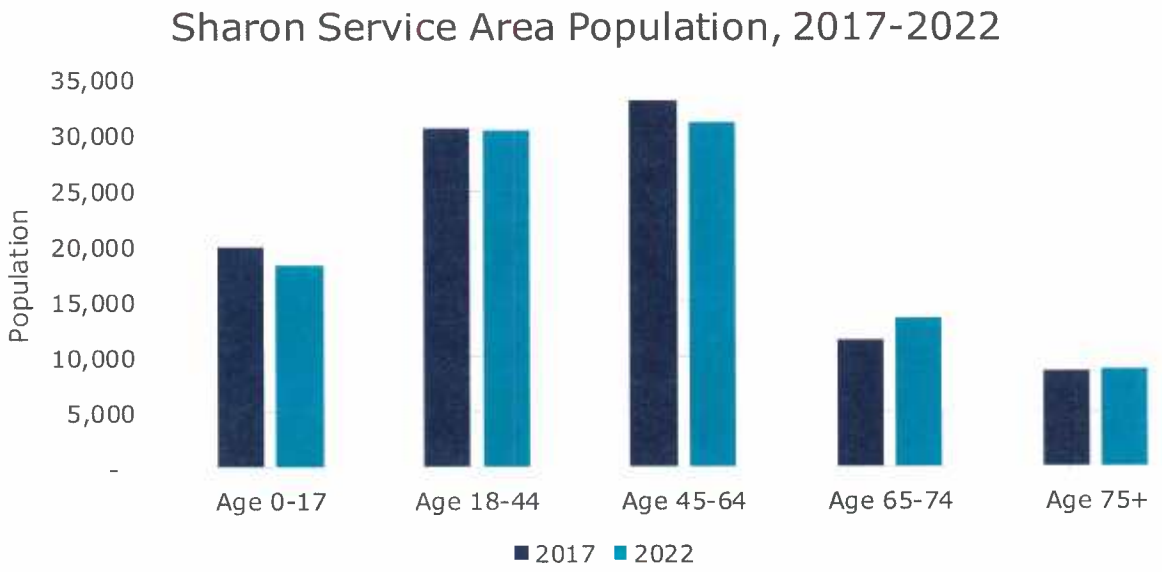
H- *Sharon Hospital*

HEALTHQUEST Sharon HOSPITAL VERALON

Sharon Service Area Population

Demographics

- The population in Sharon's Service Area is projected to decrease slightly (1.6%) by 2022; however, the population aged 65+ is projected to increase by 11%



Sharon Hospital
Service Area Population by Age Cohort

	Total Population			Population Age 65+		
	2017	2022	% Change	2017	2022	Change
Sharon Service Area	104,036	102,362	-1.6%	20,211	22,460	11.1%

[1] Population statistics from Nielsen Pop-Facts Premier, 2016.

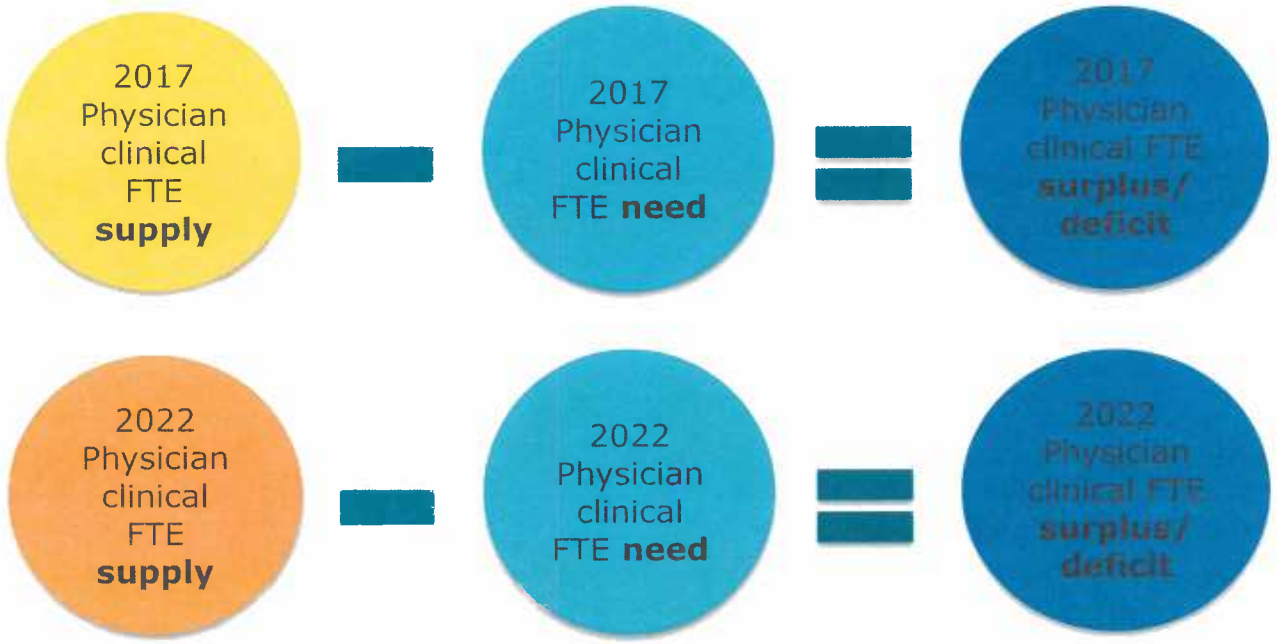
SH000983
PP000697
04/11/2017

HEALTHQUEST Sharon HOSPITAL VERALON

Community Needs Assessment

Community Need Methodology

Determining service area physician requirements (surplus/deficit):



- **Physician Supply:** compiled from Sharon's medical staff roster, insurance provider directories, area hospital websites, and other sources
- **Physician Need (Demand):** determined for each major medical and surgical specialty based on market specific physician-to-population ratios, which are age-adjusted for service area demographics
- **Surplus/Deficit:** determined for the community served by Sharon

SH000985
PP000699
04/11/2017

HEALTHQUEST Sharon HOSPITAL VERALON

FTE Adjustment Guidelines

Adjustments

Age Adjustment

Physicians aged **65-69** are considered "ramping down": **0.5 FTE**

Physicians aged **70 and over** are considered retired: **0.0 FTE**

Office and Service Area Adjustment

For physicians with two or more offices, assumed time split equally among all locations

Locations out of service area are not counted toward service area FTEs

Example Provider

Dr. Smith:
Age: 67 years old
Age Adjustment:
0.5 FTE

Total Office locations: 3
2 within SA
1 outside of SA
Location adjustment:
0.66 FTE

Adjusted FTE:
0.33 FTE

SH000986
PP000700
04/11/2017

HEALTHQUEST Sharon HOSPITAL VERALON

Service Area Physician Supply (2017 & 2022)

Specialty Mix

- Primary Care physicians represent approximately 42% of the 146 physician FTEs in Sharon's service area.
- This is higher than the national PCP prevalence figure of 37%

Physician Attrition

- With no replenishment of physicians to the service area, physician supply is projected to decrease by approximately 21 FTEs by 2022 due to retirement
  - These decreases are spread evenly across primary care and medical specialties, at 14% and 13% respectively.
  - The decrease among surgical specialties is larger, at approximately 17%

Sharon Hospital
Summary of Physician Supply by Specialty:

Specialty	2017 Estimated FTE Level[1]	2022 Estimated FTE Level[1]
Primary Care		
Family Practice	20.1	14.4
Internal Medicine	25.6	23.3
Pediatrics	16.2	15.7
Primary Care Total	**61.9**	**53.3**
Medical Specialties		
Allergy/Immunology	2.4	1.9
Cardiology	5.0	4.8
Dermatology	2.4	1.5
Endocrinology	0.9	0.9
Gastroenterology	3.1	1.2
Hematology/Oncology	5.0	4.5
Infectious Disease	1.2	1.2
Nephrology	1.5	1.0
Neurology	0.7	0.7
Physical Medicine & Rehabilitation	2.5	2.5
Psychiatry	7.6	7.4
Pulmonology	5.0	4.8
Rheumatology	2.4	2.4
Medical Specialties Total	**39.6**	**34.5**
Surgical Specialties		
Cardiovascular/Cardiothoracic Surgery	-	-
Colo-Rectal Surgery	0.5	0.5
General Surgery	8.3	6.3
Neurosurgery	-	-
Obstetrics/Gynecology	11.4	9.3
Ophthalmology	6.0	4.8
Orthopedics	12.4	10.8
Otolaryngology	2.4	2.0
Plastic Surgery	1.3	1.2
Urology	2.7	2.5
Vascular Surgery	-	-
Surgical Specialties Total	**44.9**	**37.3**
Grand Total	**146.4**	**125.0**

SH000987
PP000701
04/11/2017

Sharon Service Area Surplus/Deficit Analysis: 2017 & 2022

Sharon Hospital: Summary of Physician Surpluses and Deficits

Category	2017 SA Supply (Adj FTE)	2017 SA Need	2017 FTE Surplus/ Deficit	2022 SA Supply (Adj FTE)	2022 SA Need	2022 FTE Surplus/ Deficit
Primary Care						
Family Practice	20.1	29.8	(9.7)	14.4	31.6	(17.3)
Internal Medicine	25.6	35.6	(10.0)	23.3	38.5	(15.2)
Pediatrics	16.2	10.8	5.4	15.7	10.4	5.3
Primary Care Total	**61.9**	**76.2**	**(14.3)**	**53.3**	**80.5**	**(27.2)**
Medical Specialties						
Allergy/Immunology	2.4	1.4	1.0	1.9	1.4	0.5
Cardiology	5.0	8.1	(3.1)	4.8	7.9	(3.2)
Dermatology	2.4	3.4	(1.0)	1.5	3.3	(1.8)
Endocrinology	0.9	1.8	(0.9)	0.9	1.7	(0.8)
Gastroenterology	3.1	4.3	(1.3)	1.2	4.2	(3.0)
Hematology/Oncology	5.0	3.8	1.2	4.5	3.6	0.9
Infectious Disease	1.2	1.8	(0.6)	1.2	1.7	(0.5)
Nephrology	1.5	2.5	(1.0)	1.0	2.4	(1.4)
Neurology	0.7	4.2	(3.5)	0.7	4.0	(3.3)
Physical Medicine & Rehabilitation	2.5	2.5	0.0	2.5	2.3	0.2
Psychiatry	7.6	11.2	(3.6)	7.4	10.7	(3.3)
Pulmonology	5.0	7.2	(2.2)	4.8	7.0	(2.3)
Rheumatology	2.4	1.4	0.9	2.4	1.4	1.0
Medical Total	**39.6**	**53.5**	**(13.9)**	**34.5**	**51.6**	**(17.1)**
Surgical Specialties						
Cardiovascular/Cardiothoracic Surgery	-	2.0	(2.0)	-	1.9	(1.9)
Colo-Rectal Surgery	0.5	0.6	(0.2)	0.5	0.6	(0.2)
General Surgery	8.3	7.5	0.8	6.3	7.2	(0.9)
Neurosurgery	-	1.7	(1.7)	-	1.6	(1.6)
Obstetrics/Gynecology	11.4	10.8	0.5	9.3	10.0	(0.7)
Ophthalmology	6.0	6.2	(0.2)	4.8	6.0	(1.2)
Orthopedics	12.4	7.9	4.6	10.8	7.5	3.3
Otolaryngology	2.4	3.0	(0.6)	2.0	2.8	(0.8)
Plastic Surgery	1.3	2.3	(1.0)	1.2	2.2	(1.0)
Urology	2.7	3.6	(0.9)	2.5	3.4	(0.9)
Vascular Surgery	-	1.4	(1.4)	-	1.3	(1.3)
Surgical Total	**44.9**	**47.0**	**(2.1)**	**37.3**	**44.6**	**(7.3)**
Grand Total	**146.4**	**176.8**	**(30.4)**	**125.0**	**176.6**	**(51.6)**

LATE FILE NO. 2

SH000989
PP000703
04/11/2017

Northern Dutchess Hospital: Growth from 2000 – 2016
Docket Nos. 16-32132-CON & 16-32133-CON – Late File #2

Year	Discharges	Operating Margin	EBIDA Margin	
2000	2,916	-6.7%	2.2%	First year operation post merger
2001	3,043	-2.8%	5.7%	
2002	3,361	1.9%	7.0%	
2003	3,621	1.4%	7.0%	
2004	3,605	4.3%	9.5%	
2005	3,564	1.7%	7.8%	
2006	3,866	3.5%	11.5%	Rosenthal Pavilion Opens
2007	4,067	0.6%	10.0%	Full depreciation and interest
2008	4,156	2.7%	10.0%	Recession
2009	4,189	5.6%	12.0%	HQMP recruits IM, General Surgery and OB
2010	4,176	7.0%	14.0%	
2011	4,205	12.6%	19.2%	
2012	4,199	8.7%	15.0%	
2013	4,487	12.3%	17.9%	
2014	4,678	14.0%	19.3%	Full year of new management team
2015	5,130	13.4%	19.6%	
2016	5,417	14.9%	22.2%	Sosnoff Pavilion opens

SH000990
PP000704
04/11/2017

User, OHCA

From: victorger@pipeline.com
Sent: Thursday, April 13, 2017 10:12 PM
To: Hansted, Kevin; Riggott, Kaila; Lazarus, Steven; Schaeffer-Helmecki, Jessica; Fernandes, David
Cc: Ping,David; User, OHCA; Jennifer Groves Fusco
Subject: Re: Sharon Hospital-RHA -- Docket Nos. 16-32132-CON & 16-32133-CON
Attachments: 4-13-17 Response to Late File Nos. 1 and 2-The Community Association to Save Sharon Hospital.docx

To All:

Attached please find The Community Foundation to Save Sharon Hospital's response to Applicants' Late File Nos. 1 and 2.

Thank you,

Victor Germack
Vice President

The Community Association to Save Sharon Hospital

P.O. Box 612
Salisbury, CT. 06068
victorger@pipeline.com
Fax: (212) 722-3819
Phone: (917) 582-8411

VIA FAX & ELECTRONIC MAIL

April 13, 2017

Mr. Kevin T. Hansted
Hearing Officer
State of Connecticut Dept. of Public Health
Office of Health Care Access Division
410 Capital Avenue, MS #1 HCA
P.O. Box 340308
Hartford, CT. 06134-0308

Re: Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut, Inc. & Transfer of Ownership of Regional Healthcare Associates and Tri State Women's Services to a Connecticut Medical Foundation

DOCKET NO. 16-32132-CON
& DOCKET NO. 16-32133-CON

Response by The Community Association to Save Sharon Hospital to Late File Nos. 1 and 2 Filed by the Applicants – Essent Healthcare of Connecticut, Inc. Health Quest Systems, Inc., and Vassar Health Connecticut, Inc.

A. Regarding Late File No. 1

At the April 5th. Hearing, the Hearing Officer requested that the Applicants furnish their physician manpower needs assessment study which the Applicants stated was used as the basis for their staffing projections as outlined in their CON Application. In our Prefiled Testimony, we maintained that the Applicants did not specify a medical staffing plan in their CON. Therefore, we listened very carefully to the OHCA questions and the Applicant's responses at the Hearing, to determine what physicians and what specialists would be added and when, where they would be located, and how their time would be divided between Sharon Hospital and the other Health Quest hospitals. Unfortunately, none of this critical information was provided in the CON or at the Hearing. The Applicants' answers at the Hearing on this

critical subject were vague and incomplete. We heard the Applicants make statements like "22 FTEs would be added", and "still deciding what physicians and what types", among other answers from the Applicants. The Veralon study that was furnished by the Applicants – as Late File No.1, doesn't provide any definite answers to the Sharon Hospital staffing questions. In fact, the Veralon study talks about a physician deficit today of 30.4 FTEs, and a physician deficit of 51.6 FTEs by 2022. While primary care physicians are the most critical need now and in 2022, it also mentioned needs for psychiatry and pulmonology which had not been previously discussed by the Applicants.

We still don't understand how you can provide a CON, which contains a business plan with detailed financial projections, supposedly based on physician staffing, and yet there is no detail given for what the healthcare services or medical staffing will be. We again ask that Health Quest tell us what medical services and staffing Sharon Hospital will provide to the Community. How can we hold Sharon Hospital and Health Quest accountable if we don't know what they intend to provide?

Our major objection which still remains is that the current financial projections and business plan for Sharon Hospital, contained in the CON, are unrealistic and must be resubmitted together with a stated medical service plan that is believable. On behalf of the public, it makes no sense for OHCA to approve a hospital's health service plan that is unrealistic and with no stated guarantees of financial support or service.

B. <u>Regarding Late File No. 2</u>

The Applicants were asked to provide supporting data for their statements that Northern Dutchess Hospital ("NDH"), which Health Quest acquired in 1999, has had very good growth and "went from a negative margin to a 13.5% operating margin". The Late File #2 shows the discharges, operating margin and EBITDA margin from 2000 through 2016 for NDH. It shows an operating margin of 13.4% in 2015 and 14.9% in 2016.

Unfortunately, the information contained in Late File No. 2 is misleading, as it's just the operating results for Northern Dutchess Hospital without its associated physician costs. To get the correct financial picture for each hospital, you must consolidate their operating revenue and expenses with its associated physician and group practices/affiliates' costs. This is the same mistake that Mr. Friedberg made in his Prefiled Testimony, which we pointed out in our Rebuttal to his Testimony.

To get the correct operating profit margin for Northern Dutchess Hospital, you must allocate a proportionate share of the total physician and group medical practice costs, which appear to be from: HQ Med Practice, HV Cardio

Practice and HQUMCP (See Consolidating Statement of Operations - page 41 of the 2015 Health Quest Systems Audited Financial Statement) to NDH.

For the purpose of the physician cost allocation, we would assume that NDH should share a proportionate share of the total physician and group practice medical expense of $36.0 million based on their share of revenue as a percentage of the total revenue of the three hospitals. Doing this would reduce NDH's operating profit from $12.4 million (See page 42 of the 2015 Health Quest audited statements) to $8.2 million, And on a revenue base of $92.6 million, NDH would show an operating profit margin of 8.8% in 2015 not 13.4%! In addition, Connecticut has a 6% provider tax which New York State does not have – but if it did, (and we know Sharon Hospital will have the 6% provider tax) NCH's profit margins would be significantly reduced and their results would be more in line with most of the Connecticut hospitals' financial results.

C. US Department of Justice Investigations

Note 15 of the Health Quest Systems Audited Financial Statements for 2015 discloses two outstanding 2016 United States Department of Justice investigations into two matters that relate to self-disclosure efforts by Health Quest into contracts entered into between VBMC and PHC and two separate physician groups. While Health Quest has reserved an estimated liability for these matters, it says, "It is reasonably possible that a change in these estimates will occur in the future and the change could be material to the consolidated financial statements". Because the change could be material, OHCA must ascertain the nature and extent of these investigations as they could have a significant impact on Health Quest's future operations and that of Sharon Hospital going forward.

Thank you for your consideration.

Sincerely,

Victor Germack
Vice President

cc: Jennifer Groves Fusco, Esq.

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

OFFICE OF HEALTH CARE ACCESS

SHARON HOSPITAL HOLDING COMPANY AND THE SHARON HOSPITAL AND HEALTH QUEST SYSTEMS, INC. AND VASSAR HEALTH CONNECTICUT, INC.
TRANSFER OWNERSHIP OF THE SHARON HOSPITAL TO VASSAR HEALTH CONNECTICUT, INC.
A SUBSIDIARY OF HEALTH QUEST SYSTEMS, INC.

DOCKET NO. 16-32132-CON

AND

REGIONAL HEALTHCARE ASSOCIATES, LLC AND HEALTH QUEST SYSTEMS, INC. AND VASSAR HEALTH CONNECTICUT, INC.
TRANSFER OWNERSHIP INTEREST OF REGIONAL HEALTHCARE ASSOCIATES, LLC TO VASSAR HEALTH CONNECTICUT, INC.
A SUBSIDIARY OF HEALTH QUEST SYSTEMS, INC.

DOCKET NO. 16-32133-CON

APRIL 5, 2017

4:00 P.M.

SHARON TOWN HALL
63 MAIN STREET
SHARON, CONNECTICUT

POST REPORTING SERVICE
HAMDEN, CT (800) 262-4102

. . .Verbatim proceedings of a hearing before the State of Connecticut, Department of Public Health, Office of Health Care Access, in the matter of Sharon Hospital Holding Company and The Sharon Hospital and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc. transfer ownership of The Sharon Hospital to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc. and Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc. transfer ownership interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc., held at the Sharon Town Hall, 63 Main Street, Sharon, Connecticut, on April 5, 2017 at 4:00 p.m. . . .

HEARING OFFICER KEVIN HANSTED: Good afternoon, everyone. This public hearing before the Office of Health Care Access is being held on April 5, 2017 to consider two applications, one by Essent Healthcare of Connecticut, Inc., DBA: Sharon Hospital, and Sharon Hospital Holding Company and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc., for

the transfer of ownership of Sharon Hospital to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc., and they're in Docket No. 16-32132-CON. Boy, that was a mouthful.

And the second application, bearing Docket No. 16-32133-CON, is Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut, Inc. for the transfer of ownership of interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., as subsidiary of Health Quest Systems, Inc.

This public hearing is being held pursuant to Connecticut General Statutes, Section 19a-639a(f)2, and will be conducted as a contested case, in accordance with the provisions of Chapter 54 of the Connecticut General Statutes.

My name is Kevin Hansted, and I have been designated as the Hearing Officer for both of these matters this evening.

The staff members assigned to assist me in this case are Kaila Riggott, Steven Lazarus, Jessica Schaeffer-Helmecki and David Fernandes, and the hearing is being recorded by Post Reporting Services.

In making its decision on both of these

matters, OHCA will consider and make written findings concerning the principles and guidelines set forth in Section 19a-639 of the Connecticut General Statutes.

Specifically, OHCA will consider the following; whether there is a clear public need for the proposed transaction, whether the Applicant has satisfactorily demonstrated how the proposal will impact the financial strength of the healthcare system in Connecticut, or that the proposal is financially-feasible for the Applicant; whether the Applicant has satisfactorily demonstrated how the proposal will improve quality, accessibility and cost effectiveness of healthcare delivery in the region; and whether the Applicant has satisfactorily demonstrated that the proposal will not negatively impact the diversity of healthcare providers and patient choice in the region.

Essent Healthcare of Connecticut, Inc., DBA: Sharon Hospital, Sharon Hospital Holding Company, Health Quest Systems, Inc. and Vassar Health Connecticut, Inc. have been made parties to this transaction, as well as Regional Healthcare Associates, LLC and Health Quest Systems, Inc. and Vassar Health Connecticut under their respective Docket numbers.

Community Association to Save Sharon

Hospital has been designated as an Intervenor, with limited rights in both dockets, and what that means, for those of you in the audience, is that Community Association to Save Sharon Hospital has the right to present testimony, however, they do not have the right to Cross-Examine the Applicant.

The Applicant, if they choose to do so, may Cross-Examine Connecticut Association to Save Sharon Hospital.

At this time, I will ask staff to read into the record those documents already appearing in OHCA's Table of the Record in both of these matters.

All documents have been identified in the Table of the Record for reference purposes. Mr. Lazarus?

MR. STEVEN LAZARUS: Good afternoon. Steven Lazarus, staff at the Office of Health Care Access, Department of Public Health.

We have two dockets for the record today. The first one is Docket No. 16-32132, and that includes Exhibits A through V and, also, it's taking administrative notice of Docket No. 16-32133.

The other Docket that we're taking notice today are the Exhibits A through R, and that's for Docket No. 16-32133.

And we also want to note that we received three letters of support for these applications, and they're from Robert Kuhbach, Roberta Willis and Arthur Chin(phonetic). These will be added to the record.

HEARING OFFICER HANSTED: Thank you, Mr. Lazarus. Counsel, do you have any objection?

MS. JENNIFER FUSCO: No. Jennifer Fusco, counsel for the Applicants. We have no objection to the record.

HEARING OFFICER HANSTED: Okay, thank you. And the way that we're going to proceed this evening or this afternoon is that we're going to first hear public comment from anyone, who has signed up to give public comment.

For those of you in the audience, if you wish to give public comment, please sign up on the sheet at the back of the room in the hallway. That way, we know who to call to give public comment. We will take you in the order that you signed up.

After we've heard public comment, we will hear the opening presentation from the Applicants, as well as their Direct testimony, then we will move to the Intervenor for his Direct testimony.

If there's any Cross-Examination by the

Applicant, they will proceed with that at that time, then we will have questions for the Applicant and possibly the Intervenor. I don't think we have any for the Intervenor today, just the Applicant, then we will hear more public comment, and then we will close the hearing.

Okay. At this point, we're going to start with the public comment. As always at the hearings, we defer to any elected officials. Are there any elected officials, who would like to give testimony here or public comment?

I know we have one signed up. I saw two hands. Three hands. If you could please sign up with Leslie, she can take the names.

MS. LESLIE GREER: First, we'll have Dale Jones, then we'll have Jessica Fowler, and then Mr. Brown, the three people right up here.

MR. DALE JONES: Okay to begin?

HEARING OFFICER HANSTED: You may.

MR. JONES: Thank you. Good afternoon. My name is Dale Jones. I'm a Selectman here in Sharon. Thank you, guys, for coming out today and hearing us.

I was, in fact, born at Sharon Hospital way back in 1961. I'm here in support of the transfer of ownership of Sharon Hospital to Vassar Health

Connecticut, also known as Health Quest.

My wife and I raised our children here in Sharon, and, like most parents, we spent our share of time at the emergency room here at our local hospital and for follow-ups.

As you've no doubt noticed, it's a different world out here from most of Connecticut. Everything is a drive. We're fond of saying that, when people, who come from more populated areas of Connecticut, when they refer to the Northwest Corner and Sharon, the last two words that they always end with are out there, as in it's beautiful out there. What do you do for a living out there?

So, yeah, everything is a drive to get out here, and that is a good place to start, as far as the need for Sharon Hospital to continue here as a community hospital.

Having a viable, successful, full-service local hospital, not only for our Town of Sharon, but for the surrounding towns here and across the border, is critical to living out here, and not just for families raising children, as I've testified, but, also, for our substantial senior community out here, as well.

Without Sharon Hospital, the nearest

hospital of any similar caliber is in Torrington. It's a good 40 miles east of here, or 40 minutes, I should say. Hudson, New York, Great Barrington, Massachusetts to the north, both nearly an hour, sometimes more, or to Poughkeepsie to the southwest, a good 45 minutes.

We need and we deserve accessible health care that is a reasonable distance. Sharon Hospital has served that need for us for so long.

Health care is in a very transformative place everywhere. I'm sure I don't have to tell you folks that. And, like many other industries, it's economy of scale and sharing of resources. That's the key to survival, and I believe this transfer is necessary to save this hospital.

I believe the non-profit business model is a better one for small community hospitals. Sharon's Foundation for Community Health Partnership, which has been proposed, should this transfer be approved, will bring some badly-needed resources back to Sharon Hospital and back to these communities.

And there's also value in having a partner like Health Quest acquiring Sharon Hospital. It's regional. It's already part of the community, so it's already keyed into the needs of the residents personally.

Now not to denigrate the private concern, Essent, that has owned the hospital these past several years, but they're based in the middle part of the country, not on the ground here delivering the care, like Vassar and Health Quest have been doing. Those folks are already here. They already know the community. We think, or I think it makes them a better partner.

And, finally, putting my Selectman's hat on, a successful, thriving, vibrant Sharon Hospital, providing local jobs, is no doubt a huge economic asset to the Town of Sharon.

I urge you to approve the sale of Sharon Hospital to Health Quest. Thank you.

HEARING OFFICER HANSTED: Thank you.

(APPLAUSE)

MS. JESSICA FOWLER: Hi. I'm Jessica Fowler, and I wish we can get this many people at a budget hearing.

HEARING OFFICER HANSTED: Ms. Fowler, before you proceed, I just want to, I should mention, for those that are going to give presentations, the little alien-looking eye that you see in front of you, we're actually making OHCA history this evening, this is the first hearing we are actually webcasting the meeting, so

we're recording it, so we brought a little technology to Sharon, not that you don't have it already.

MS. FOWLER: Thank you for the added pressure.

(LAUGHTER)

HEARING OFFICER HANSTED: It was in no way intended that way.

MS. FOWLER: I know.

HEARING OFFICER HANSTED: You may proceed.

MS. FOWLER: Thank you. My voice isn't quite as smooth as Dale's, but I'll give you my perspective as a resident in Sharon and as a Selectman.

As a resident, I've had two children, and, like Dale, I've taken my kids to the hospital, especially my son, with stitches and rips and gashes and fevers, etcetera, etcetera.

I'm always happy with my experience, especially when I would walk in and see somebody I knew. That made a huge difference, especially when my son had a gash in his knee that required 60 stitches. That made even more of a difference, so, as a resident, I'm extremely supportive of this transfer of ownership.

As a Selectman, and I kind of continue with what Dale was just saying, I am deeply concerned

about growth in our town. Both Dale and Brent and myself are concerned, as well as your Board of Finance and your Board of Educations.

We are working together right now on a joint committee to address growth issues. Population is expected to decline in Sharon by over 20 percent between 2015 and 2025. These are projections that the Northwest Hills COG office has provided us.

This is very upsetting. At the 21 towns in the COG region, Sharon has the highest percentage of residents over 64 years of age, so that’s 21 towns in the COG region. We have the highest percentage of that age group.

Our public school enrollment is rapidly declining. That’s just in a freefall. That’s kind of a given.

We know that, out of the 1,000 jobs in Sharon, 60 percent of those are from the healthcare and medical sector, and I’m betting that two-thirds of that 60 percent is Sharon Hospital.

The hospital is an absolute anchor for our town. We have no private schools. We have no light industry. We have nothing else here. We have wonderful people, wonderful residents, an absolutely stellar part-

time community, but we need this hospital on so many levels.

Dale was great about outlining why we needed it, in terms of accessibility, in terms of location. We need it for this town, so I would urge you to support this transfer. Thank you.

(APPLAUSE)

(Whereupon, public testimony was heard.)

HEARING OFFICER HANSTED: At this point, I'd like everyone, who is going to testify here this evening, to please stand, raise your right hand and be sworn in by the court reporter.

(Whereupon, the parties were duly sworn in.)

HEARING OFFICER HANSTED: Okay. Would everyone that was just sworn in just please identify yourselves one at a time?

MR. GARY ZMRHAL: Gary Zmrhal, Chief Financial Officer, Health Quest.

MR. CHRISTIAN BERGERON: Christian Bergeron, Chief Financial Officer, Sharon Hospital.

MR. GLENN LOOMIS: Glenn Loomis, Chief Medical Officer, Health Quest.

MS. NANCY HEATON: Nancy Heaton,

Foundation for Community Health.

MR. PETER CORDEAU: Peter Cordeau, CEO, Sharon Hospital.

MR. MICHAEL BROWDER: Mike Browder, Executive Vice President, Chief Financial Officer, RCCH, HealthCare Partners.

MR. ROBERT FRIEDBERG: Robert Friedberg, President and CEO of Health Quest.

MR. DAVE PING: Dave Ping, Senior Vice President of Strategic Planning for Health Quest.

MR. VICTOR GERMACK: I'm Victor Germack, Community to Save Sharon Hospital.

MR. CHRIS MILLER: Chris Miller, Director of Physician Services with Sharon Hospital.

HEARING OFFICER HANSTED: Okay, thank you, everyone. And just a reminder, for those of you, who have submitted written testimony, before you testify before me this evening, please just adopt your testimony for the record and state your full name again. And, Ms. Fusco, you can --

MS. FUSCO: We'll begin our presentation with Mr. Cordeau, who is the CEO of Sharon Hospital.

HEARING OFFICER HANSTED: Okay. Can everyone hear back there?

VOICES: No.

MS. FUSCO: Do we want to use the amplifying?

HEARING OFFICER HANSTED: Yes. Everyone can hear me okay, correct?

VOICES: Yes.

HEARING OFFICER HANSTED: Okay.

MR. CORDEAU: Good afternoon. My name is Peter Cordeau, and I'm the Chief Executive Officer at Sharon Hospital.

I've been with Sharon Hospital for three and a half years, and I've had the privilege to serve as their Chief Executive Officer for the past year and a half, and I would like to adopt my pre-filed testimony.

HEARING OFFICER HANSTED: Thank you.

MR. CORDEAU: I would like to introduce Mike Browder, Executive Vice President and CFO of RCCH. At the end of the table, Robert Friedberg, President and CEO of Health Quest, and Nancy Heaton, CEO of the Foundation for Community Health.

I'd like to thank OHCA for the opportunity to speak in support of the CON to sell Sharon Hospital to Health Quest, a non-profit healthcare system based in the mid-Hudson Valley Region of New York.

Mr. Friedberg will tell you more about the Health Quest system, which includes notably both tertiary and community hospitals and a physicians' practice of nearly 300 providers covering 25 medical specialties at 20 office locations.

Sharon, as you know, is one of the smallest acute care hospitals in the State of Connecticut, with only 78 licensed beds.

Located 30 miles from the nearest hospital, we strive to provide the community with a full complement of hospital and physician services, but, as you will hear today, there have been challenges in this regard that have adversely impacted the hospital's financial performance and put our survival in jeopardy.

By way of background, Sharon has unique demographics among Connecticut hospitals. Sixty percent of our service area population resides in the State of New York. In the last year, 42 percent of our inpatient discharges were of New York residents.

Sharon is also an aging community, with 40 percent of our service area population projected to be over the age of 55 within the next five years, and Medicare is our primary payer.

As you also know, Sharon Hospital was the

first hospital in Connecticut to operate as a for-profit. We were acquired by Essent Healthcare in 2002, and Mr. Browder here will tell you more about what Essent was able to accomplish in the past 15 years, including significant renovation projects that provided much needed modernization to our Labor and Delivery Unit and our Emergency Department.

He will also explain how changes to the healthcare delivery system, cuts to reimbursement, provider taxes and other issues have combined to bring about the financial issues facing the hospital today.

You will also hear from Mr. Friedberg why Health Quest has chosen to acquire Sharon Hospital, how we fit within the healthcare system, and what their plans are for capital investments, physician recruitment and service expansion.

We have been working with Health Quest for several months and are excited to learn about their plans to upgrade our electronic medical record and to expand our incredibly well-utilized Senior Behavioral Health Unit and add primary and specialty physician services and facilities, including medical oncology and infusion and cardiology, just to name a few.

Lastly, you'll hear from Ms. Heaton about

the role the Foundation for Community Health is playing in funding the return of Sharon Hospital to a non-profit community asset and Health Quest's strategic investment in both the hospital and the associated physician practices.

As I mentioned in my testimony, I've spent several hours speaking with members of this community regarding issues related to Sharon Hospital.

We sat down one-on-one with individuals to discuss this transaction and our expectations for a new Sharon Hospital under Health Quest ownership.

We held a well-attended community forum right here in this very room, where Mr. Friedberg and Mr. Browder spent several hours answering questions and addressing concerns about the future of Sharon Hospital.

We hope that our presentation today will give OHCA and those present even more insight into a transaction that we believe presents great opportunities for our community hospital.

I'm personally excited to move forward with Sharon Hospital under Health Quest ownership, and, in my recent dealings with Health Quest, I'm assured of their commitment to this community and to our hospital.

With that, I'd like to introduce Mike

Browder, Executive Vice President and CFO of RCCH, for his remarks. Thank you.

MR. BROWDER: Thank you, Peter. I'm Mike Browder, Executive Vice President and Chief Financial Officer of RCCH HealthCare Partners, the successor and the parent company of Essent Healthcare.

I'd like to refer to and adopt my pre-filed testimony.

Thanks to the OHCA staff for their review of the CON and its thoughtful consideration of a new path for Sharon Hospital. I'm greatly appreciative for that on behalf of my company and personally.

I would like to reiterate something that Peter said. I'm in a unique position today, I think, in this process, in that I was CFO of Essent Healthcare in 2002, and our company then acquired Sharon, making it the second hospital to join the company of the first for-profit hospital in Connecticut, so, if you'll allow me, I'll be a bit of a historian here as we get to what led us to today.

As Peter said, Essent made many commitments to the Sharon community, and I believe we've delivered on all of them.

Among other things, we brought in

professional, experienced hospital leadership. Those of you, who may have been involved or around in 2002, remember just how broken operationally the hospital was. Stacks of bills taller than I am were stacked around the business office, where patients were not being billed and collections were not being made.

We stabilized and repaired all the broken operations. We completed a 16-and-a-half-million-dollar renovation to three of the most important areas of the facility that Peter alluded to; Obstetrics, ER and Imaging, particularly the MRI.

We're also very proud of things that are not often enough discussed, and that is improvements that were made over the years in patient safety and patient satisfaction.

I've actually been personally invited on more than one occasion, of course, I've never had the opportunity to do it, but to represent Sharon Hospital on a national discussion on how positive our ED and our outpatient services are viewed at Sharon Hospital as one of the top-performing community hospitals in the country.

While making these investments, the company and Sharon Hospital grew together and prospered. We were able to achieve a consolidated operating margin

of seven percent, which I think, as some of the earlier folks have commented on, placed us in the very, very upper tier of Connecticut hospitals for several years, not necessarily on an absolute dollar basis, but, certainly, on a relative basis, and I want to point out this was as recent as 2011.

The reason I wanted to emphasize that is that this performance, frankly, which was just a couple of years ago, five years ago, is quite comparable to projections in the future that Health Quest made in its section of the CON.

As an old baseball coach of mine said, if you demonstrate a skill, you own it. That was his way of saying you better do it again, and, in that regard, I believe Health Quest's views of the future make perfect sense to me, in that we have demonstrated that Sharon can do it. In 2013, we had over 3,000 inpatient discharges, as well.

So let me talk a little bit about why things worked so well from 2002 for many years and what's changed over the past five or so.

Our original idea, as a company back in 2002, was to own and operate standalone community hospitals, standalone community hospitals.

It's what I and my colleagues at Essent Healthcare had done our entire careers. It worked for us as a company and for community hospitals by virtue of making it part of a larger family.

You heard some references earlier to economies of scale. We provide management expertise, economies of scale in purchasing ITs, supplies, services, etcetera, as part of a larger group.

Certain processes are lifted off of local management shoulders, like capital structure matters, insurance procurement, legal and audit and those sorts of things.

However, over the years, a number of key changes began occurring in the hospital's base. Hospitals are squarely in the sights of public policy at both the federal and state level today.

In order to balance budgets, hospital payments have been cut directly by reductions in what we were formerly paid for the same service, but, also, indirectly by rule interpretations and changes to arrangements for things like readmissions within 30 days, observation encounters, etcetera, so what worked in the past doesn't necessarily work today.

In Connecticut, on payments, specifically,

a provider tax is introduced by the State, and this hospital and this community are net losers, in that we pay into the pool a lot more than we get back.

Also, it's less material, but, locally, we've experienced a slight shift toward private pay and away from insured service demand, which increases bad debts or other patient bill write-offs, but, mostly, we have entered a new era of hospital physician dynamics.

When I started my career, the way it typically worked was we went into a community, we acquired a poorly-performing standalone community hospital. We recruited physicians to meet demonstrated need in the community.

The physicians came into the community. They setup their own practice. They were their own entity. They ran things their way, and they used the hospital.

When they did that back in the old days, if I may, they were Marcus Welbys. They took call coverage 24/7, darn near 365 days a year. All that has changed over the last generation or so.

Today, physicians that are newly-trained and might be recruited to a community like Sharon would otherwise come, but they have no intention of coming and

setting up their own shop. They want to be employed. Those dynamics are very difficult, very expensive for the hospital. In this state, of course, with the corporate practice of medicine, there are other dynamics that play there, but here's where our experiences and our company operating basis was ultimately challenged.

In communities, like Sharon, where only one or two of a specialty or subspecialty can be supported, if the physicians are no longer going to practice on their own, they want to be affiliated with the hospital, you have a dynamic, where it's very, very difficult for us to recruit those folks to this community when there's only going to be one or two physicians to take that call.

It's not how physicians think and are trained these days. More experienced physicians, perhaps, but even those guys and gals are to the point where they want to think about a different way to practice medicine.

So the company has pivoted toward larger communities, larger populations, larger opportunities, if you will, to partner with our medical staff and recruit medical staff, especially for the specialties and subspecialists, in instances where five, six, seven,

eight man or eight person practices are supported by the population in the community.

And what's really important is, as I went through the cuts in payments and things like that, what I was saying to you is, and I think the first presenter, the Sharon Selectman, used a very important phrase, he talked about economies of scale, and I think we get that by virtue of being part of a large corporation, but he used the phrase sharing of resources.

That's something that we can't bring to this community, because we don't have any other services that are geographically proximate, and it's just too expensive for us to continue to try to recruit physicians in, if they would come, with a smaller population base.

So the sharing of resources, the geographic proximity with Health Quest is the absolute thing that we need to think about as we think about how the hospital turns around from where it is today.

We can, as a company, and are weathering many of the same issues in some of our other communities, but for this physician dynamic.

And since, obviously, we can't change the populations of the underlying advantages in many regards that exist in the Northwest corner of Connecticut, we

began looking for a way to sell the hospital or otherwise save the hospital by solving physician coverage issues.

The prudent thing, then, was for us to explore all strategic outcomes or options for the hospital. I'd like to point out that I've worked in hospitals or for health systems for the vast majority of the past 33 years. I've been responsible for operating approximately 55 hospitals nationwide, and I was actually involved in acquiring most of those 55 before running them.

On the other hand, I've only been involved in exiting a handful of communities over the same time. This is not only a business, but, also, very personal for those of us that would like to get into a business, even if you're not a clinician, as I'm not, when healing is paramount to what we do.

And, so, it's very personal when we decide to sell a hospital or otherwise leave a community. This is a people business, a relationship business with our staff, our physicians in the community, employers, elected officials, everyone in the community, the folks, who have stood up today.

Harder still, though, is a decision to significantly curtail services or to close a hospital

that is an important part of a community like Sharon.

I thought it was interesting that several of the commenters today referenced the potential close of the hospital. That's not something that we've ever had a discussion outside the four walls of our offices in Nashville, Tennessee, but, as much as I hate to say it, I think everyone here understands that those would be alternatives that we would have to consider, had we not found a much better solution; to sell the hospital to Health Quest.

We spent two years exploring options for a new strategic partner for Sharon. We looked at other for-profit systems, some that were rumored to be coming into the state and others that were in the state in some way, shape, or form, but, frankly, they have the same issues that we have today.

So, ultimately, we decided that Health Quest is the best fit for Sharon, in terms of the geographic proximity, the sharing of resources that Robert will talk a little bit about.

They have deep investments in the region, and, frankly, they are someone that shares our vision, and, this is important, they are someone with whom we can get a deal done.

We're highly confident that Health Quest will be able to provide Sharon Hospital with the support and resources necessary to restore this community hospital to a prosperous position that we enjoyed just a few short years ago.

I'll be available to answer any questions you may have. Thanks again for your time and consideration of our CON request. That concludes my remarks.

And now I'd like to introduce Robert Friedberg, President and CEO of Health Quest, to tell OHCA more about Health Quest and its plans for health services in Sharon.

HEARING OFFICER HANSTED: Thank you.

MR. FRIEDBERG: Good afternoon.

HEARING OFFICER HANSTED: Good afternoon.

MR. FRIEDBERG: Please allow myself to introduce myself. Robert Friedberg, President and CEO of Health Quest, and I adopt my pre-filed testimony.

In my comments today, I really do want to respond to a couple of things that you pointed out that the Board is looking to be able to answer in regards to the need in the community, increasing quality and services for the community and, certainly, the financial

viability of both the Sharon Hospital, itself, and the financial viability of the Health Quest system.

I do want to thank everybody here for giving their time to hear us and process this CON application with the State of Connecticut, and I have to say that there's been -- there certainly has been a lot of great testimony that was given by residents in the community about their feelings about how Sharon has become such an integral part of what goes on in this section of Connecticut, and I think it does speak directly to the need in this community.

This community does need to have access to high-quality healthcare. The distances between this community and other facilities gets to be substantial, and anybody, who has lived in this community for any time, understands that there are conditions on the weather that create even more hardships in being able to access healthcare should the Sharon Hospital not exist.

So let me give you a little bit of a background, then, about Health Quest. So Health Quest is a not-for-profit health system, located in LaGrangeville, New York. Overall, it is about a $1 billion system, and that gives you just a little bit of scale about what the size of the health system is.

It's bigger than most health systems in the region, smaller than a lot of the mega systems either in Yale-New Haven or down in New York City. We comprise three hospitals right now, which is Northern Dutchess Hospital, Vassar Brothers Medical Center and Putnam Hospital Center down in Carmel, New York.

When we were looking at Sharon Hospital, and this project has been going on for quite some time, when we were looking at Sharon Hospital as a possible acquisition to come into the family, we noticed a couple of things that made it stand out to us.

First, I would say that it was already in our service area. We considered the Sharon region and the people in Sharon to be part of the Health Quest service area as a whole, and when we look at where patients were coming into Vassar, coming into Northern, we were able to determine that a lot of them were coming from the very eastern parts of New York, the Eastern Dutchess County, and, also, the Northwestern section of Connecticut.

So when we looked at it, it seemed to be a natural fit, and I would tell you that, when people described this as, you know, looking at Sharon Hospital as part of the Health Quest system and, you know, looking

it as an individual component, I think it does a disservice to what we are trying to bring to this community.

We are trying to bring a solution that allows Sharon to be part of the fabric of a large system, and what that means is that I do not, as the President and CEO of Health Quest, I am not looking at Sharon Hospital in isolation.

I'm looking at Sharon Hospital as a very distinct part of a larger health system and how it fits into that health system and the ability for us to be able to provide services to this community, and that's one of the access points.

And there's a lot of conversation that goes on about how Sharon would fit in, about whether or not this would be something that would be viable. I will tell you that, once it's in the health system, it's just part of the fabric.

Being able to disconnect from that becomes very, very complicated and very difficult and not in concert with the philosophy that we have about how we run our health system.

We run the health system as one integrated program, just like you would look at an individual

hospital and saying one individual part of the hospital may be more profitable or less profitable than the other, but it doesn't work unless the entire thing is in existence.

So when we look at the context of Sharon Hospital and how it fits into the health system, we consider it to be one of those essential elements for this community and for the health system to be able to provide services to the broader geographic region that we serve.

So this venture, this little road that we've been on for about two years now to bring Sharon in, we think, again, it's one of those things that allows patients and the area to get the tertiary care, the academic care, the clinical care that they deserve, and one of the things to point out about how we think about this is, and maybe different than other health systems in the country when they acquire a small hospital and look at a way for just being able to, you know, kind of suck those patients over into the mother ship, we look at this as a way to be able to solve problems for the health system as a whole.

And when I say that, the principal thing that we are interested in doing and the corollary I think

is going to be Northern Dutchess Hospital, the comparison, is to be able to put more resources into the community, so that patients don't have to move. They do not have to go and seek care 40 miles away. Whether or not they're going to Connecticut hospitals, other Connecticut hospitals, or whether they're going to New York hospitals, our role and responsibilities as being the provider of healthcare and the mission that we want to follow is that people should be able to receive exceptional care close to where they live and work.

Secondarily, we want to be able to have the ability to decant. On the New York side, we are extraordinarily busy. Vassar Brothers Medical Center is rather full most days, as is Northern Dutchess Hospital, and we're seeing that, if there's the opportunity to put more resources into Sharon Hospital, more technology, more capabilities, more doctors, then we have the ability to shift volume from the New York side to the Connecticut side and allowing us to look at how we would, then, decant a little bit of the volume on the Vassar and Northern.

So when we get to the discussion a little bit later about economics, we'll have the discussion about what we think we'll be able to do with Sharon

Hospital and the economics of Sharon Hospital, but understand some of that is in the context of being able to have a broader discussion about how we look at the economics of the entire health system.

And I understand, because we are going, you know, kind of across states and we're looking at different things, that we might get focused on the economics in the individual hospital, of Sharon Hospital as an individual hospital, but I have to look at the economics of the health system and how Sharon fits into that and allows us to be viable and continue to be a very thriving health system with the addition of Sharon Hospital into the network.

So our plans are really very simple. We believe that there is opportunities to bring more physicians into the community. We believe that, if we use the power of our large physician group with Health Quest medical practice, which is about 300-and-something providers at the current moment, and we use that resource to be able to recruit and retain and bring doctors to the community, it's going to fill a need, and the need is that there are people in this community, when they're looking for healthcare, their either going to Sharon Hospital now and having to be transferred out for

definitive care, or they recognize that the care doesn't exist in their community and they have to leave anyway, and that doesn't serve anybody any good.

So as we look to bring more doctors in, we believe that that's going to create an environment, where more patients are going to be able to be taken care of at Sharon Hospital, and if they do arrive at the emergency department at Sharon Hospital, they'll be able to be admitted to the hospital with confidence that the physicians and the clinical staff are there to be able to take care of those patients in a very capable manner; safely, effectively and with great outcomes.

Consistent with our mission and vision, we look at how we're going to pursue increasing our quality, and our mantra is very simple. If we can measure it, if we can look at it, if we can understand how we rate, we should be able to perform better than 90 percent of the hospitals in the United States. Top decile performance in everything we do.

And our quality dashboards, our quality statistics, everything that we look at is to move the organizations that are part of our health system towards that concept of top decile performance.

Anything short of that we are not done

with our work, so we will bring a different focus to Sharon Hospital. We will bring this idea that we are going to be relentless in our pursuit of quality, we are going to be relentless in our pursuit of performance and effectiveness, we are going to be relentless in our pursuit of great outcomes.

We're also going to have to do some things that are let's say either capital-intensive or operational-intensive.

One of the advantages that we'll be able to bring to Sharon Hospital is our electronic medical record. This is a shared platform across all of our health system, all of our hospitals.

Patients that do receive care within our health system, they're registered into the system. That patient has one record that goes across the entire health system.

Now most places are like that. Most health systems that's the advantage, that you have an integrated medical record that covers all of your campuses, but what makes it nice when you have a regional area, which you've got a contiguous geographic area, patients that do go to Sharon Hospital and need definitive care that are at a higher level, at a tertiary

level, for example, at Vassar Brothers Medical Center, the instant that the medical record is recorded in Sharon it is immediately available to practitioners at Vassar, so care can be coordinated, care can be started, care can be arranged while that patient is in transit, and that creates a great advantage for patients, who are being able to now get definitive care, knowing that that medical record information is already being reviewed by practitioners.

It's already being viewed by the doctors and nurses that will take care of that patient when they arrive at the Vassar campus, and I think that's a distinct advantage versus being transferred to another facility, in which the electronic medical record now has to be printed, copied, sent, etcetera, etcetera, and then has to be reviewed only upon arrival.

We do also expect to do a lot of expansion and investments in different services, and I'll start, again, with this idea that we're going to be looking at how we're going to employ more doctors into the market.

We've already started the recruitment efforts in preparation for taking on the responsibility for Sharon Hospital.

We expect to bring more cardiology

services to the campus. We expect to restore oncology services to the campus. We expect to be doing more in orthopedics, more in podiatry, more in pain management, more in -- I said orthopedics already. GYN, OBGYN and in GI services.

All of those are in our plans that we've submitted to you about what we think we can bring to the campus, and that's going to translate to more patients being able to get the care at Sharon Hospital, and, so, again, I tie that back to the financial viability of Sharon Hospital and the financial viability of the healthcare system. That's an advantage.

It allows services to be brought locally, and allows people to have their care locally, but also creates a venue in which we are able to add more patients to the Sharon campus and be able to take advantage, as Sharon is very much a fixed cost chassis right now, all right?

The most we can do and the best thing that we can do for the financial side of Sharon Hospital is to add volume and to get it up past its core competency number, its core staffing levels.

So we expect that the innovations that we'll do, whether or not it's upgrades to the Intensive

Care Unit, bringing in telemetry, bringing in AICU capabilities, all the things that we are able to do for the rest of the hospitals in our system, and when we bring those things to Sharon, we expect that that's going to change the environment of Sharon, again, with this idea of being able to make sure that the patients in the community get the type of services that they want and they need.

Our relationship with the Foundation for Community Health really is what made this thing possible. Taking on Sharon Hospital, it is a large project for us. It is an important project for us, but we needed partnerships. We needed to be able to have and know that the community was in on this, that they have skin in the game, that there was a reason for us to come into Connecticut and be a partner of Sharon Hospital.

And our conversations with the Foundation for Community Health led us to believe that we would have great partners in the Connecticut market, and if it wasn't for the fact that the Foundation for Community Health was coming with not only their intellect, their understanding of the community, but, also, with some of the financial resources, this would not be happening, and, very bluntly, we would not be at this table, because

we would not have gone and pursued Sharon Hospital without having the financial support and the intellectual support from the Foundation.

And, lastly, I'll just talk briefly about the financials of Health Quest and the financials of Sharon Hospital, and I would say that most of the health systems in I would say New York and Connecticut we're in the top 10 percent of operating performance.

Last year's operating performance was $68 million of operating income for the health system, $131 million of EBITDA, and a margin of 6.8 percent operating income and then 13-something percent margin in EBITDA, and this is sustained.

We continue to do this year-after-year, and that gives us the ability to be able to take on the responsibility for Sharon Hospital.

We do expect we will improve the operational performance and financial performance of Sharon Hospital. That will take a little time, and I will tell you that we stand by the numbers that are in our CON application.

We believe that that is where we should be going, and we don't see reasons why we can't get there. Having said that, the market is dynamic. There are a lot

of things that are going on in healthcare that are going to have changes that are both positive and negative. There are a lot of changes that are going on in Washington, D.C. that have unknowns for us all, and they will have an effect, both positive and negative, to the operations of Sharon Hospital, but there is a strength to the Health Quest system.

There is a strength that allows us to look at the future and be very bullish, that we can either weather any storms that may be coming, or that we can take advantage of our strength in being able to leverage the market and being able to get better pricing, be able to look at how we're going to get our supply cost down, our pharmaceutical cost down, how we are going to be able to have our systems leverage our capabilities to be able to work efficiently that are sufficient enough for us to be able to continue to operate the health system now with Sharon in it at the same performance level that we've been operating for the last years.

This is a long-term commitment for us. We are not looking to try and understand how we will bring Sharon in for a period of time and then try and understand what the possible exit strategies are for Sharon Hospital. We don't have an exit strategy.

They will be part of our health system, just like Northern Dutchess is, just like Putnam is, just like Vassar is, just like our physician practice is. They will be part of what we do and who we are.

With that, I'll turn it over to Nancy, who is going to talk on behalf of the Foundation for Community Health.

MS. HEATON: Good afternoon. I'm Nancy Heaton, the CEO of the Foundation for Community Health, and I adopt my pre-filed testimony.

I want to thank OHCA for this opportunity to speak in support of the Certificate of Need application for the acquisition of Sharon Hospital by Health Quest and the result and return of the hospital to a not-for-profit status.

I'd like to speak briefly about the Foundation for Community Health, who we are, how we became involved in this transaction and what our role will be with Sharon Hospital moving forward.

So, first, who are we? The Foundation for Community Health, which was originally known as the Sharon Area Community Health Foundation, was established to receive the proceeds of the sale of Sharon Hospital to Essent Healthcare, as well as the restricted and non-

restricted funds and income of the former non-profit hospital.

Our mission is to improve and maintain the health and mental health of the residents in our service area, especially those who are most vulnerable.

Our service area, as you might imagine, matches the traditional service area of Sharon Hospital, covering Eastern Dutchess, Southeastern, Columbia County and the Northwest corner of Connecticut.

FCH is a public charity by its role as a supporting organization under the IRS code. We currently support our three local community foundations; the Berkshire County Community Foundation, the Community Foundation of the Hudson Valley and Northwest Connecticut Community Foundation.

So how did we become involved in this transaction? Well, basically, Roberta Willis, who is sitting right here, introduced us to the Health Quest team.

It was pretty common knowledge at the time, or at least anecdotal stories, that Sharon Hospital was not doing very well financially, and, so, at the Foundation, we were very interested in learning more about Health Quest’s interest in the hospital, as, you

know, we had had the right of first refusal to purchase the hospital for so many years. We were no longer obligated to do that, but it was within our mission to make sure that services were maintained or improved in the community.

It took some time. We met many times, several meetings, conversations with the Health Quest team, and, before we came to the understanding that, if we work together on this endeavor, that we could not only return the hospital back to the community asset that it used to be, but that, as partners, we could better ensure its success.

So using Health Quest's expertise and hospital operations and FCH's expertise regarding the community, its needs, services and knowing the opportunities that exist, it seemed clear to our Board that working together and once we all agreed that partnering would result in a much more likely success for the hospital.

So the Board and staff at FCH also realized that this was probably one of the greatest opportunities that FCH would probably have to positively impact access to healthcare in the Greater Sharon Hospital community, but this investment, we believe,

seeks to bring financial stability and a seamless connection to the resources of a larger system, something which we know in the current healthcare environment is needed, and, Mike, you spoke about this, to keep a small community hospital alive and vibrant.

So FCH conducted an extensive due diligence process regarding Health Quest. We formed a committee of both healthcare and financial expertise. We were fortunate enough to have it on our Board. Together, the committee reviewed years of quality metrics from the other three hospitals, financial records from the other three hospitals.

We met and spoke with clinical, administrative and Board members from the other hospitals, and we met numerous times with the Health Quest management team to discuss why were they interested in Sharon Hospital and what ideas they had regarding its place in their system now and moving forward.

The FCH Board took its obligation to abide by our mission and our fiduciary responsibilities we take these very seriously, but, rest assured, we would not be providing up to $9 million in these two grants to Health Quest if we were not certain of the company’s long-term commitment to Sharon Hospital and its community.

The grants to Health Quest by the Board of FCH, which took over 18 months to finalize in the agreement, are a reflection of our mutual desire to partner on this project.

A primary factor in our decision to partner with Health Quest was that they approached this agreement like us, as a partnership, so they agreed to participate or to put up funds, take the risk of investing into this hospital.

For every fund that we put in, they put in funds, so while we were putting up funds for the purchase, they were also putting up funds for the purchase, and FCH in the agreement will also reimburse Health Quest up to 50 percent for every dollar invested in the hospital up to the $6 million over the next few years.

Those investments will need to be reconciled on an annual basis. It’s our charge to make sure that those investments are in Sharon Hospital, not in necessarily the system or going to Vassar, so it is our responsibility to continue to monitor that going forward.

Lastly, what will our role with Sharon Hospital be going forward? So, first, there’s

governance. FCH, as you already know, has the right to nominate 12 of 15 members of the initial and second class of the Sharon Hospital Board, covering a span of at least six years, including the Chair and Vice Chair position.

This is significant, as the Chair of the Sharon Hospital Board will also sit on the Health Quest system wide Board, and the Vice Chair is expected to follow into the Chairmanship and then have a seat on the Health Quest System Board.

We hope and expect to instill in this Board that -- a culture in this Board of being tied to our community, to be active in assessing local needs, and to continue to think of FCH as a partner in addressing these needs. This is something that has not happened for many years.

We have identified an incredible slate of nominees representing diverse interests and backgrounds and residing throughout the Sharon Hospital service area.

Our bylaws require that we reside in the area, and, so, we follow the same rules in looking for the Sharon Hospital Board.

We have presented these nominees to Health Quest for consideration and expect the Board to be up and running on day one of the new hospital.

Once their second terms expire, we are confident that the Sharon Hospital Board will continue to have significant local membership, as evidenced by the history of the other hospital Boards in the HQ system, whom we have spoken with.

In regards to future investments in infrastructure and services, I've already mentioned the $6 million dollars available in this grant, and, in my written testimony, you'll find a summary of many safeguards written into the grant agreement to protect FCH's investment in the new Sharon Hospital.

Some of these include the requirement of a match, which I've already mentioned, that our obligation to fund this investment is actually only for four years, so if Health Quest chose not to invest, they would not have access to those funds, so the idea is to help and encourage these capital commitments to be as expeditious as possible, and that FCH will be reimbursed for funds given to HQ in the event that Sharon Hospital is sold, closes, or loses its tax-exempt status within the first five years of HQ ownership.

As for future requests from HQ, I'm confident that the staff and Board of FCH will use the same set of parameters and conduct the same due diligence

process it has on this grant, as it has on all of its grants, and will make its decision accordingly.

Lastly, Health Quest has made a commitment to ensure that this large investment does not impact FCH's grant making budget ability to fulfill its mission over the next 10 years.

Health Quest has agreed to fund new and ongoing community programs funded by FCH, or, if appropriate, to provide these services itself.

I am pleased to offer FCH's support for the sale of Sharon Hospital to Health Quest. I am happy to answer any questions you have about our role in this transaction and with the hospital going forward.

Thank you, again, for allowing me to speak. Thank you.

MS. FUSCO: That concludes our presentation in Docket No. 16-32132. We have some brief remarks in 16-32133.

HEARING OFFICER HANSTED: Why don't you just --

MS. FUSCO: -- move forward?

HEARING OFFICER HANSTED: Do you know how long that will be exactly?

MS. FUSCO: Not long. Five to 10 minutes.

HEARING OFFICER HANSTED: Okay, let's go forward.

MS. FUSCO: It's shorter.

MR. CORDEAU: Hello, again. My name is still Peter Cordeau, and I adopt my pre-filed testimony.

HEARING OFFICER HANSTED: Thank you.

MR. CORDEAU: I would like to introduce Dr. Glenn Loomis, Chief Medical Operation Officer of Health Quest and the President of Health Quest Medical Practice that I'll refer to as HQMP.

I'd like to thank OHCA for the opportunity to speak in support of the CON to transfer RHA to a newly-formed non-profit Connecticut Medical Foundation, which will be a subsidiary of Vassar Health Connecticut, the new proposed hospital operating entity.

RHA is a private physician practice that is managed by Sharon Hospital, pursuant to a professional services agreement.

With this transaction, RHA will be brought together under common ownership of the hospital. This will result in a coordinated delivery of physician services in the Sharon Hospital area, access to HQMP's practice management resources and the infusion of capital into RHA that supports such projects as EMR upgrades,

facility renovations to support expanded primary care and specialty services.

By way of background, RHA is a multi-specialty physician practice, with offices in Sharon, Kent and New Milford, Connecticut. Services include primary care, general surgery, orthopedics, hospitalist medicine, OBGYN and urology.

RHA serves more than 15,000 patients in a service area that extends to Northwestern Connecticut and the mid-Hudson Valley Region of New York.

Sharon provides administrative services to RHA, including their recruitment and training of senior management, billing operations, staff recruitment and training, accounting, supply procurement, payroll, human resources, IT, marketing and other general business functions.

This transaction also involves the acquisition of Tri State Women’s Services, which is a local OBGYN practice that is also party to a professional services agreement with Sharon Hospital.

Tri State does not qualify as a large group practice under the OHCA statutes and, therefore, is not part of this CON, however, all of the benefits that we will discuss regarding RHA will be equally applicable

to Tri State.

RHA will be acquired by the newly-formed Connecticut Medical Foundation and will work closely with HQMP, the affiliated physician practice of the Health Quest system.

Dr. Loomis will provide OHCA with more information on HQMP, but, in short, there are nearly 300 providers covering 25 specialties at 20 office locations.

Their administrative resources, most notably physician recruitment, and staffing resources will be a tremendous benefit to the Medical Foundation as it works to expand physician services in Sharon.

As you've heard in testimony earlier today, Sharon's inability to recruit and retain physicians under the RCCH system, along with the increased costs associated with physician staffing within the dynamics of Sharon, had led to the need to terminate services.

This includes the closure of our sleep center in 2015, which closed after our Medical Director relocated out of state, and the closure of Smilow Cancer Center in Sharon after the physicians, who staffed our location, retired.

We're losing patients, because we cannot

offer them the specialty services that they need locally. RHA has seen a significant decline in volume over the years, some 27 percent, as a result of the loss of providers in specialties, including cardiology, pain management, OBGYN, primary care and pediatrics.

We do not have the resources or local network required to staff the physician services that are needed in Sharon. Health Quest does, ready to deploy, which makes their acquisition of the physician practices that we currently manage a logical extension of the acquisition of the hospital.

As I mentioned, Dr. Loomis will provide you with additional background on HQMP and discuss Health Quest's plans for improving the quality and accessibility of physician services in the Sharon community.

I now turn this over to Dr. Loomis. Thank you, again.

DR. LOOMIS: Hi. I'm Glenn Loomis, and I'm the Chief Medical Operations Officer for Health Quest and the President of HQMP. I'd like to adopt my pre-filed testimony.

First of all, I'd like to thank you all for sitting here and spending time with us, we really appreciate, as we review the CON for transfer of RHA and

Tri State Women's Services to the non-profit Connecticut Medical Foundation that will be operated by Health Quest.

I'm really here to talk about the enhancement of physician services. As you heard Mr. Friedberg say, that's a huge part of what we're doing, and I want to tell you a little bit about us and how we can help make that happen.

HQMP is a multi-specialty physician practice that has been operated since 2008 on the New York side of the border.

We have nearly 300 providers, about 25 specialties, 20 office locations, and we did over a quarter million office visits last year.

We have significant overlap with Sharon, in terms of service area. We have practices in Millbrook, etcetera.

In terms of our operation of the Connecticut Medical Foundation, why does this really make sense for Sharon Hospital?

I really want to focus on a couple of things. One is our infrastructure. So HQMP will work hand-in-hand with the Connecticut Medical Foundation to provide back office support and other things, in order to make the Foundation successful.

Initially, recruitment will really be our focus, as well as putting in our EMR and some of those other back office services. The recruitment we're talking about is really primary care, oncology, orthopedics, cardiology, endocrinology, general surgery and OBGYN.

And I want to incorporate some comments that I heard from one of the speakers earlier, asking that we focus on infection control, Lyme Disease and endocrinology, and I just wanted to point out a couple of things.

Number one, we actually just recruited a new infectious disease physician in to HQMP that will be part of what we do, who is an epidemiologist, and half of her time is going to be spent working on epidemiology for our hospitals, because I also oversee all the quality for the hospitals for our system.

In terms of Lyme Disease, we have a large infectious disease group. They have a huge Lyme Disease practice, and it's something that we can also bring to bear in the area.

In terms of endocrinology, we have a growing endocrinology group. We've just added three new endocrinologists on the New York side of the border, and

we very much intend to bring endocrinology services here, as well as diabetes educators.

We are really focusing on a diabetes center type model in all of our practices, and we hope to bring that to the Connecticut area, so, hopefully, that will answer some of the concern that was available earlier.

We really are here to help keep more patients local, especially oncology, cardiology, orthopedics, GYN. I mean those are things we're very much focused on.

You might ask, well, we've had trouble recruiting to the area, why do you think you can do that? So, first of all, we have a number of existing HQMP docs, who are looking, and we will bring those specialty practices over here on a part-time basis fairly immediately, and, so, we are already planning that. We have those plans well ready to be executed as soon as this merger goes through.

The second thing is new and younger docs really want to practice as part of a large group practice. They really don't want to go into private practice anymore, and, so, having them join our large group practice or be associated with our large group

practice is a really important part of what we bring to the table and different than what RHA has been able to bring in the past.

And, finally, we have a really proven record at recruiting physicians. Last year, we recruited 47 physicians, 13 primary care docs, 34 specialists, and that included to rural areas, to Northern Dutchess, to out actually into the Catskills to very small practices.

There's a couple of other things that we bring that's a benefit. We will bring a patient-centered medical home structure to all the primary care practices, so there really would be ability for each of the practices to do much more, in terms of focused patient management, in terms of a patient-centered medical home.

The other thing is we really work to have physician leadership of our practice. We are not in any way an administrator-dominated practice. We are very much a dyad structure, and that really means we operate with a physician and an administrator at all levels, where the physicians really look at being the leader of the practice, in terms of quality and those type of things, and our administrators really are there to make the trains run on time, if you will.

And, so, when we work together like that,

we feel like we provide a much greater -- a great place for physicians to practice. They really feel like it's their practice and that's important.

Other ways we're going to -- HQMP will work with the Connecticut Medical Foundation is in terms of quality, credentialing, finance, etcetera. We have all of those things. We worked very hard to make those all top decile-type performing operations, and we look forward to enhancing access in this region, the quality of care, the numbers of physicians here at Sharon Hospital that are going to be critical to revitalizing this hospital and bringing it to the levels that you've heard about from everybody who has spoken before me.

I'll be available to answer any questions they have. Thank you very much.

HEARING OFFICER HANSTED: Thank you.

MS. FUSCO: That concludes our presentations.

HEARING OFFICER HANSTED: Okay. Mr. Germack, before we get to your presentation, we're going to take a 10-minute break.

(Off the record)

HEARING OFFICER HANSTED: Okay. We're back on the record. Mr. Germack, you can step forward.

MR. GERMACK: Do you want me to sit here?

HEARING OFFICER HANSTED: You may. And the microphone is right there.

MR. GERMACK: Should I use this one?

HEARING OFFICER HANSTED: No, that's not amplifying. It's just recording. That's the one you want. And just a reminder to please adopt your pre-filed testimony for the record.

MR. GERMACK: Good afternoon, Hearing Officer Hansted and members of the OHCA staff. I've submitted my pre-filed testimony. I'd like to adopt that, please.

HEARING OFFICER HANSTED: Thank you.

MR. GERMACK: My name is Victor Germack, and I'm the Vice President of the Community Association to Save Sharon Hospital, which was formed some 17 years ago to prevent the sale of Sharon Hospital to Essent Healthcare.

Sixteen years ago, I testified as the Vice President of the Association at the original CON hearing in Sharon, Connecticut before Attorney General Blumenthal and the Office of Health Care Access concerning the sale of Sharon to Essent, and we think that we were partially responsible for getting some of the stipulations adopted

by Attorney General Blumenthal and OHCA pertaining to cross-corporate borrowing guarantees and the right of first refusal.

Since then, Sharon Hospital has had three corporate notices, its services have deteriorated, patient volume has declined and it is unprofitable.

My testimony today is even more important than it was 16 years ago, as Sharon Hospital today only has one more chance for it to become a viable entity, and we look to you to provide the guidance and the ruling that will set it on its course.

In general, we support non-profit hospitals as a better alternative than the for-profit model. On a preliminary basis, subject to our reservations, we support the planned sale of Sharon Hospital to Health Quest, provided certain additional information not provided in the CON is furnished and certain written assurances are obtained from Health Quest about the extent and amount of their financial commitment to Sharon Hospital.

We agree that the sale is important, it’s crucial, but we’d like to improve the deal. We’d like to improve the structure and I will explain how.

We seek specific changes to the existing

foundation grant agreement, dated September 13, 2016, between the Foundation, Health Quest and Berkshire Taconic Foundation, which will remedy certain shortcomings in the agreement.

We have outlined certain recommendations below that we hope the Office of Health Care Access will adopt, and we have also contacted the Attorney General, asking him to represent the public interest, which is embodied in the Foundation for Community Health, since they are providing the majority of the financing for the purchase, and not to do so would be an abrogation of the Attorney General’s constitutional duties.

We feel that the agreement, as it’s currently written, is not a good deal for the community, is one-sided, and is not fair for those, who have contributed to the Foundation.

We understand the sentiments of the people, who are for the transaction, and we appreciate all the time and effort they have put into it, but we feel it’s unfair and prejudicial to the public interest, to the interest of the Foundation contributors, and to those individuals in the community, who initially contributed to Sharon Hospital prior to its initial conversion in 2002 and, subsequently, from 2002 to the

present.

Those, who contributed to the Foundation between 2002 and the present, were contributing in the expectation and the knowledge that their contributions would be going to the stated purpose of helping fund worthwhile healthcare projects in our community, not that their funds would be committed to buy Sharon Hospital.

Now one of our major problems here is there is no binding commitment by Health Quest to continue to financially support Sharon Hospital for a specific period of time or for a specific amount.

As the financial and operating numbers in the CON show, Sharon Hospital has been in decline for a long period of time; losing quality doctors, cutting staff, poor management by three corporate owners. We probably have had five or six different CEOs at the hospital, perhaps more, over the past 15 or so years, leading to a decline of both in and outpatients.

Since it took such a long time for Sharon Hospital to decline, it will take a long period of time for former patients to return and new ones to approach the hospital. This takes time, staying power and money.

The business plan of financial projection, as set forth in the CON by Health Quest for Sharon

Hospital, are too aggressive and are just not believable.

I'm a businessman, and when I see a business plan submitted by someone potentially seeking funds, I will always look at it and say does it make sense? Is it realistic? Is it doable? We don't believe this plan is doable, in spite of the good will, the commitment, oral commitment by Mr. Friedberg and the rest of the hospital. We just don't feel it's doable.

Exhibit 1 shows Sharon Hospital, which I submitted in my testimony, returning to profitability in two short years, earning $5.2 million by 2018.

In their responses in the CON, they showed incremental growth projections, discharges increasing by 53 percent between 2016 and 2018. They show incremental operating revenue of 17 and a half million dollars in the two-year period and an operating profit margin for Sharon Hospital in 2018 of 6.9 percent on its projected revenue of $74.9 million.

As we had mentioned before, the best possible -- this was in '15, was Yale-New Haven, which reached a 4.5 percent operating margin. In fact, of the 17 hospital systems listed in 2015, just 10 systems showed profitable profit margins, and most did not exceed a one percent operating profit margin.

We would like to see realistic business and operating projections, and we would ask that you ask them to do that in your next round of questions.

What is also missing is a lack of the detailed explanation and the level of support how Health Quest will implement the Sharon Hospital turnaround and make their projected results happen.

So there is no contractual minimal level of financial support that’s set forth by Health Quest in the agreement or in the CON, nor is Health Quest bound to support Sharon Hospital for any minimal period of time.

The Foundation is committing $9 million to Sharon Hospital, which may never be recovered if the hospital fails under Health Quest’s ownership.

What this means in the meantime is the Foundation will have $9 million less to spend on worthy healthcare projects to our community.

In addition, there’s no contractual guarantee contained in the agreement that Health Quest won’t come back to the Foundation and ask for more financial support, so we are looking and we’re asking for financial and operating support for Sharon Hospital for a minimum period of 10 years and commit that they will not ask the Foundation for any additional financial support.

While Mr. Friedberg is talking about skin in the game, any commitments, we'd like to see that in writing.

We have noted in our review of the CON a number of inadequate or incomplete responses to the questions raised by the OHCA staff. I'll just mention a few in the interest of time.

They make a statement that's very puzzling to us. They say, quote, "Vassar Connecticut expects to maintain current services for a period of three years, subject to patient demand and the availability of physicians and other clinical providers and staff." What exactly does that guarantee to our community?

I haven't a clue. Perhaps you all do, and perhaps you should ask Mr. Friedberg and Health Quest exactly what it is they're providing.

We don't know how much working capital is needed to finance the operation at Sharon Hospital until real profitability is achieved. We don't have a business plan and financial projection that is believable and, therefore, no cash flow projection.

In response to a question asked by OHCA to explain 143 percent increase in inpatient discharges or outpatient visits to cover financial incremental expenses

between 2018 and 2019, the answer does not appear to be responsive and is somewhat confusing. We don't understand the answer. We have put it in our response to you, as well.

Another point. How does Health Quest charity or indigent care policy differ from that provided by Sharon Hospital? Will Sharon Hospital's charity care patients be better off or worse off under Health Quest's charity care program and by how much? There is no information in the CON to really detail that answer. We would ask that that be provided.

The CON also talks about capital improvements, costing at least 11 and a half million dollars. In our testimony submitted to you, we understand, upon information and belief, that Sharon Hospital pay for an energy efficiency and savings program energy audit that Trane conducted approximately two to three years ago.

It shows that Sharon Hospital is still burning grade 6 fuel oil, which is not permitted in New York and is terribly dirty, and they must convert the system and make a fuel change to burn cleaner fuel, which is absolutely essential.

We understand that this energy study

showed a complete change. Upgrading the 50-year-old boiler, the burners, etcetera, the tanks would cost approximately $5 million, but would generate savings of approximately 400,000-plus in annual utility savings. Will Health Quest -- are they prepared to make this expenditure?

Health Quest says that Sharon Hospital is projecting to add a total of 18 full-time positions through fiscal year 2020, all of which are non-physician positions. It also says it will add 48 additional full-time employees through 2020, so my question is how many primary care physicians and specialists will be added?

Will Health Quest provide a staffing spreadsheet by timing, specialty and location spelling out the above information?

Also, we'd like to see - it says here, in their response, that Regional Healthcare Associates hasn't filed tax returns in '14 or '15. We'd like to see those returns and understand why they weren't timely filed.

Talking about the Foundation, the Foundation currently has 25 million in assets, which includes the Essent Healthcare purchase price, endowment funds, funds raised since then and interest.

The grant agreement requires that the Foundation restrict $9 million of its funds or 36 percent of its total funds for this transaction. This will negatively and dramatically impact the Foundation's future annual grant making ability to the community, which it has successfully implemented over the past 15 years.

This nine million represents over 56 percent of the 16 million sale amount that the Foundation received from the sale of Sharon Hospital.

In fairness to the many contributors to Sharon Hospital pre-2002 and to the Foundation post-2002, we have urged the Attorney General and the Office of Health Care Access to mandate changes and make this a fairer deal to the community.

The purchase price, the Foundation is committing nine million, which becomes restricted funds, to Health Quest. It pays 60 percent of the Sharon Hospital acquisition purchase price; $3 million and $5 million total purchase price, and, out of the $6 million in investment, up to four years is being committed to Health Quest, which will be matched.

Since the Foundation is not the buyer of Sharon Hospital and is only helping Health Quest finance

the acquisition, why, then, does it have to put in 60 percent of the purchase price?

Skin in the game is a bit too much if you're not getting anything in return for it. We would like to see commitments on the part of Health Quest if they want this type of financial commitment made by the Foundation.

We would suggest that a more suitable purchase investment of only $1 to $2 million by the Foundation would be appropriate, given the limited stated representation that the Foundation will have on the Board of Trustees, the Health Quest Board of Trustees and its lack of ownership, carried interest, or governance role, as it currently stated.

Talking about the working capital grant, we have a problem with that, because it talks about supporting physician expenses.

These are normal operating costs. They should be providing enough working capital to support Sharon Hospital's ongoing operations. We think the grant language pertaining to the working capital grant should be changed to remove any reference to investments and/or paying for direct physician and provider costs.

If Sharon Hospital is sold to a third

party after the first five years of ownership by Health Quest, then the Foundation does not get its asset purchase grant and/or its capital grant return. This is unfair to the public interest and the Foundation.

We would suggest that it should be changed, so if Sharon Hospital is sold to a third party during the first 15 years of ownership by Health Quest, then the Foundation should get its asset purchase grant and working capital grant less all capital campaign funds raised to date by the Foundation returned to it.

Governance, the grant agreement provides that the Foundation can have up to 12 representatives, 80 percent of the total, of the 15 serve on the Sharon Board of Trustees, which is basically a local advisory group, as has been described by Mr. Friedberg.

There are basically three groups of trustees with different terms, but in no event is there a contractual right for the Foundation to have its representatives serve as trustees after the sixth year.

This is unfair, and we would suggest that it be changed, so that, after the sixth year, there will continue to be a majority of the trustees, who will be selected by the Foundation and not by the hospital Board and who will serve on the Sharon Hospital Board of

Trustees, as long as Sharon Hospital is owned by Health Quest and is part of their system.

Governance, the grant agreement states that the Chair of the Board of Trustees of the new Sharon Hospital shall serve ex officio on the Health Quest Board of Trustees.

As I understand ex officio, I would gather that means non-voting. I'd like that changed. In fact, there is not enough Board representation by the Foundation on the Health Quest Board of Trustees given the agreement's current requirement that the Foundation invest $9 million into new Sharon Hospital.

We would suggest that at least three members of the new Sharon Hospital Board of Trustees be named to the current 18-member Health Quest Board of Trustees and they be full voting members, as long as Sharon Hospital is owned by Health Quest.

Annual information reporting to the community, to serve and inform the community on its progress in improving Sharon Hospital, the grant agreement shall be modified to require that the Sharon Hospital Board of Trustees will issue a written annual report to the community no later than March 1st of the following year on the state of Sharon Hospital and what

it has accomplished.

We would also suggest that a monitor be appointed by either the Attorney General or OHCA for the first five years following the purchase of Sharon Hospital by Health Quest to ensure that the terms of the agreement are followed and there is an equitable accounting of the funds given by the Foundation to help Quest under the terms of the agreement and that the medical services that were committed to help buy Health Quest in the CON are supplied to new Sharon Hospital.

I will also make the point, in passing, that we have Health Quest, which is a major hospital institution, healthcare institution, with net assets of close to $500 million. Why do they need our $9 million?

We, at the Foundation, we all will support them in any way. Why do they need our $9 million? This is de minimis to an institution that says they have put $750 million into CAPEX in the last three years that has $450 million in net assets. I just don’t understand and the Foundation doesn’t understand it.

By the way, by way of background, I’m the President of Rate Financials, which was started in 2002. We write the financial reporting, accounting and governance practices of corporations, including

healthcare companies and hospitals.

I'm also the President of Heritage Capital, a middle market investment banking firm. I'm also the Treasurer and on the Board of the Osborne Association, a non-profit social service agency, which works in over 20 prisons in New York State.

The members of the Community Association to Save Sharon Hospital all live in the area served by Sharon Hospital, and, if Sharon Hospital ceased to exist, we would all be directly adversely affected, so, therefore, we have a meaningful stake in the outcome of these public hearings and what is decided.

I thank you very much for your time, for your consideration, and I ask that you carefully consider the changes we have proposed.

HEARING OFFICER HANSTED: Thank you, Mr. Germack.

(APPLAUSE)

HEARING OFFICER HANSTED: Counsel, do you have any Cross-Examination of Mr. Germack?

MS. FUSCO: No, we have no questions.

HEARING OFFICER HANSTED: Okay, thank you. And we're just going to take a brief five-minute break before we get to OHCA's questions. Please try to be back

here in five minutes, just so we can start again. Thank you.

(Off the record)

HEARING OFFICER HANSTED: If everyone can please take a seat, we're going to get started again. Okay, OHCA has some questions for the Applicant. Mr. Lazarus?

MR. LAZARUS: Good afternoon, good evening. With respect to the transfer of ownership of the hospital, it's important to OHCA that specific needs of a local community be met. It's also important to OHCA that needs identified in the Community Needs Health Assessment be reflected in the hospital's community building programs and community benefit activities.

So the following questions pertain to the Community Needs Health Assessment, as well as the community building program and the benefits, building activities.

It was stated in the CON application that once a proposal is finalized, Sharon Hospital is converted to a not-for-profit entity. The Applicants will perform a Community Health Needs Assessment in 2017.

Is Sharon Hospital currently taking any measures to address any needs that were identified in

FCH's 2014 health assessment?

HEARING OFFICER HANSTED: They just need a microphone, whoever has it.

COURT REPORTER: Please state your name for the record.

MR. CORDEAU: My name is Peter Cordeau, and I am the Chief Executive Officer of Sharon Hospital.

There were dental issues, I know, that were addressed in the Community Needs Health Assessment, which really had no relation with the hospital.

The biggest service that we've worked with with the Community Needs Health Assessment, in association with the Foundation, has been transportation, the ability to transport people to Sharon Hospital to work within the City of Northeast, Northeast Transit, in terms of Northeast Dutchess Transit, to get patients to Sharon Hospital to be able to see their physicians and appointments, because access to healthcare is important for us, and transportation is one of the number one issues in the community, in order to access the healthcare in the Sharon Hospital area.

I would say that's the number one, since I've been in this position, area that I've worked closely with the Foundation and the Town of Northeast to provide

to the hospital.

MR. LAZARUS: All right, thank you. Who will be the primary entity responsible for conducting the Community Needs Health Assessment in 2017?

MR. PING: I'm Dave Ping. Health Quest will be doing that analysis. We'll start with the work that the Foundation for Community Health has already done, just like we've done in Dutchess County and in Putnam County, where we work with existing Community Health Needs Assessments in Dutchess County in conjunction with the Dutchess County Department of Health and in Putnam County with the Putnam County Department of Health, and we use those as our starting point for our Community Needs Assessments, conducted a detailed assessment with them and came up with a plan.

MR. LAZARUS: Okay. Does Health Quest incorporate the CDC's 6/18 initiatives in its Community Needs Health Assessment implementation plans at their other hospitals?

MR. PING: So can you repeat, and what's the acronym that you used?

MR. LAZARUS: Does the healthcare, particularly, does Health Quest incorporate CDC's, Center for Diseases?

MR. PING: Yes, we do. We do.

MR. LAZARUS: Okay.

MS. KAILA RIGGOTT: And just as a follow-up to that, do the Applicants plan to incorporate those CDC 6/18 initiatives, if appropriate, in Sharon Hospital's Community Health Needs Assessment?

MR. PING: Absolutely.

MS. RIGGOTT: And, additionally, would there be any concerns with using DPH's Healthy Connecticut State Health Improvement Plan as a starting point for Sharon Hospital's CHMA?

MR. PING: We've done it in New York. New York also has a Healthier Communities Plan that New York State uses, and, so, we use that as our starting point there. I'm guessing it's similar in Connecticut, and we would do the same thing.

MS. RIGGOTT: Thank you.

MR. LAZARUS: How will the Applicants tie the Sharon Hospital Community Needs Health Assessment, the one in 2017, into the hospital's community benefits?

MR. PING: So we'll start by, again, reviewing the work that was done, reviewing what they said were needs in the community at the time, and reviewing if we need to make any adjustments in that,

and, again, just using that as our starting point, how can we continue to meet those needs or meet those needs better?

MR. LAZARUS: Is Sharon Hospital currently providing any type of community building program or community benefits, and, if so, can you provide some sort of examples of those type of programs?

MR. CORDEAU: So, in terms of charity care, so we provide somewhere in the neighborhood of 500-plus thousand dollars of charity care in the community. In terms of what we represent and donate to the Foundation is somewhere in the neighborhood of 40,000 to 50,000 to other community funds and issues to represent and support local non-profits within the Sharon primary and secondary service areas.

MR. LAZARUS: Can you discuss the impact of this proposal on Sharon Hospital's community benefit program and community building activities?

MR. CORDEAU: I'm not sure I understood that. Can you repeat that? Dave?

MR. PING: We believe that we can enhance those significantly. Again, when we look at our charity care policies, we'll, you know, continue those and expand those. Last year, we had about $40 million in charity

care that we had in the community.

We would also, you know, like we have at our hospitals in Dutchess County and Putnam County, continue to support other community organizations, non-government organizations, and we've worked, as an example, in Poughkeepsie with the farm project to provide a farmer's market on wheels that goes to underserved communities in areas of food insecurity in Poughkeepsie.

MR. LAZARUS: Thank you.

MS. RIGGOTT: I think you may have answered sort of my follow-up question, but perhaps you can elaborate a little bit.

I'm just trying to find out a little bit more of the level of community building and community benefits funding that's provided at Health Quest's other hospitals.

I know you just gave me an example of the farmer's market on wheels, so if you can elaborate a little bit on that maybe?

MR. PING: Sure. Again, I can talk about things that we're doing now in our communities.

MS. RIGGOTT: Yes. Right.

MR. PING: And, so, again, we support a number of different organizations; Family Services of

Dutchess County, which is a social services agency, helping victims of domestic abuse, and we also have what we call the Get Fit Hudson Valley, which is part of our fitness program, where we run that twice a year in conjunction with Dutchess County and Putnam County and Ulster County, work with the rail trails in Dutchess and Ulster County and with the Parks Department in Putnam County, and we walk way over the Hudson.

We have this twice-a-year fitness program to help people get in walking programs or fitness programs. We offer dinner with the doctors, where we have heart healthy food available, and cardiologists talk to them about maintaining healthy living activities, so we do that type of thing at Northern Dutchess Hospital.

It is a program for teenagers to help them learn, and their families, learn about how to go to the supermarket and shop for healthy food, and then work with them on healthy cooking, and we have a fitness program for those teenagers, then, at our fitness center at Northern Dutchess Hospital.

A FEMALE VOICE: We can't hear.

MR. PING: I'm sorry. That's usually not a problem with me. So we have a program for teenagers. Is that better?

A FEMALE VOICE: Much.

MR. PING: Okay, thank you. We have a program for teenagers in Northern Dutchess Hospital, where they come to the hospital for it's a 10-week program, and they have fitness classes at our fitness center there.

We bring their parents in. We teach them about healthy shopping and things to shop for and healthy cooking, and then we have follow-ups with them over the next year, so those are just a few of the examples of things that we do.

MS. RIGGOTT: Okay and is there like a quick answer you might have to the level of funding that's provided at your other hospitals for community benefit and community building?

MR. PING: I don't. Gary, do you have the number?

MR. ZMRHAL: Gary Zmrhal, Chief Financial Officer.

COURT REPORTER: I'm sorry. You need to be on a microphone.

MR. ZMRHAL: I'm sorry. Gary Zmrhal. As Dave had indicated, we had $40 million of charity care last year. We also have $28 million of uncollectable bad

debts. In addition to programs that Dave was mentioning, there are other things that we do; teaching people how to do CPR at various other hospitals.

We don't quantify those, because we just run those programs. We would have to go back through our detailed information and take, program-by-program, how much time is spent, but, for all practical purposes, we're providing it, but we just don't quantify it from a dollar perspective.

MS. RIGGOTT: Thank you.

MR. LAZARUS: How are the priorities determined for any of the community benefits and building activities for the following coming year?

MR. PING: So, again, I'll use the examples of what we've done with our other hospitals, so we start with the Community Needs Assessment, we look at that in conjunction with what's at the New York City plan and the Dutchess County plan and the Putnam County plans, then each of the hospitals has a Community Needs Committee that we meet with, where we review the information with them, and, working with that Community Needs Committee from each of the hospitals, we develop the community priorities for the community with their input and have their approval, which then goes to the

local Board, then.

MR. LAZARUS: Thank you. On page 546 of the application, the Applicant stated that Health Quest expects to provide at least $750,000 in financial assistance to the Sharon community by 2020.

Can you elaborate a little bit on what or how these funds will be used?

MS. FUSCO: I'm sorry. Which page?

MR. LAZARUS: 546.

MS. FUSCO: Just let me find it.

MR. FRIEDBERG: So part of it is going to be the charity care. We expect that the volume is going to go up, and, therefore, the amount of charity care that would be given is proportional to the volume increases that we would have, so we would expect that the amount of charity care that we provide to the community will go up with the volume increases.

In addition, when we actually go through the Community Needs Assessment, we expect that those priorities that will come through the CNA process will then allocate the necessary funds to be able to carry those things out and execute.

MR. LAZARUS: Okay, so, we're moving funds for the charity care, the remaining money. There may be

more added, so the $750,000 figure is fluid?

MR. FRIEDBERG: I think it's fluid. The other thing to remember is, because, with the Sharon community, the Sharon planning area does overlap with the planning areas from the New York side, so some of the Community Needs Assessment will overlap, and, so, money that might be allocated towards, let's say for Vassar's CNA program, overlap on the territory and its objectives with Sharon and with Northern Dutchess.

Because of the close proximity of those hospitals in those areas, we do expect that there's going to be some overlap of those programs, as well.

MR. LAZARUS: All right, thank you.

MS. JESSICA SCHAEFFER-HELMECKI: Good evening. So OHCA also considers the solicitation of public input to be a critical part of the CON process.

Health Quest has stated that it will solicit input from the public before finalizing a strategic and its capital plan. When and what type of forum will you be soliciting this input, and what kinds of information will you be looking for?

MR. FRIEDBERG: So I'll handle that question a couple of ways. First of all, because -- I'll start with the more formal methodology, and that is,

because the Board, itself, is comprised of community members, those community members do represent the interests of the community that they are living in and the hospital it's serving, so, in that role, we expect that those community Board trustees are going to be instrumental in being able to provide input into what the strategy should be associated with the hospital.

As we develop our strategies across all of our hospitals, we do that in combination with several things, one of them being our local Boards.

Again, those are our best information sources about what is going on in their communities, because they live there.

The other aspect of it is that we do look again at this Community Needs Assessment, and that also does influence and manage the direction of our strategies, and, as we put those things together, we have a blanket understanding of what the community needs, and then we could use that information to be able to develop our operating and capital budgets.

That, then, flows up to the Health Quest System Board for approval and then a reallocation of funds to each individual area.

We do conduct forums within the

communities on a regular basis, and those tend to be more informal about how we are actually interacting with the communities. They may be small meetings that we're having with Rotary Clubs or with different civil organizations in the region or community breakfasts that we have, where we're telling people what we're up to and then we allow them to have questions and answer, so that there's input and back and forth about what we may or may not be doing in the upcoming year.

That's, again, a lot more informal about how that process works, but that's our process for being able to understand what the community needs, what allocations are necessary for that area, and then shape and develop our strategic plans.

MS. SCHAEFFER-HELMECKI: So at these informal forums, what types of information are you getting from the public?

MR. FRIEDBERG: It's all across the board, right? You can imagine that the interest, and I'll use our markets on the New York side, you imagine that the interest within the City of Poughkeepsie of what they might be interested in talking about and having at the forums that we're doing there versus what might happen in Rhinebeck or even in the Town of Poughkeepsie are going

to be vastly different, so we're looking to understand what is going on in those communities and what we need to do as a healthcare provider to respond to that.

And we do keep it narrow, and we keep it to what's within our world and our ability to be able to execute and act on, so there are things that we are good at, and there are things that are not in our scope.

And, so, as we kind of draw that net of different information across the entire region, we filter it, then, to things that we can actually do something with.

We are not a research institution, so we are not going to be looking to develop bench research on the cures for cancer. On the other hand, if there's a large community need, like, for example, what we've heard in our communication here, is a desperate need to have oncology restored to this community, so we know that that is going to fall into our strategic plans to be able to develop clinical capabilities in oncology in the Sharon community.

MS. SCHAEFFER-HELMECKI: Thank you. Now I'd like to speak about the Foundation a little bit, insomuch as that OHCA is required by statute to consider the financial feasibility of a CON proposal, therefore,

we have the following questions regarding the Foundation for Community Health's contributions with respect to this proposal.

Firstly, how are the amounts of the working capital grant and asset purchase grant determined?

MS. HEATON: So we were in conversation for almost 18 months before we signed the document. It was really --

A FEMALE VOICE: Speak up.

MS. HEATON: Okay. Is that better?

A FEMALE VOICE: Yes.

MS. HEATON: Okay, so, we were in conversation for a year to 18 months, talking about what we would do in partnership with Health Quest, and it was a negotiation. There were two partners at the table. We talked about, you know, what would be a significant, you know, that the investment needed to be significant enough that we felt like we had some impact, so it was our decision that nine million was an appropriate investment in this case.

When it came down to what would it be for, that changed through the negotiations, depending on their negotiations with the other hospital, and that, as the

price, you know, changed, our negotiations were impacted. When they finalized what their deal was, we went to the Board and decided we didn't want all of the funds to go towards purchase.

We wanted most of our funds to be, you know, put here, and then put into investments here, but we also wanted to be good partners, and, so, in the agreement we decided that we would fund the three million, minus the closing costs, and those closing costs would then roll over into the other half, but it may be that it's less than three million after the closing. I don't have any information on that.

It was two people at the table negotiating, and we are very comfortable at the Board and the staff level with the division, and we're comfortable with the three million. That, in itself, it doesn't impact what we can do.

MS. SCHAEFFER-HELMECKI: What is FCH's balance as of 12/31/2016, and we're looking for a division of the restricted versus unrestricted funds and how much of the balance is temporary versus permanent funds?

MS. HEATON: So, by and large, our funds are unrestricted. We have maybe three percent of our

funds are restricted for purpose and/or endowment. Only two million out of all the funds that we have received, 2.2 million, were endowed, so we have to keep the body of the corpus. The rest of it was not endowed, and, so, all of the income that we've made, and we have not actually had many donors, that would be a nice thing, we haven't actually done fundraising, but, you know, all of the funds that we have increased the corpus to 25 million all are unrestricted, so we have very little restricted funds.

There's like three funds that fund a prescription assistance program, and there's only one fund remaining for med ed, medical education. Other than that, all of them are unrestricted for a purpose.

The bulk of the funding that we got was from the value of the sale of the assets. There was a very little amount of money that was donated in name, was named, and purpose attached to it.

MS. SCHAEFFER-HELMECKI: And with FCH have any administrative role in the planning or oversight of the working capital grant?

MS. HEATON: Oversight, in that the expense -- so, first, they have to spend the money, and then, once -- annual to the closing date, we will

reconcile the account, and they will present whatever it is that they've funded up to the limit for each year, some limits per year, and it has to be determined that the funds were spent to improve some capital or service investment in Sharon Hospital, specifically, not something that helps the system, more importantly, in other hospitals, before they get their money.

MS. SCHAEFFER-HELMECKI: In the grant agreement, it states that the working capital grant funds may be used for, among other things, investments in direct physician and provider costs. What exactly does that mean?

MS. HEATON: It could mean that -- so, in some cases, it takes time to build a practice, so they bring in someone that's new to an area, so they need to have their salary covered up until the point where they're generating enough income to support themselves.

This is something we do regularly, and I can give you examples.

MS. SCHAEFFER-HELMECKI: Just a follow-up question. If it is physician salaries, would those physicians be practicing at any hospitals?

MS. HEATON: It would only be for their time at Sharon Hospital. The restriction is that the

money has to be spent to improve Sharon Hospital.

MS. SCHAEFFER-HELMECKI: So they would be full-time Sharon Hospital --

MS. HEATON: Or if it's part-time, but it's only that part of it, so it would be prorated, but it is something that we've done in many other instances, especially in the oral health field, where we've seeded dental practices, just to be able to do what we want to do later on.

MS. SCHAEFFER-HELMECKI: Now the grant agreement also states that there may be a capital campaign to raise funds. Why would a capital campaign be necessary if FCH already has the sufficient funds to cover the working capital grant and --

MS. HEATON: Sure. Well there's two reasons to do fundraising, and one is to raise money. The other is awareness and connectivity to the community, and we are taking that part of our partnership agreement very seriously.

We not only want -- we want Health Quest to be successful in our community, and they can build it, but people have to go to it, so part of the campaign will not only, you know, build and fundraise, local fundraising and hopefully jumpstart that, because we have

more information about people in our community than they do, but it will also be a vehicle to spread awareness amongst people, who may not choose to use services up here, and, so, this is a way to also generate interest, excitement and hopefully use of the services and new services that come into the community, so we see it as a win-win.

MS. SCHAEFFER-HELMECKI: So it wouldn't be soliciting donations from the public to go towards the capital grant?

MS. HEATON: The funds will be solicited to go into a Sharon Hospital restricted fund at Berkshire Taconic, which has already been created.

MS. SCHAEFFER-HELMECKI: So would that be over and above the six million?

MS. HEATON: It could be. It could be. That fund will be -- that fund currently has nine million in it. Once we spend the three million, the amount of money that we're obligated in that fund would be six million.

Within the year, we're going to be earning, because it's still in our pool, so it will be reconciled annually, so that it always is at its cap, you know, so it only needs to have the six million. They're

going to present some expenses that we may choose to fund out of that.

That same fund will also be the recipient of fundraising, should we do it, should it happen. It would also go into that, and that would also be reconciled, so if there's more than the cap in there, that could flow back, you know, along with the interest and anything else to our regular unrestricted account.

MS. SCHAEFFER-HELMECKI: To FCH?

MS. HEATON: Yes.

MS. SCHAEFFER-HELMECKI: To FCH, not to the Sharon Hospital?

MS. HEATON: Our funds would be coming back, so say then they get two million, so now it's down to four million, so we could never get more than whatever is in there. It's a little complicated.

MS. SCHAEFFER-HELMECKI: Okay.

MS. HEATON: But the idea is to use that, and that fund, if it ends up, you know, miraculously ends up making more money than we could imagine, it gets into that fund, its restricted purpose is for Sharon Hospital, only for Sharon Hospital.

The funds raised will always go to Sharon Hospital.

MS. SCHAEFFER-HELMECKI: Sharon Hospital or FCH?

MS. HEATON: Sharon Hospital.

MR. FRIEDBERG: It's FCH for the purposes of Sharon Hospital.

MS. HEATON: Yes.

MS. SCHAEFFER-HELMECKI: Okay. All right.

MS. HEATON: He's making sure that I say that it would -- within the year, before the reconciliation, would reduce our obligation by whatever was raised within that year, but we would never recover more than what we put in there, and that fund is a Sharon Hospital restricted fund under our pool of money. Does that make sense?

MS. SCHAEFFER-HELMECKI: Okay, perfect. Thank you very much for the clarification. Also, you stated the grant funds will be returned to FCH if the hospital is sold or closed within five years or loses the tax-exempt status.

Now that returning of the funds, does that include both the asset purchase, as well as the working capital grant, or just one or the other?

MS. HEATON: The whole thing.

MS. SCHAEFFER-HELMECKI: Okay. The full

nine million comes back?

MS. HEATON: The whole thing.

MS. SCHAEFFER-HELMECKI: And, now, would the funds be returned if the hospital ownership was transferred to another owner without the exchange of actual cash, and can we say sold, but what about if it just transferred, without an actual payment?

MS. HEATON: To a non-profit.

MS. SCHAEFFER-HELMECKI: Transferred, yeah. If it's transferred, say, to a non-profit, would the funds be returned?

MS. HEATON: It would have to be to a non-profit.

MR. FRIEDBERG: The contract with the Foundation calls it -- if we were to transfer the hospital to another not-for-profit, we would have to have assurances and be able to transfer the obligations that we've entered into with the Foundation over to the new entity, otherwise, we would have to refund.

MS. SCHAEFFER-HELMECKI: Okay, thank you. And are there any other situations in which the grant funds would be returned?

MR. FRIEDBERG: I don't believe so.

MS. SCHAEFFER-HELMECKI: Okay, great. I

have a question about the nominations for the Local Governance Board. FCH has stated that it retained outside counsel to identify potential nominees to new Sharon Hospital's Local Governance Board. What criteria did the consultants use to select the nominees?

MS. HEATON: I wouldn't say it was the consultant, who came up with the criteria. It was the Board, our Board committee that worked on this. We worked with a consultant to help us organize ourselves, because I don't know if any of you have ever tried to start a Board from scratch, and, other than our Board, I'm not sure it's been done, especially for a hospital, so we decided -- we created a matrix that talked about geography.

We wanted to make sure New York, Connecticut, different kinds of towns that we're familiar with, we wanted to have a diversity of backgrounds, financial.

Health Quest didn't really need a whole bunch of healthcare experts, but we, you know, people with some healthcare background, people that are just strong community leaders, strong representatives of the community, and we looked at all kinds of demographics, age.

It's not a lot of color, but, you know, we looked at all of that, and then the consultant assisted us by contacting, doing background, whatever was on the internet, and doing an initial survey to find out if people were even remotely interested, and then they were brought into the committee, which the hospital and Peter also participated on that committee, since he would be working closely with that. We wanted his input.

We interviewed candidates once or twice and created, I think, a really outstanding --

MS. SCHAEFFER-HELMECKI: So you have here your nominations set?

MS. HEATON: We've already submitted them to Health Quest.

MS. SCHAEFFER-HELMECKI: Do we know if they've been approved yet?

MR. FRIEDBERG: The governance process associated with Health Quest is that we would take those nominations and we'd take it to the Governance Committee of the Health Quest Board. The Governance Committee meets on April 10th.

Upon favorable recommendation from the Governance Committee, that would go to the Health Quest System Board on the 27th, 28th of April, at which time

those Board members would be, then, seated at the end of April.

MS. SCHAEFFER-HELMECKI: If they're not approved, will you have another opportunity to submit additional nominations?

MS. HEATON: Yes.

MS. SCHAEFFER-HELMECKI: Okay. Thank you. And I think, lastly, will the Sharon Hospital have its own Foundation, separate from that of FCH?

MR. FRIEDBERG: No.

MS. SCHAEFFER-HELMECKI: Okay.

MS. HEATON: And we will not be a hospital foundation.

MS. SCHAEFFER-HELMECKI: Thank you very much.

MR. DAVID FERNANDES: So the volume of the questions will have to do with the Governing Board. So OHCA wants to ensure that the concerns and needs of the local community are adequately represented and that there's a sufficient level of community involvement, so would Connecticut Medical Foundation have representation on the Sharon Board?

MR. FRIEDBERG: The Medical Foundation?

MR. FERNANDES: Yeah.

MR. FRIEDBERG: The employee group or the medical staff?

MR. FERNANDES: Physician practices that will be -- (multiple conversations).

MR. FRIEDBERG: There are physicians that will be on the Board, but there is, by coincidence, one member from the community that is a physician that has been nominated for the Board and, assuming that that goes through the process, would be placed on the Board.

Also, the Vice President of Medical Affairs for Sharon Hospital by ex officio is placed onto the Sharon Board.

MR. FERNANDES: That one physician that you had mentioned, is he or she part of RHA or Tri State Women's?

MR. FRIEDBERG: No.

MR. FERNANDES: Okay.

MR. FRIEDBERG: There's no direct connection between and there's no ex officio positions that come from the physician group to the Sharon Board.

MR. FERNANDES: As a result of the original transfer of ownership application, the Attorney General's Office required the formation of a local Advisory Board, in addition to a local Governing Board.

To clarify, would the 12 FCH nominated Board members be serving on a local Governing Board and not an Advisory Board?

MR. FRIEDBERG: So, for clarification, we did receive a letter from the Attorney General's Office after reviewing all the documents associated with the transaction, including the Foundation for Community Health Grant documents, the Assess Purchase Agreement documents, and we did ask them for relief against those statutes that were imposed and those reliefs were granted.

MS. FUSCO: Does that clarify your question? So the local Governing Board that we're talking about that will have the 12 FCH is the actual hospital Governing Board, and the reason the AG released there was a local Advisory Board put in place, because they wanted to ensure what for-profit hospital was operating the hospital, that there was sufficient community input, so they had a local Governing Board that incidentally was made up of mostly community members, plus the Advisory Board.

The AG is comfortable that now that a not-for-profit is operating the hospital, you don't need that second layer of Board, so the Board we're talking about

is the actual Board.

MR. FERNANDES: Thank you. What authority will those 12 members have, the FCH members?

MR. FRIEDBERG: So, just for clarification, the members that are going to be seated on the Board are community members that are nominated from the Foundation for Community Health. They are Sharon Hospital trustees at that point, so they're independent community members that are then entrusted with the responsibilities that are granted to them from the Health Quest System Board.

Those responsibilities cover several areas, starting with Community Needs Assessment, which we've already addressed, then the second part is to assure that the quality of the medical staff is up to standard, so the credentialing process associated with the medical staff is the responsibility of the local Board, and the other part that is their direct responsibility would be to oversee the quality and process improvement efforts of the hospital, as well.

MR. FERNANDES: How many of those 12 are voting members?

MR. FRIEDBERG: Of those 12 that are from the Foundation nominations?

MR. FERNANDES: Correct.

MR. FRIEDBERG: All members of the Board, including ex officios, are voting.

MR. FERNANDES: Will the FCH or Sharon Board members be represented on the Health Quest Board?

MR. FRIEDBERG: The Chairperson from the Sharon Board is an ex officio and voting member of the Health Quest System Board, and that's consistent with all hospitals within the health system.

MR. FERNANDES: It would be that one person?

MR. FRIEDBERG: Correct, and that's consistent with all hospitals within the health system.

MR. FERNANDES: Okay. The next few questions are going to have to do with the physician recruiting, so OHCA is interested in understanding how physician recruitment will relate to the service plan submitted in response to completeness questions.

The Connecticut Medical Foundation anticipates employing 22 additional FTEs by fiscal year 2020. How many of the 22 FTEs will be physicians?

MR. ZMRHAL: I don't believe any of those 22 FTEs are physicians, actually. I think physicians are in addition to those 22 FTEs, so we have a different plan

for the physician recruitment outside of what was listed on the hospital document, so the answer is zero.

Those FTEs are support staff that are going to be supporting the programs that we're going to be doing within the hospitals, things like the oncology program, etcetera, so the physician FTEs are outside of that.

MR. FERNANDES: The 22 that I'm stating came from the financial worksheet for the Medical Foundation.

MR. ZMRHAL: Sorry. I'm not following where you're at. I'm sorry. I thought you were talking about a different set of FTEs, so this is actually a mixture, but, to be honest, we're still sort of deciding on exactly what physicians and in what mixture, so I can't really give you an exact number on that.

Typically, though, it would be about three FTEs for every full-time physician, so if it's 22 FTEs, it will be about five of those, sorry, six of those will be physicians. I can't do math that quickly on my feet. Six or seven.

MS. SCHAEFFER-HELMECKI: Excuse me. I'm sorry if you already answered this somewhere in your application, but, so, you didn't give us any written

estimate of how many physicians you're anticipating recruiting?

MR. ZMRHAL: We gave you an estimate of the different types of physicians that we were anticipating. At that point, we just actually created a physician manpower look at the area that we do for every hospital area. That was just completed about maybe a month ago, so we didn't know exactly how many we were going to be short of each specific type, so we didn't have exact numbers.

So we put in -- we knew we were going to need at least one OBGYN. We knew we were going to need at least one oncologist, etcetera, so we kind of put in one of each as a placeholder, but it may end up being more than one, to be honest.

MS. RIGGOTT: I thought that I read -- oops.

MR. ZMRHAL: Also, to clarify, it may be one FTE, but it may actually be three physicians part-time coming over and all those kind of things, so, at this point, it's a little bit difficult to handicap it exactly, because we don't know how many people already exist and we're bringing them over versus how many people we're bringing in new.

We're still sort of trying to get that plan into place exactly. What I can tell you, though, is I have two primary care docs lined up to come to Sharon.

We have already purchased the practice in Millerton. I have one OBGYN. So, I mean, these are real plans with real people that already exist. If we consummate the deal, we will -- there's already five FTEs' worth of physicians that I know are coming to the area, so that's what I can tell you actually exists right now, without any further or without including the ones that we would be bringing over here part-time from Poughkeepsie or Northern Dutchess.

HEARING OFFICER HANSTED: The five that you know of right now, are those all primary care physicians?

MR. ZMRHAL: No. They're a mixture, so that's three primary cares, one OBGYN. I'm sorry. Two new cardiologists, so that's actually six. I forgot the cardiologists. I should never forget the cardiologists. I'll get really beat up for that one.

MR. LAZARUS: Do you have a timeline, as to when you're going to complete this plan to figure out how many actual physicians you will be needing?

MR. ZMRHAL: Well, I mean, that will be

ongoing. I mean we iterate that every year, looking at what the volumes are that we have, what the volumes are that we project, what we think the need is, but, you know, I think the overall need for physicians, and I didn't bring a plan with me, the physician manpower needs assessment that we did, but, you know, it's a couple dozen, so, I mean, you know, over time, it's a large number.

MR. LAZARUS: And when is that completed?

(Multiple conversations)

MR. ZMRHAL: I'm sorry?

MR. LAZARUS: Can we get a copy of that as a late file?

MR. ZMRHAL: I don't see any reason why we can't.

MR. LAZARUS: That's the physician manpower.

MR. ZMRHAL: Yeah, so, we do a physician manpower needs assessment. Under CMS guidelines, you have to have that if you're going to support an independent doctor coming in to the area, so we have to have that from a hospital perspective, so we had just done it for all of our other hospitals, so we went ahead and did it as part of our management agreement.

MR. LAZARUS: If we can have that as a late file, that would be terrific.

HEARING OFFICER HANSTED: That will be Late File No. 1.

MS. RIGGOTT: And you said that's done annually or ongoing?

MR. ZMRHAL: It's usually done about every three or four years, the needs assessment. We do, internally within HQMP or within the Medical Foundation, we do it every year to say, okay, well, this doctor is now, you know, working at capacity. We need to add another one, or we need to add another part of one, or we want to add this other new specialty, etcetera, so that's an ongoing yearly plan. What we're recruiting for the next year we usually do that planning the year prior.

MR. LAZARUS: Thank you.

MR. FERNANDES: How did you determine what types of specialists would be recruited?

MR. ZMRHAL: Well we used a -- when we originally did this, we talked to a number of people. We talked to Peter. We talked to the medical staff and asked them what they thought were the needs in the area.

Since then, though, we've corroborated that with the actual manpower needs assessment, but we

know number of patients, people who are patients here, for example, who told us it was terrible when oncology was taken from Sharon Hospital. We'd really like to have that back, and, so, that was something that we put into the plan early on.

MR. FERNANDES: Thank you.

MR. ZMRHAL: In addition, there's a lot of migration data that we use, as well. What's going to other places that could stay here if we had that available?

MS. RIGGOTT: So I just have a follow-up question. I know you gave us some indication of the physicians that would go along with some of the new services or the services you're hoping to gain back, but you had provided on page 883, beginning on page 883, a table that indicates -- it's your service plan for the next three fiscal years, so I guess I'm just following up to see if, at this point, can you provide the number of physicians that would be part of some of these additional services?

I know you gave us primary care, OBGYN, but in terms of the other services, where you're adding services or expanding, at this point, are you able to do that?

MR. ZMRHAL: I think it's premature, to be honest, to do that at this time. Some of them, we could. So, for example, for oncology, you know, we'd probably start with an oncologist coming over one or two days a week and then work up from there, but, for some of them, we're still doing the assessment, as to what that need is really going to be, so it's difficult to give you an exact number at this point.

Like I said, I mean, there's at least six full-time physicians that we already have lined up at this time, so, I mean, that is a known entity already.

MR. FERNANDES: Will the physician practices be located within the Sharon community?

MR. ZMRHAL: It depends on how you define the Sharon community. So if you're defining it as the primary and secondary service area, yes. I mean some of them will be in Sharon. For example, looking to put primary care here.

Some of them we're looking at, you know, is the right place to put them, you know, further out to draw patients in to the Sharon community, but, for the most part, most of them would be working here, but not all.

MR. FERNANDES: Thanks.

MR. ZMRHAL: If you extend it to the secondary service area, however, they would all be within that, you know, that community.

MR. FERNANDES: How long would it take, or how long would you expect it to take a physician to reach a reasonable patient panel size?

MR. ZMRHAL: I mean that totally depends on the specialty. It depends on where we put them. I mean it depends on a lot of things.

On average, I expect a primary care doc to be full by the end of two years. Usually, full by the end of one year. On average, you know, a specialist takes longer, so, you know, on average, they would start to get more busy by nine months and be fully busy by somewhere between two and three years, depending. Especially in a smaller area like this it takes longer.

MR. FERNANDES: Could you detail the additional recruiting enhancements Health Quest can offer over the previous PSA Regional Health Care Associates had?

MR. ZMRHAL: Pete would probably have to answer what there was before. I can tell you what we do. So we have a recruitment director and four FTEs of recruitment staff, who last year, as I said, recruited 47

physicians, and they also recruited another 20-ish non-physician providers or practitioners and PAs.

This year, we have an aggressive plan for closer to 60 physicians, and, so, we have a recruitment process that we work, and, obviously, we're here close and able to recruit people to an area that our recruiters know well. They all live in the area, etcetera, so we recruit to an area that we know well and, also, to a group of physicians with a very physician-led culture that is pretty easy to sell, to be honest.

MR. FERNANDES: Thanks.

MR. ZMRHAL: Do you want to add anything, Pete?

MR. CORDEAU: Sure. I can just add stability, right, so what they add is stability. RHA through RCCH, we could try to find a position. The ability to see the position in this community, given this area and the dynamics, that was really a competitive disadvantage for us, no matter what we did, so the stability of a Health Quest system and a large system.

They've already demonstrated the ability to recruit, so that, in and of itself, is the big game-changer here for any physician that wants to even be in this community and know they're part of a larger system

and have that support.

So, for instance, our general surgeons are now part of a 12 general surgeon practice versus two, and it certainly helps for on-call, it helps for coverage, and it certainly becomes a real kind of advantage for us now.

MR. FERNANDES: Thanks. That pretty much concludes my questions.

MS. SCHAEFFER-HELMECKI: I just have a few questions about some of the volume projections. So OHCA is required by statute to consider the utilization of healthcare services at healthcare facilities as part of its decision-making process.

The following questions pertain to patient volume, both actual and projected. So, firstly, what initiatives will Health Quest take to reverse the decline in outpatient visits outside increasing the number of physicians?

MR. FRIEDBERG: (Multiple conversations) That’s the story.

MS. SCHAEFFER-HELMECKI: Okay, so, the chart on page 650 shows what the expected increase in average daily census would be from improvements to each of the five service lines.

It states that they were derived using Sharon's existing physician line as a proxy. Please elaborate on the underlying assumptions used to arrive at these figures.

MR. BERGERON: Christian Bergeron, Chief Financial Officer, Sharon Hospital.

So what we did was we've used historical data, 2015 data, the activity from physicians, who practice in the those specialties, and evaluated their level of utilization within the hospital, and that was the basis for determining the expectation of the new recruits to Sharon Hospital, which, in many ways we believe, is a conservative few of the possibilities in the new world.

MS. SCHAEFFER-HELMECKI: So you're projecting a total increase in patient volume of approximately 19 percent from fiscal year 2016 through fiscal year 2020, and that table is on page 52.

Please walk us through how you arrived at these figures, and I was going to say beyond physician recruitment, but maybe we won't take away that limitation.

MR. BERGERON: I have to see the exhibit first. I mean I'll answer for now. If Robert wants to

add additional.

I mean, outside of the additional physician activity, I mean, as was mentioned earlier, there was also, you know, by adding the additional services we believe in the future, so reducing the number of transfers that need to leave Sharon Hospital, that plays a role in the future of volumes at the hospital, our ability to keep patients here at the hospital, as opposed to transfer them.

In addition, I think there will be -- what else? EMS, the other things, as Mr. Friedberg mentioned earlier, the decanting of activity in Northern Dutchess and Vassar also presents an opportunity from a volume perspective that we are expecting to realize at Sharon.

I think those really represent the three main contributors and the expansion of the geri psych.

MR. CORDEAU: Geri psych I think is very important, seeing that that’s the one area of the hospital that we turn away 20 to 40 patients every month, so the expansion, the plant expansion of five additional beds, that certainly has a significant impact on that, and, again, reiterate EMS.

The confidence of the EMS community to be able to send patients to us allows for that decanting to

happen to our area, because there are currently patients that are equal distance between us and Vassar and Northern Dutchess that the EMS has to make that decision whether to go to one of those other hospitals or Sharon, or they have to go to Sharon and turn around and drive to one of those other hospitals, so that's part of the service enhancement that's going to allow for those patients to stay and that decision to keep EMS local and be available again for more calls.

MS. SCHAEFFER-HELMECKI: The Applicants are projecting an incremental growth in discharges of 53 percent between fiscal year '16 and '18. Please explain how Health Quest intends to achieve a 53 percent increase in inpatient discharges over just two years.

MR. BERGERON: Again, Christian Bergeron. Again, the message remains the same. I think, primarily, from an inpatient perspective, adding physicians in the community are going to be a primary factor, increasing the capabilities within the hospital, reducing the transfers and, again, also contingent up on the seniors expansion.

MR. CORDEAU: And, lastly, one other area that we didn't touch upon today is with the ability to access physicians through Health Quest. Orthopedics is a

great example, where 650 primary and secondary service patients left our community this year. Having access to providers to provide a broader set of basic bread and butter, what would be expected to be provided at a community hospital really adds into that.

You know, Robert and I were at a community event at the hospital, where employees said to Robert I really hope that Dr. X comes here, because I want to have my knee done at Sharon Hospital, so it's just a great example of someone in the community that would have to seek services outside the hospital if we didn't have access to those providers, so that's certainly in there.

MS. SCHAEFFER-HELMECKI: May I ask why the inpatient discharges are so much more dramatic than when looking at the total numbers?

MR. PING: It's a lot of small numbers. It's lot of small numbers. You've got small numbers today, so anything that we add is going to be a big increase, and the other thing, and, if we've said this I apologize for repeating it, but the other thing we're looking to do is, on those inpatient admissions, is to have several patients stay that now go to Northern Dutchess or they go to Vassar Brothers, because the inn is full at Northern Dutchess and at Vassar Brothers, and,

so, if could keep patients that are in the Sharon market area at Sharon, as opposed to going to Vassar and Northern Dutchess, we want to do that. We believe that we can have up to six patients a day or an average daily census of six come to here, and that starts to add up very quickly, in terms of the discharges then.

MS. SCHAEFFER-HELMECKI: Thank you.

MR. FERNANDES: OHCA is also required by statute to consider the financial feasibility of each proposal and/or how a proposal will impact the financial strength of the State's healthcare system.

The following question pertains to financial projections, insurance reimbursement, cost reductions, etcetera.

The Applicant projects net operating revenues for the hospital of 66.3 million in fiscal year '18. I'll just repeat the question.

The Applicant projects net operating revenues for the hospital of 66.3 million in fiscal year '18, based on incremental increases of 14.7 million, specifically due to this transaction.

The financial projections provided for the hospital further result in an estimated incremental operating margin of 15.4 percent in that year. The

Applicant projects results similar to this going forward for fiscal year 2020, so what specific strategies will be implemented to achieve these aggressive financial goals at Sharon Hospital? Be specific, in terms of plans to increase net revenue, increase both discharges and outpatient visits, maximizing reimbursement and reducing operating expenses, in order to achieve overall hospital and system cost savings.

MR. FRIEDBERG: So it's Robert Friedberg. I'll start with this and saying the same topics that we've covered in regards to physician activity and being able to generate the revenue side, and the admissions, discharges, and outpatient activity we've covered.

The other side of that, though, is that there is an advantage that we'll be able to bring with our leveraging of costs, because of the size of the health system, our ability to participate in our GPOs, and being able to look at how we're going to reduce the overall cost.

Because of the local proximity between the two institutions, between Health Quest and Sharon, there are economies that we'll be able to gain simply by being part of the health system that's a continuous geographic area.

Whether or not that's in purchasing, or whether or not that is in back office functionality, we expect to have the ability to reduce our overall cost structure.

As a matter of fact, we've already started doing some of that, an example being Sharon Hospital was outsourcing its coding of its medical records at a cost of $120,000. We're able to just turn that internally to Health Quest, because we have the capacity to be able to handle the additional coding, so that $120,000 just comes off. It doesn't need to be spent.

There are examples, after examples, after examples, as we go through the process and being able to look at the synergies that we'll be able to achieve, because we're able to take a small hospital and leverage that up with a large health system.

MR. FERNANDES: Has Health Quest had similar experience at any of its other hospitals or providers within the Health Quest system?

MR. FRIEDBERG: So I'll give you two examples that we have, which is both Northern Dutchess Hospital and Putnam Hospital Center.

Northern Dutchess Hospital came into the health system in 1999, and they were at a minus operating

income, and they were at a very low reserve for their cash days on hand.

Over the course of the last number of years since then and, specifically, the last five to seven years, we've seen a vast increase in the activity on the Northern Dutchess campus to which point we've gone from them being a negative operating margin to a 13.5 percent operating margin at the current moment and sustaining 13.5 percent operating margins on a chassis of 68 beds.

So they've been very successful in being able to do a lot of things that we've talked about; bring physicians to the community, be able to get the community engaged in the process of understanding and what the capabilities are, and, also, leveraging the cost structure associated with being part of a health system.

I can tell you the exact same story for Putnam, as well.

MR. FERNANDES: Just to add to the Northern Dutchess improvement over the last five to seven years, could you provide documentation as a late file, indicating the growth within the past five years?

MR. FRIEDBERG: Sure.

MS. RIGGOTT: And can I just follow-up

with one question on that? You purchased that hospital in 1999?

MR. FRIEDBERG: That's correct.

MS. RIGGOTT: And, so, that growth was not seen until the last five or so years?

MR. PING: Northern Dutchess in 1999, as Robert said, was nanoseconds of cash on hand, and it's grown steadily through the years. Over the past, in 2005, Northern Dutchess added and replaced a number of beds and a number of services in a new building, and that was, again, because of the Health Quest to fund that expansion project for them, and, since that time forward, it's been -- that was like an igniter for them.

And we had our second major expansion we just finished in February of last year, which replaced all of the medical surgical beds at Northern Dutchess Hospital, and they've seen, again, over this past year, 13 percent growth in their discharges, and, again, that was a second igniter for them, and we've gone back to the State and applied for additional beds and have gotten 16 additional beds as a result of what's been going on there for the last three or four years, but they had growth for the 2005 time frame.

MS. RIGGOTT: So could we see a longer

period of time for that late file, then? Would that be possible?

MR. PING: I don't know how far back we've got the data, but we'll go back as far as we can go.

HEARING OFFICER HANSTED: All right. Just for the record, that will be Late File No. 2.

MR. FERNANDES: What strategies might Health Quest use if the projected results are not realized at Sharon Hospital?

MR. FRIEDBERG: I guess the strategy is what the strategy is. I mean, you know, putting physicians into communities, putting access points into communities is going to generate more activity associated with meeting those needs, as long as the community need exists.

So, you know, in our assessment, the community need does exist for adding physicians to the community. If our projections are off, for example, instead of making $5 million of operating income it's $4 million, or $3.5 million, it's of no concern to us.

Again, we're a little over a billion dollars, $1.1 billion at the current moment in operating revenues and $68 to $70-something million of operating income.

The stability of the health system as a whole in that aggregate, and that goes back to my comments earlier, because we look at this in the aggregate, I am not concerned with what the operating margin of Sharon Hospital is. I'm concerned with what the operating margin is of the health system.

What Sharon does from a performance standpoint is not material to us from an operational standpoint. It is a part of what we do, or will be a part of what we do, so we are going to look at the aggregate.

So, to answer your question, if it doesn't make $5 million, it makes $2 million, it makes $1 million, that's what it will make, and it doesn't make any difference.

We will continue to put the services in, because as long as the health system continues to be healthy and thrive, our job, as a not-for-profit in this community, is to serve the community with healthcare. That's our mission and our vision.

The operating margin is a means to do it. It's not the driving force.

MR. FERNANDES: Thank you. Okay, so, OHCA must be mindful of the financial impact of the proposal

on patients, so the following questions are in relation to that issue.

Please discuss any changes, due to the transfer that would affect affordability for patients, any increases, decreases in fees or billing charges.

MR. FRIEDBERG: We are not projecting that we are going to change the charge structure associated with the hospital, so the only thing I would say was that our ability to be able to work with managed care will have impacts in multiple directions.

I would tell you that, again, given the context of what is going on in healthcare reform, or re-reform, or however you want to phrase it, that's going to have more of an impact than anything we could possibly come up with.

MR. FERNANDES: And, just to clarify, no additional facility fees or --

MR. FRIEDBERG: No.

MS. RIGGOTT: I have just a quick question regarding the comment you made about no change in charge structure.

I just was curious. Has there been any type of independent cost analysis performed as the result of this possible sale?

MR. FRIEDBERG: I'm not sure I understood the question.

MS. RIGGOTT: I'm wondering if there was any kind of independent cost analysis done with respect to patient affordability or the financial impact of the proposal on the financial affordability for patients?

MR. FRIEDBERG: No, but I would say that, again, you know, if we break it down, Medicare is Medicare, and Medicaid is Medicaid, and, as it relates to the managed care contracts associated with the rest of the population, at the time of transition, we're accepting assignments from Essent Health to Vassar Connecticut, so whatever contracts are in existence will exist in the same form upon transaction.

Our ability to negotiate with managed care is going to be an ongoing discussion.

MR. FERNANDES: When does Sharon Hospital's current contracts with insurers expire?

MR. BERGERON: Christian Bergeron. It's a variety of dates, so contracts straddle. They may be a year to three years typically, in terms of they'll look at each contract and they'll be assigned under the existing terms.

MR. FERNANDES: Will they be negotiated by

Sharon Hospital or the overall health system?

MR. BERGERON: Once they come up upon renewal, then they'll be negotiated by Health Quest, but everything that exists as of today will be assigned as is as of today, so whatever negotiations have taken place, which have been done by Region --

MR. FERNANDES: What advantages does being part of Health Quest's system bring to the negotiation table for Sharon Hospital?

MR. BERGERON: I'll answer a little bit. I mean to the extent, obviously, there's a -- so there's a volume play for us, who are dealing with many of the same local managed HMO plans and, also, plans that we don't have access to today, so it really provides those two things; access to New York payers that won't actively contract with the hospital today, as well as in the future, I think, you know, purchasing power, if you will, from the contractual perspective, which will add, you know, a value to the organization.

MR. FERNANDES: And the last question for me, at least, does Sharon Hospital continue to hold a Medicare designation as a sole community hospital?

MR. BERGERON: Yes, it does.

MR. FERNANDES: And is that reflected in

the financial attachment?

MR. BERGERON: Yes, it is.

MR. FERNANDES: Thanks.

MR. LAZARUS: Excuse me. Regarding the cost savings, you have stated on page 934 that the savings are largely made possible, due to the proximity of Sharon Hospital and Health Quest, and you had already alluded a little bit about that.

Can you elaborate a little bit about how the proximity interest into cost savings, specifically?

MR. FRIEDBERG: Well, for an example, because we'll be able to purchase underneath a single GPO and deliver to our warehouse, because of our proximity, we can go there from our warehouse, so that allows us to purchase at higher bulk. That's just a simple example.

Also, our ability to be able to share services. Again, you know, you can have a half FTE at our corporate offices that we can expend and have that half FTE fill some roles over here, just by getting in their car and driving over.

The proximity just allows us to be a little bit more fluid in our ability to be able to share resources.

MR. LAZARUS: All right, thank you. Could

you provide a little bit of detail on how there would be a reduction in drug -- in the supply and drug costs if the projected patient volume is to increase by 53 percent by fiscal year 2018? It was on the financial worksheet, that there's a reduction in the supplies and drug costs, and the worse thing the projected volume is expected to be increased by 53 percent by 2018. How is that related to the reduction or the cost savings?

MR. BERGERON: Christian Bergeron. So I think what the exhibit is intended to represent are the savings of drug supply purchases, because of, again, the purchasing contracts that Health Quest has relative to Essent today.

It's not represented that we're going to have volume -- it's not a volume adjusted number, so, as you can see in the projections, you'll see an increase in our supply and drug cost line items, not a reduction, so we're expecting volume increases partially offset by contractual savings.

MR. LAZARUS: Thank you. Now, under Health Quest, will the Inpatient Psychiatric Facility, the IPF, maintain its exemption from the Perspective Payment System, the PPS?

MR. CORDEAU: Yes.

MR. LAZARUS: All right. There was also mention in the pre-filed testimony that Health Quest will establish a system-wide GME program in 2019. I believe there was a footnote on page 914. Will Sharon Hospital also be approved for the GME patient program?

MR. ZMRHAL: We are in the process of starting at least eight residency programs throughout the system, and those will start in 2019 and 2020.

We would expect that there will be some rotations done here, however, we're still evaluating that, because, because of the sole provider status of Sharon Hospital, it's not particularly advantageous to bring residents here, and, so, we have to do it on a sort of individual basis, looking at what the needs are and what programs, such as psych, we would bring here, because, obviously, the Psych Unit at Sharon Hospital will provide great experience, so we'll do that sort of on an individual basis.

None of the programs would be housed at Sharon Hospital, but we would probably rotate certain people through Sharon Hospital.

MR. LAZARUS: Would that have any effect on reimbursement, if there is some sort of a GME rotation through Sharon Hospital?

MR. ZMRHAL: It won't -- again, it will have a small effect on Medicare reimbursement at Sharon Hospital, but because of the sole community provider status, you don't get the full change in reimbursement that you get at our other facilities, just because it's carved out, the sole community providers are carved out of the majority of the GME reimbursement.

MR. LAZARUS: All right, thank you. Are there any other designations for the federal reimbursement, for the reimbursement purposes that Sharon Hospital currently holds or will soon qualify for that may apply here and if that impact was assumed in the projections?

MR. BERGERON: No.

MR. LAZARUS: No? All right. And, with that, I'm done. I'm going to turn it over to Kaila to bring us home.

MS. RIGGOTT: All right. I just have just a couple of very, I hope, quick questions on the status of the HQMP physicians becoming Connecticut Medicaid providers.

It's my understanding that that's in process, and I was wondering where in the process that is.

MR. ZMRHAL: Yes, so, we are in the process of the application. I can't tell you exactly where it is in the process. I know that we have filled out all the paperwork, and it's either been filed or is about to be filed, but we're getting ready to bring providers over, you know, actually very soon, and, so, we need those contracts as quickly as we can, and I'm pushing as hard as I can to get them out the door.

MS. RIGGOTT: Okay and just a follow-up. Have there been any specific plans to improve access to the Medicaid population in the service area?

MR. ZMRHAL: Not specifically, other than we are looking at, like I said, two primary care providers and an OBGYN shortly. The other thing is we, throughout HQMP, we don't discriminate in any way on ability to pay. We take all comers. I mean that's always been part of our mission.

The other thing I will tell you is we're very good partners with Hudson River Healthcare, and they have a center in Amenia, and, so, for people, who have dual diagnoses and things like that, that require health home we, you know, we work with them to make sure that those people have a smooth transition, as well, so --

MALE VOICE: They are not in QHC -- they

are in an upgrade that is close by.

MS. RIGGOTT: Thank you.

HEARING OFFICER HANSTED: That concludes OHCA's questioning. Just an administrative point. The late files that have been ordered, how long do you think you need for that?

MR. PING: We can get you the medical staff plan tomorrow, and the ADH(phonetic) stuff I'm sure we can get you next week and maybe even --

HEARING OFFICER HANSTED: All right. Why don't we say by April 14th?

MS. FUSCO: Yeah. We should have it sooner.

HEARING OFFICER HANSTED: That's fine. I'll set the date as April 14th. And just one last time, are there any individuals, who would like to give public comment here that did not already have the opportunity to do so?

Okay. Hearing and seeing none, please remember that, if you just don't want to speak in front of a microphone, you can submit written comments, and the address to send those is on the information sheet that was provided at the beginning of the hearing.

If anyone needs one of those information

sheets, just please approach us at the end of the hearing and we'll supply that to you.

A FEMALE VOICE: (Indiscernible - too far from microphone).

HEARING OFFICER HANSTED: It's very late. I will allow you to do that if you keep it to one minute each person. Did somebody want to come up again?

(Whereupon, a member of the public spoke.)

HEARING OFFICER HANSTED: Okay, with that, I thank everyone for coming. I know it's been a long night, but thank you, again, and I'll conclude this hearing. We're adjourned.

(Whereupon, the hearing adjourned at 8:05 p.m.)

AGENDA

AGENDA

CERTIFICATE

I, Paul Landman, a Notary Public in and for the State of Connecticut, and President of Post Reporting Service, Inc., do hereby certify that, to the best of my knowledge, the foregoing record is a correct and verbatim transcription of the audio recording made of the proceeding hereinbefore set forth.

I further certify that neither the audio operator nor I are attorney or counsel for, nor directly related to or employed by any of the parties to the action and/or proceeding in which this action is taken; and further, that neither the audio operator nor I are a relative or employee of any attorney or counsel employed by the parties, thereto, or financially interested in any way in the outcome of this action or proceeding.

In witness whereof I have hereunto set my hand and do so attest to the above, this 17th day of April, 2017.

Paul Landman
President

Post Reporting Service
1-800-262-4102

User, OHCA

From: Alice Yoakum <aliceyoakum@gmail.com>
Sent: Saturday, April 15, 2017 3:27 PM
To: User, OHCA
Subject: Public comment Sharon Hospital
Attachments: Sharon hospital.docx

Please see the attached letter. Thank you.

Alice Yoakum

Alice B Yoakum
196 Millerton Road, P. O. Box 271
Lakeville Connecticut 06039

Tel. 860 435 2639 **aliceyoakum@gmail.com**

April 14, 2017

Office of Health Care Access (OHCA)
Hartford, CT

Re: Public comment Sharon Hospital

I write to express my strong support for the purchase of Sharon Hospital by Health Quest.

I have lived in Lakeville for 55 years, raised my children here, lured my parents and my husband's mother to retire here, and encouraged my brother and his family to move here. My father, my sister-in-law, and I all served on the Sharon Hospital board at one time or another before it's purchase by Essent. I am presently on the board of the Foundation for Community Health (FCH.) Three generations of my family have used the emergency room, the radiology department, the PT center, the laboratory, and have been in-patients of the hospital. We have supported the hospital with contributions, and have depended upon its presence here in the Northwest corner.

In light of the hospital's recent financial statements it seems apparent that Sharon Hospital cannot continue to exist unless it is part of a larger group of hospitals in this region. RCCH, with no other hospitals in the area, will sell it or simply close it. Health Quest is a logical

purchaser with facilities and a physician network including medical specialists in nearby New York state.

----If the hospital closes the community will lose one of its largest employers.

----If FCH keeps the three million dollars that is to be its contribution to the purchase price these funds and more will not make up for the additional costs of providing access to health care for elderly and disabled residents of the Sharon Hospital catchment area when the hospital closes and its affiliated corps of GPs and specialists dwindles further. Funding access to health care services has been the largest single category of grants given by FCH.

----Sharon Hospital has always been an important draw for retirees and young families and doctors moving into the area, as well as for the two flourishing retirement facilities, Noble Horizons and Geer, and for the nursing home across the road from the hospital. Again, the loss of the hospital would cause hardship to these facilities, and reduce the appeal of the NW corner and adjacent New York as a place to raise a family or retire.

----Sharon Hospital as part of a non-profit entity will once again be able to call on the community for financial support. It is a generous community and will respond to requests for volunteers and contributions.

----The terms of the agreement with Health Quest provide for a local hospital board the majority of which will be selected by the FCH, giving the local community much more of a say in the policy and operation of the

hospital.

These are sensible, fiscal, reasons for approving this sale of Sharon Hospital to Health Quest. There are also the personal reasons like my own. When my parents, in their eighties and nineties, had to be hospitalized from time to time I could visit them daily even though I was working full time. I can't imagine what it will be like for my family or friends to have to drive to Poughkeepsie or Torrington on winter evenings to visit me in my declining years. I don't like having to drive to Torrington to see my cardiologist; I hated having to drive my 94-year-old, wheelchair-bound, husband to Torrington to see an oncologist. And when I my car ran over me, and I was bleeding copiously I might not have made it if I'd had to be taken to Torrington or Poughkeepsie.

So, as a patient/fan of-- and survivor thanks to-- Sharon Hospital, I hope you will issue the CON and enable our hospital to continue, and improve, its service to this community.

Sincerely yours,

Alice Yoakum

Olejarz, Barbara

Subject: FW: Dockets: 16-32132-CON and 16-32133-CON
Attachments: 16-32132-CON 16-32133-CON Order.pdf

From: Carney, Brian
Sent: Friday, April 21, 2017 2:22 PM
To: dping@health-quest.org; victorger@pipeline.com; Jennifer Groves Fusco <jfusco@uks.com>
Cc: Hansted, Kevin <Kevin.Hansted@ct.gov>; Riggott, Kaila <Kaila.Riggott@ct.gov>
Subject: Dockets: 16-32132-CON and 16-32133-CON

Dear Attorney Fusco, Mr. Ping and Mr. Germack:

Please see attached Order for the above referenced dockets. Please confirm receipt of this email and the corresponding attachment.

Sincerely,
Brian A. Carney

Brian Carney, MBA
Associate Research Analyst
Connecticut Department of Public Health
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
Hartford, CT 06134-0308
Phone - 860-418-7014
brian.carney@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

IN THE MATTERS OF:

Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut, Inc., a Subsidiary of Health Quest Systems, Inc. (16-32132-CON)
Transfer of Ownership of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a Subsidiary of Health Quest Systems, Inc.(16-32133-CON)

ORDER

By letter dated April 13, 2017, The Community Association to Save Sharon Hospital ("CASSH") filed a response to the late files in the above-referenced matters on behalf of the Applicants. Specifically, the response raised three issues: the lack of a medical staffing plan; the lack of clear financial statements; and an ongoing investigation by the United States Department of Justice ("DOJ").

The Applicants are hereby ordered to provide the following information to the Office of Health Care Access on or before the close of business on May 12, 2017:

1. A medical services plan, specific to Sharon Hospital, upon which the Applicants intend to rely should the above-referenced certificate of need applications be approved;
2. Revised financial statements addressing CASSH's concerns with Applicants' Late File No. 2;
3. A detailed description and current status of the investigation currently taking place by the DOJ;
4. A current estimate of the impact the DOJ investigation will have on the Applicants' consolidated financial statements.

4/21/17
Date

Kevin T. Hansted
Hearing Officer

Phone: (860) 418-7001 • Fax: (860) 418-7053
410 Capitol Avenue, P.O. Box 340308
Hartford, Connecticut 06134-0308
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Affirmative Action/Equal Opportunity Employer

User, OHCA

From: Jennifer Groves Fusco <jfusco@uks.com>
Sent: Wednesday, April 26, 2017 12:54 PM
To: Hansted, Kevin; Lazarus, Steven; Riggott, Kaila; Schaeffer-Helmecki, Jessica; Fernandes, David; User, OHCA
Cc: Ping, David
Subject: Sharon Hospital/Regional Healthcare Associates -- Docket Nos. 16-32132-CON & 16-32133-CON
Attachments: DOCS-#1545516-v1-HEALTH_QUEST_RESPONSE_TO_OHCA_ORDER_(FINAL).PDF; DOCS-#1545511-v1-HEALTH_QUEST_CASSH_MOTION_TO_PRECLUDE_(FINAL).PDF

All:

Attached please find the following submitted on behalf of Applicants:

1. Motion to Preclude Further Participation By the Community Association to Save Sharon Hospital
2. Response to OHCA's Order Dated April 21, 2017

Please let me know if you have any questions or require additional information.

Thanks,
Jen

Jennifer Groves Fusco, Esq.
Principal
Updike, Kelly & Spellacy, P.C.
One Century Tower
265 Church Street
New Haven, CT 06510
Office (203) 786.8316
Cell (203) 927.8122
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immediately and permanently delete and/or destroy the original and any copies or printouts of this message. Thank you. Updike, Kelly & Spellacy, P.C.

Transfer of Ownership of Sharon Hospital
to Vassar Health Connecticut, Inc.
Docket No. 16-32132-CON

Transfer of Ownership of Regional Healthcare Associates, LLC
to a Subsidiary of Vassar Health Connecticut, Inc.
Docket No. 16-32133-CON

RESPONSE TO OHCA'S ORDER DATED APRIL 21, 2017

The Applicants in the above-referenced Certificate of Need ("CON") dockets, Essent Healthcare of Connecticut, Inc., Sharon Hospital Holding Company, Health Quest Systems, Inc., Vassar Health Connecticut, Inc. and Regional Healthcare Associates, LLC (collectively the "Applicants"), submit the following in response to the Office of Health Care Access' ("OHCA") Order, dated April 21, 2017.

REQUEST No. 1:

Provide a medical services plan, specific to Sharon Hospital, upon which the Applicants intend to rely should the above-referenced certificate of need applications be approved.

RESPONSE:

In its Response to the Applicants' Late File submission, the Community Association to Save Sharon Hospital ("CASSH") has requested a medical staffing/services plan that details "what physicians and what specialists would be added and when, where they would be located, and how their time would be divided between Sharon Hospital and other Health Quest hospitals." Health Quest conducted an analysis of physician needs in the Sharon Hospital service area, which was submitted to OHCA as Late File No. 1. Health Quest will use that study as the basis of its physician staffing plan, and upon approval of the CONs and completion of the transfer of ownership of Sharon Hospital and Regional Healthcare Associates, LLC ("RHA") to Health Quest, will update its analysis as necessary.

The table below includes a preliminary physician staffing plan for Sharon, based on Health Quest's current understanding of Sharon Hospital and the surrounding area Applicants have endeavored to provide the information requested by CASSH to the extent possible, including the specialties being recruited, the anticipated number of FTEs being added to the Sharon service area in each of the first five years of Health Quest ownership, the number of actual physicians that comprise the FTE estimates, and the status of current recruitment efforts. Note that OHCA typically allows purchasers of acute care hospitals a period of time (6 months) post-closing to prepare detailed healthcare services plans (*see e.g.* Docket Nos. 15-32045-CON; 15-32033-CON; 15-32017-486).

Anticipated Physician Recruitment, FYs 2017 - 2020

Physician Type	FY 2017	FY 2018	FY 2019	FY
Family Practice/Internal Medicine	2 FTEs	2 FTEs	2 FTEs	2 FTEs
Ob/Gyn	2 FTEs	0 FTEs	0 FTE	0 FTE
Cardiology	1.25 FTEs	1 FTE	1 FTE	0 FTE
General Surgery	0.5 FTEs	1.0 FTE	0 FTE	0 FTE
Pulmonology	.25 FTEs	1.0 FTE	0 FTE	0 FTE
Oncology	.25 FTEs	1.0 FTE	1.0 FTE	0 FTE
Endocrinologist	0 FTE	1.0 FTE	0 FTE	0 FTE
Pain Medicine	1.0 FTE	0 FTE	0 FTE	0 FTE
Pathology	1.0 FTE	0 FTE	0 FTE	0 FTE

In addition, Health Quest has already made substantial progress towards its year-one goals for recruiting physicians to practice in the Sharon Hospital service area. Below is an update on physician recruitment by specialty, including status of credentialing and whether the recruited physicians are new to the Sharon area.

Family Practice/Internal Medicine:

- One (1) physician recruited who is new to the Sharon area and is starting the credentialing process.
- One (1) physician who currently practices in the Sharon area and is already credentialed at Sharon Hospital has agreed to affiliate with Health Quest.
- Both of these physicians would practice full-time in the Sharon area.

OB/GYN:

- One (1) physician recruited who is new to the Sharon area and is awaiting paperwork to begin the credentialing process.
- Two (2) OB/GYNs who are new to the Sharon area have been offered employment with a Health Quest affiliate; Health Quest is awaiting responses.
- Each of these physicians would practice full-time in the Sharon area.

Cardiology:

- Five (5) physicians who currently practice with the Health Quest Heart Center in Poughkeepsie will be expanding their practices to provide services in Sharon on a part-time basis. Two (2) of these physicians are in the credentialing process at Sharon Hospital. Three (3) of these physicians are in the process of obtaining their Connecticut medical licenses and will then begin the credentialing process.
- One (1) physician who currently practices in the Sharon area has been recruited to join the Health Quest Heart Center, pending OHCA approval of these transactions. He is already credentialed at Sharon Hospital. He will practice in Sharon full-time.

General Surgery:

- One (1) physician who currently practices in the Sharon area and is already credentialed at Sharon Hospital has been recruited to join a Health Quest affiliate. He will practice in Sharon full-time.

Pain Medicine:

- One (1) physician recruited who is new to the Sharon area and is in the process of obtaining credentials at Sharon Hospital. She will practice in Sharon full-time.

Pathology:

- Five (5) pathologists currently employed by HQMP will be expanding their practices to provide services in Sharon on a part-time basis. They are in the credentialing process at Sharon Hospital.

REQUEST No. 2:

Provide revised financial statements addressing CASSH's concerns with Applicants Late File No. 2.

RESPONSE:

Late File No.2 is a chart that shows volume and financial data for Northern Dutchess Hospital ("NDH") for FYs 2000 through 2016. This information was provided at OHCA's request to confirm the supposition that Health Quest has the skills and expertise to "turn around" failing ventures in a short period of time and to achieve sustained positive results in the long-term. The presentation of this information is based on financial statements that are consistent with GAAP and the manner in which Health Quest presents its consolidated financials. Included in the information presented for NDH are the expenses for hospital-based physicians. Accordingly, the financial information presented in Late File No. 2 does not need to be revised, as it is not misleading in the way that CASSH suggests.

REQUEST NO. 3:

A detailed description and current status of the investigation currently taking place by the DOJ.

RESPONSE:

The current footnote accompanying Health Quest's independently audited 2016 Audited Financial Statements related to commitments and contingencies is included as Attachment A. This includes a description of the Department of Justice matter and current status. Health Quest believes that it is adequately reserved for any potential outcome in this matter, and therefore does not believe that the outcome will be material to Health Quest's ability to acquire and operate Sharon Hospital and RHA. The DOJ matter should not, therefore, have any adverse impact on the financial feasibility of Applicants' proposals.

REQUEST NO. 4:

A current estimate of the impact of the DOJ investigation will have on the Applicants' consolidated financial statements

RESPONSE:

Health Quest believes that it is adequately reserved for any potential outcome in this matter, and therefore does not believe that the outcome will be material to Health Quest's ability to acquire and operate Sharon Hospital and RHA. The DOJ matter should not, therefore, have any adverse impact on the financial feasibility of Applicants' proposals. For additional information, see Response to Request No. 3 above.

ATTACHMENT A

Footnote 15 in the 2016 Draft Audited Financial Statements (expected to be approved on April 27, 2017).

In June 2015, the United States Attorney's Office for the Northern District of New York ("DOJ") served a Civil Investigative Demand (CID) on Health Quest Systems, Inc,.and Health Quest Medical Practice, P.C. (collectively, "Health Quest"), seeking information relating to nine topics. Health Quest responded to the CID and has cooperated with the investigation. Cooperation continues, and Health Quest continues to produce documents responsive to the CID. In connection with the issues raised in the CID, and before receipt of the CID, Health Quest had made self-disclosures as to several of the issues in the CID and had refunded several hundred thousand dollars in overpayments. DOJ has continued to seek additional information and documents from Health Quest, which continues to cooperate with DOJ's investigation. As is common in DOJ investigations, the New York State Medicaid Fraud Unit also is working on the investigation with DOJ, and Health Quest also is cooperating with their inquiries, which are joint with DOJ. Lastly, in the ordinary course of auditing payment and complying with the law, Health Quest, its outside counsel, and its outside claims auditors have been auditing, refunding overpayments and implementing corrective action plans in connection with claims billed to payors. Health Quest continues to assess any additional potential overpayment amount, but any such amount is unknown at this time. At December 31, 2016, the Company recorded an estimated liability for potential overpayments related to the four areas, however it is reasonably possible that a change in this estimate will occur in the future and the change could be material to the consolidated financial statements.

The Company is involved in litigations arising in the course of business. While the outcome of these suits cannot be determined at this time, management, based on the advice from legal counsel, currently believes that any loss which may arise from these actions will not have a material adverse effect on the Company's financial position or results of operations. The liabilities, if accrued, might be subject to change in the future based on new developments, or changes in circumstances, which could have a material impact on the Company's results of operations, financial position, and cash flows.

The health care industry is subject to numerous laws and regulations of Federal, state and local governments. Recently, government activity has increased with respect to investigations concerning possible violations by health care providers of fraud and abuse statutes and regulations. Compliance with such laws and regulations are subject to future government review and interpretations as well as potential regulatory actions.

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS DIVISION

IN RE: TRANSFER OF OWNERSHIP OF SHARON HOSPITAL TO VASSAR HEALTH CONNECTICUT, INC. IN RE: TRANSFER OF OWNERSHIP OF REGIONAL HEALTHCARE ASSOCIATES, LLC TO A SUBSIDIARY OF VASSAR HEALTH CONNECTICUT, INC.	DOCKET NO. 16-32132-CON & DOCKET NO. 16-32133-CON APRIL 26, 2017

MOTION TO PRECLUDE FURTHER PARTICIPATION BY THE COMMUNITY ASSOCIATION TO SAVE SHARON HOSPITAL

Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital ("Essent"), Sharon Hospital Holding Company ("SHHC"), Health Quest Systems, Inc. ("Health Quest"), Vassar Health Connecticut, Inc. ("Vassar Connecticut"), and Regional Healthcare Associates, LLC ("RHA") (collectively "Applicants"), Applicants in the above-referenced CON proceedings under Docket Nos. 16-32132-CON and 16-32133-CON, hereby request that OHCA exercise its authority to limit the participation of the Community Association to Save Sharon Hospital ("CASSH") in these proceedings and preclude CASSH from submitting any additional information or evidence, whether written or oral, including but not limited to a response to Applicants' Response to OHCA's Order Dated April 21, 2017, which has been filed along with this Motion.

In support of their Motion, Applicants offer the following:

- On March 23, 2017, CASSH filed a Request for Intervenor Status. On March 24, 2017, over Applicants' objection, CASSH was designated as an Intervenor with Limited Rights. These rights were described by OHCA in its Order as follows:

The Petitioner is granted the right to inspect and copy records on file with OHCA related to the CONs filed under Docket Numbers 16-32132-CON and 16-32133-CON and shall be copied on all pleadings, correspondence and filings submitted from this point forward by the Applicant until the issuance of a final decision by OHCA. As an intervenor with limited rights, the Petitioner may be cross-examined by the Applicant but the Petitioner may not cross-examine the Applicant.

OHCA will make any additional rulings as to the extent of the hearing participation rights of the Petitioner throughout the hearing in the interest of justice and to promote the orderly conduct of the proceedings.

- Upon information and belief, CASSH was advised of the need to pre-file all of its substantive testimony in this matter by March 29, 2017, the same date by which Applicants were required to file their written testimony and evidence.
- On March 29, 2017, CASSH submitted a nine-page, single-spaced document identified as the testimony of Victor Germack, CASSH's Vice President.
- The testimony was copied to Attorney General George Jepsen, among others, and requested specific action by the Attorney General in connection with these CON proceedings. The Attorney General has no jurisdiction over the above-referenced CONs, a fact known to Mr. Germack (*see* March 27, 2017 letter from Victor Germack to AAG Gary W. Hawes included in the OHCA records of the above-referenced CON dockets). Still, Mr. Germack persisted on behalf of CASSH in requesting the participation of the Attorney General in these proceedings.
- The testimony submitted by CASSH was replete with requests that extend far beyond the CON jurisdiction of OHCA, as Mr. Germack was certainly aware. These included numerous requests for changes to a funding agreement between Health Quest and the Foundation for Community Health ("FCH"), a public charity that is not a party to these CON proceedings.

- On March 31, 2017, two days past the deadline for submission of hearing testimony, CASSH filed unauthorized and untimely rebuttal testimony in response to Applicants' hearing submissions. Applicants did not object to this testimony in the interest of allowing full community participation in these CON proceedings.
- At the April 5, 2017 public hearing on these matters, CASSH was given nearly 30 minutes to make a presentation. Mr. Germack's presentation was almost as long as the Applicants' presentation and it was substantially longer than other members of the public were given to speak, including elected officials, interested community members, local healthcare providers, and other who came out in overwhelming support of the CON proposals.[1]
- At the public hearing, OHCA ordered Applicants to submit certain information via Late Files. OHCA did not ask CASSH to submit any additional information, nor did OHCA request or authorize a rebuttal submission from CASSH.
- On April 11, 2017, Applicants' submitted their Late Files, providing OHCA with the exact information that was requested. This included:
    - A Medical Staff Development Plan for the Sharon area prepared by Veralon, at Health Quest's request, in order to assess physician need; and
    - Historical information regarding volume and operating margins at Northern Dutchess Hospital ("NDH") from FYs 2000 through 2016.
- Notwithstanding the fact that a reply from CASSH was neither requested nor authorized by OHCA, CASSH submitted a response to Applicants' Late Files on April 13, 2017. CASSH's response included questions and arguments that have been raised by Mr.

[1] The only members of the public who voiced concern over any aspect of Applicants' proposals are believed to be members of CASSH.

Germack in every prior submission and responded to by Applicants; a misleading and uninformed "analysis" of the NDH data submitted by Applicants; and questions pertaining to information in the CON dockets entirely unrelated to the Late Files and not previously raised by CASSH, although the information Mr. Germack cites has been available to the public since November of 2016. Once again, in the interest of allowing full community participation in these CON proceedings, Applicants did not object to CASSH's submission.

- Each of CASSH's submissions in response to Applicants' hearing testimony (including the Late Files) is akin to unauthorized cross-examination; CASSH was specifically denied the right to cross-examine Applicants in the matter, and attempting to do so via written submissions is a violation of OHCA's Order regarding CASSH's participation.
- Mr. Germack and other representatives of CASSH spent nearly three hours speaking with Sharon Hospital administrators about these proposals in a private meeting prior to the public hearing. This is in addition to the two-hour Community Forum hosted by Health Quest and RCCH HealthCare Partners on March 16, 2017, which Mr. Germack attended. Mr. Germack gave a statement at the Community Forum, asked multiple questions, which were fully answered by Robert Friedberg of Health Quest, and then had a lengthy private discussion with Mr. Friedberg after the Forum. Moreover, Applicants understand that Mr. Germack spent several hours in a private meeting with representatives of FCH and that he has had countless telephone conversations with elected officials and representatives of various administrative agencies voicing his concerns with this transaction.

Based on the foregoing, CASSH has had a full and fair opportunity to participate in these CON proceedings. As an intervenor with limited rights CASSH has had every chance (and more) to submit written evidence, make arguments and raise issues important to its membership. However it is Applicants, and not CASSH, whose legal rights, duties and privileges are being adjudicated in these contested cases. This is why OHCA typically allows parties to a CON proceeding, and not intervenors, to have the last word through the submission of post-hearing evidence. CASSH's continued insistence on having the last word, on submitting information that is in many instances duplicative, erroneous, irrelevant, and beyond the scope of CON review, is impairing the orderly conduct of and unnecessarily delaying these critical proceedings.

For these reasons, Applicants respectfully request that OHCA issue an Order precluding the submission of any additional information or evidence by CASSH, in any form, or any further participation by CASSH in these proceedings. Applicants further move that any information submitted by CASSH before OHCA rules on this request, or in contravention of an Order by OHCA not to submit additional evidence, be stricken from the record. Lastly, to the extent that Applicants' Response to OHCA's Order Dated April 21, 2017 provides all of the information that the agency requires, Applicants request that the public hearing on these matters be closed.

Respectfully Submitted,

ESSENT HEALTHCARE OF CONNECTICUT, INC; SHARON HOSPITAL HOLDING COMPANY; REGIONAL HEALTHCARE ASSOCIATES, LLC; HEALTH QUEST SYSTEMS, INC.; VASSAR HEALTH CONNECTICUT, INC.

By: *Jennifer G. Fusco*

JENNIFER GROVES FUSCO, ESQ.
Updike, Kelly & Spellacy, P.C.
265 Church Street
One Century Tower
New Haven, CT 06510
Tel: (203) 786-8300
Fax (203) 772-2037

CERTIFICATION

This is to certify that a copy of the foregoing was sent via electronic mail this 26th day of April, 2017 to the following parties:

Victor Germack
The Community Association
To Save Sharon Hospital
P.O. Box 612
Salisbury, CT 06068
victorger@pipeline.com

Jennifer G. Fusco
JENNIFER GROVES FUSCO, ESQ.
Updike, Kelly & Spellacy, P.C.

User, OHCA

From: Lazarus, Steven
Sent: Thursday, April 27, 2017 7:38 AM
To: User, OHCA
Subject: FW: Sharon Hospital/Regional Healthcare Associates -- Docket Nos. 16-32132-CON & 16-32133-CON
Attachments: DOCS-#1545516-v1-HEALTH_QUEST_RESPONSE_TO_OHCA_ORDER_(FINAL).PDF; DOCS-#1545511-v1-HEALTH_QUEST_CASSH_MOTION_TO_PRECLUDE_(FINAL).PDF; image001.jpg

Please add to the file.

Steve

Steven W. Lazarus
Associate Health Care Analyst
Division of Office of Health Care Access Connecticut Department of Public Health
410 Capitol Avenue
Hartford, CT 06134
Phone: 860-418-7012
Fax: 860-418-7053

-----Original Message-----
From: Jennifer Groves Fusco [mailto:jfusco@uks.com]
Sent: Wednesday, April 26, 2017 8:10 PM
To: Victorger@pipeline.com
Cc: Lazarus, Steven <Steven.Lazarus@ct.gov>
Subject: FW: Sharon Hospital/Regional Healthcare Associates -- Docket Nos. 16-32132-CON & 16-32133-CON

Victor,

Please see attached. My apologies for leaving you off the initial email transmission.

Jen

_____

From: Jennifer Groves Fusco
Sent: Wednesday, April 26, 2017 12:53 PM
To: Hansted, Kevin (Kevin.Hansted@ct.gov); Lazarus, Steven (Steven.Lazarus@ct.gov); Riggott, Kaila; Schaeffer-Helmecki, Jessica; Fernandes, David (David.Fernandes@ct.gov); ohca@ct.gov
Cc: Ping, David
Subject: Sharon Hospital/Regional Healthcare Associates -- Docket Nos. 16-32132-CON & 16-32133-CON

All:

Attached please find the following submitted on behalf of Applicants:

1. Motion to Preclude Further Participation By the Community Association to Save Sharon Hospital

2. Response to OHCA's Order Dated April 21, 2017

Please let me know if you have any questions or require additional information.

Thanks,
Jen

Jennifer Groves Fusco, Esq.
Principal
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[Description: Description: UKS_Meritas]

The Community Association to Save Sharon Hospital

P.O. Box 612
Salisbury, CT. 06068
victorger@pipeline.com
Fax: (212) 722-3819
Phone: (917) 582-8411

FAX Sheet

Date: April 27, 2017

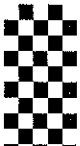
To: Mr. Kevin T. Hansted
Hearing Officer
Office of Health Care Access

Fax Number: 860- 418-7053

From: The Community Association to Save Sharon Hospital

Subject: Attached Letter Answer Response by The Community Association to Save Sharon Hospital to the Response by Essent Healthcare of Connecticut, Inc., Sharon Hospital Holding Company, Health Quest Systems, Inc., Vassar Health Connecticut, Inc. and Regional Healthcare Associates, LLC (collectively the "Applicants") to the Office of Health Care Access ("OHCA") Order, dated April 21, 2017.

Please Note: For speed of communication, could you please contact me at my email address above, fax or phone. Thank you.
Victor Germack



The Community Association to Save Sharon Hospital
P.O. Box 612
Salisbury, CT. 06068
victorger@pipeline.com
Fax: (212) 722-3819
Phone: (917) 582-8411

VIA FAX & ELECTRONIC MAIL

April 27, 2017

Mr. Kevin T. Hansted
Hearing Officer
State of Connecticut Dept. of Public Health
Office of Health Care Access Division
410 Capital Avenue, MS #1 HCA
P.O. Box 340308
Hartford, CT. 06134-0308

Re: Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut, Inc. &
Transfer of Ownership of Regional Healthcare Associates and Tri State Women's Services to a Connecticut Medical Foundation

DOCKET NO. 16-32132-CON
& DOCKET NO. 16-32133-CON

Answer by The Community Association to Save Sharon Hospital to the Response by Essent Healthcare of Connecticut, Inc., Sharon Hospital Holding Company, Health Quest Systems, Inc., Vassar Health Connecticut, Inc. and Regional Healthcare Associates, LLC (collectively the "Applicants") to the Office of Health Care Access ("OHCA") Order, dated April 21, 2017.

REQUEST No. 1:
Provide a medical services plan, specific to Sharon Hospital, upon which the Applicants intend to rely should the above-referenced certificate of need application be approved.

The Applicants' response shows adding 21.25 FTEs over the next four years. While furnishing some additional information regarding specialties, it is incomplete inasmuch as it doesn't detail where the specialists would be based, and how their time would be divided

between Sharon Hospital and the other Health Quest hospitals. More importantly, the Applicants propose adding 21.25 FTEs between FY 2017 and FY 2020, however, the Veralon study on which the Applicants based their community needs assessment, and staffing, says that "with no replenishment of physicians in the service area, physician supply is projected to decrease by 21 FTEs by 2022 due to retirement." That means we will have to add 21 FTE's just to stand still but we now know we need to add many more physicians in our area. Indeed the Veralon study projects that by 2022, there will be a deficit of 51.6 FTEs – where will this come from and how will it be provided by the Applicants?
We request that they provide this information.

Responding to the Applicants statement that OHCA typically allows purchasers of acute health care hospitals a period of time (6-months) post-closing to prepare detailed healthcare services plans, we understand that Health Quest Systems already has been operating Sharon Hospital for approximately the last six months, thereby already giving them the opportunity to refine and spell-out their staffing plans in much greater detail than they have provided to date.

However we would ask that were OHCA to approve the transfer, that it require the Applicants to submit a detailed plan demonstrating how health care services will be provided by Sharon Hospital for the first five years following the Transfer Agreement, including any consolidation, reduction or elimination of existing services or introduction of new services, and that a monitor be appointed to review and oversee the implementation of their plan, and that the results be communicated to the public on an annual basis. We would also request that OHCA require that Sharon Hospital submit their operating performance and financial measurement results for the first five years, to be submitted twice a year, and that they be made available to the public.

Request No. 2
Provide revised financial statements addressing CASSH's concerns with Applicants Late File No. 2

Late File No. 2 is a chart that shows volume and financial data for Northern Dutchess Hospital ("NDH") for FYs 2000 through 2016. The chart was provided to confirm the supposition that Health Quest has the skills and expertise to "turn around" failing hospitals in a short period of time. We had pointed out, in our response, that the method, that the Applicants used, of calculating the operating results and margins for NDH was incorrect; and we outlined what the correct method should be by allocating the appropriate share of all of their physician and medical group practice costs using the 2015 Health Quest Systems, Inc. Audited Financial Statements. The Applicants' explanation on this point is not responsive and did not address the standard methodology that we used to calculate the operating profit margin, and I say this as a financial professional.

(Professionally, I am considered a financial expert as I was a director and the chairman of the audit committee of a NYSE company for several years, and the founder and President of RateFinancials Inc. – which rates the accounting, financial reporting and governance of public companies. I am also the Treasurer and a director of the Osborne Association – a non-profit that works in many New York State prisons with prisoners, ex-offenders and their families through a variety of programs.)

In fact, if you take an average of the operating profit margins for NDH for the first five years from 2000 to 2004, the average operating profit margin is a negative 1.9%. If you take the first ten years history for NDH, the average operating profit margin is 1.2%. This illustrates our contention that it takes a long time to turn a money-losing hospital around which has lost the bulk of its community support and revenue. This is why we wanted a long-term 10 year commitment from Health Quest to continue supporting Sharon Hospital.

Request No. 3
A detailed description and current status of the investigations currently taking place by the DOJ

The Applicants' answer is to furnish us with their draft footnote 15 of the Health Quest 2016 Audited Financial Statements. Their footnote describes a June 2015 DOJ - CID Investigation of nine topics which are not described in detail but appear to be Medicaid overbilling. The NYS Medicaid Fraud Unit is also working with the DOJ on this matter. The footnote states that Health Quest has "refunded several hundred thousand dollars in overpayments", and Health Quest "has recorded an estimated liability for potential overpayment relating to the (unidentified) four areas." However it is not clear what the "nine topics" and, or the "four areas" mentioned in the footnote relate to, as the footnote is quite ambiguous.

We need to know what has Health Quest determined, working with its outside claims auditor and counsel, to be its maximum financial exposure, and what has it reserved for to-date? What has it already charged off against this reserve? These are the critical questions that OHCA needs to determine to see if it will have a material impact on the Health Quest consolidated financial statements and its operations going forward.

However, if you read footnote 15 from the 2015 Audited Financial Statements, it says, "on April 15, 2016, the DOJ asserted it would be pursuing investigations into two matters that were the subject of the Company's self-disclosure efforts." "The two matters relate to contracts entered into between VBMC and PHC and two separate physician groups." The Company recorded an estimated liability for this. However there is no mention of this investigation in the 2016 Audited Financial Statements – What are we to conclude from this? Were the 2015 and 2016 DOJ investigations the same or were they merged? Was the 2016 investigation concluded and what was the resolution if it was material? Or is it ongoing? These questions should be answered to get a clear picture of the materiality of these issue

Request No. 4
A current estimate of the impact of the DOJ investigation will have on the Applicants' consolidated financial statements

It is a self-serving statement that "Health Quest believes that it is adequately reserved for any potential outcome in this matter, and therefore does not believe that the outcome will be material to Health Quest's ability to acquire and operate Sharon Hospital and RHA. The DOJ matter should not, therefore, have any adverse impact on the financial feasibility of Applicants' proposals."

The short answer is that given the limited information in the draft footnote it is impossible to know what Health Quest's maximum exposure is since they haven't revealed it to us, nor do we know what the scope of the DOJ investigations are or what the dollar amount of the exposure that is covered by the overbilling. Then there is the possibility that if the amount is large enough or the offense serious enough, perhaps the NYS Medicaid or the DOJ could suspend all or part of Medicaid billings for some period by Health Quest, or put certain restrictions on their billing practices. Since both Health Quest and Sharon Hospital have a large number of Medicaid patients, this could be very financially significant and have a material impact on the transfer of Sharon Hospital and on the financial position of Health Quest going forward. The mere fact that their footnote 15 admits that "it is reasonably possible that a change in this estimate will occur in the future and the change could be material to the consolidated financial statements." This should compel OHCA to understand more clearly the potential exposure and impact.

CERTIFICATION

THIS IS TO CERTIFY THAT A COPY OF THE FOREGOING WAS SENT VIA ELECTRONIC MAIL THIS 27TH. SAY OF APRIL, 2017 TO THE FOLLOWING PARTIES:

JENNIFER GROVES FUSCO, ESQ.
UPDIKE, KELLY & SPELLACY, P.C.

VICTOR GERMACK
Vice President
The Community Association to Save Sharon Hospital
P.O. Box 612
Salisbury, CT. 06068

Olejarz, Barbara

From: Lazarus, Steven
Sent: Friday, April 28, 2017 7:46 AM
To: User, OHCA
Cc: Olejarz, Barbara; Martone, Kim; Riggott, Kaila
Subject: FW: Sharon Hospital-RHA -- Docket Nos. 16-32132-CON & 16-32133-CON

Please add this email to the original file.

Thank you,

Steve

Steven W. Lazarus
Associate Health Care Analyst
Division of Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue
Hartford, CT 06134
Phone: 860-418-7012
Fax: 860-418-7053

From: Jennifer Groves Fusco [mailto:jfusco@uks.com]
Sent: Friday, April 28, 2017 7:42 AM
To: victorger@pipeline.com; Hansted, Kevin <Kevin.Hansted@ct.gov>; Riggott, Kaila <Kaila.Riggott@ct.gov>; Lazarus, Steven <Steven.Lazarus@ct.gov>; Schaeffer-Helmecki, Jessica <Jessica.Schaeffer-Helmecki@ct.gov>; Fernandes, David <David.Fernandes@ct.gov>
Cc: Ping,David <DPing@Health-quest.org>; User, OHCA <OHCA@ct.gov>
Subject: RE: Sharon Hospital-RHA -- Docket Nos. 16-32132-CON & 16-32133-CON

Hearing Officer Hansted,

Applicants hereby reiterate their request that Mr. Germack and CASSH be precluded from further participation in these CON proceedings and that the attached "Response" by CASSH be stricken from the record in its entirety. Applicants submitted a Motion to Preclude on April 26, 2017, and provided Mr. Germack with a copy. Instead of waiting for OHCA to rule on that motion, Mr. Germack determined on his own that he was entitled to make yet another untimely and unauthorized submission. Mr. Germack's blatant disregard for the administrative process and OHCA's authority is disrupting the orderly conduct of these CON proceedings. Applicants ask that OHCA act without further delay on their motion, strike CASSH's submission of April 27, 2017, and preclude any additional participation by Mr. Germack or his organization.

Respectfully submitted on behalf of Applicants.

Jennifer Fusco

From: victorger@pipeline.com [victorger@pipeline.com]
Sent: Thursday, April 27, 2017 11:34 PM
To: Hansted,Kevin (Kevin.Hansted@ct.gov); Riggott,Kaila; Lazarus,Steven (Steven.Lazarus@ct.gov); Schaeffer-Helmecki,Jessica; Fernandes,David (David.Fernandes@ct.gov)
Cc: Ping,David; ohca@ct.gov; Jennifer Groves Fusco
Subject: Re: Sharon Hospital-RHA -- Docket Nos. 16-32132-CON & 16-32133-CON

To All:

Attached please find The Community Association to Save Sharon Hospital's Answer to Response by the Applicants to the Office of Health Care Access Order, Dated April 21, 2017.

Thank you,

Victor Germack
Vice President
The Community Association to Save Sharon Hospital

Olejarz, Barbara

From: Lazarus, Steven
Sent: Friday, April 28, 2017 7:42 AM
To: Jennifer Groves Fusco (jfusco@uks.com); victorger@pipeline.com
Cc: User, OHCA; Riggott, Kaila; Martone, Kim; Schaeffer-Helmecki, Jessica; Fernandes, David; Olejarz, Barbara; Foster, Tillman; Roberts, Karen
Subject: DNs 16-32132 and 16-32133 Ruling on Applicants Motion
Attachments: DNs 16-32132 and 16-32133 Ruling on Applicants Motion.pdf

Please see the attached ruling on the Applicant's motion dated April 26, 2017, in the matter referenced above. If you have any questions regarding this correspondence, please feel free to contact me.

Sincerely,

Steven

Steven W. Lazarus
Associate Health Care Analyst
Division of Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue
Hartford, CT 06134
Phone: 860-418-7012
Fax: 860-418-7053

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

IN THE MATTERS OF:

Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut, Inc., a Subsidiary of Health Quest Systems, Inc. (16-32132-CON)
Transfer of Ownership of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a Subsidiary of Health Quest Systems, Inc.(16-32133-CON)

ORDER

The Applicants' Motion to Preclude Further Participation by the Community Association to Save Sharon Hospital ("CASSH") is hereby **GRANTED**.

OHCA will accept CASSH''s submission dated April 27, 2017. The Applicants may file a response to CASSH's submission. Such response is due on or before May 5, 2017.
CASSH shall not file any further responses with OHCA unless ordered to do so.

4/28/17
Date

Kevin T. Hansted
Hearing Officer

Phone: (860) 418-7001 • Fax: (860) 418-7053
410 Capitol Avenue, P.O. Box 340308
Hartford, Connecticut 06134-0308
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Affirmative Action/Equal Opportunity Employer

Olejarz, Barbara

From: Lazarus, Steven
Sent: Tuesday, May 02, 2017 4:33 PM
To: User, OHCA
Cc: Martone, Kim; Olejarz, Barbara; Greer, Leslie
Subject: FW: Sharon Hospital & RHA -- Docket Nos. 16-32132-CON & 16-32133-CON
Attachments: DOCS-#1551134-v1-HEALTH_QUEST_CASH_REPLY_FINAL_(5_2_17).pdf

Please add to the record.

Thank you,

Steve

Steven W. Lazarus
Associate Health Care Analyst
Division of Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue
Hartford, CT 06134
Phone: 860-418-7012
Fax: 860-418-7053

From: Jennifer Groves Fusco [mailto:jfusco@uks.com]
Sent: Tuesday, May 2, 2017 4:31 PM
To: Hansted, Kevin <Kevin.Hansted@ct.gov>; Lazarus, Steven <Steven.Lazarus@ct.gov>; Riggott, Kaila <Kaila.Riggott@ct.gov>; Schaeffer-Helmecki, Jessica <Jessica.Schaeffer-Helmecki@ct.gov>; Fernandes, David <David.Fernandes@ct.gov>; User, OHCA <OHCA@ct.gov>
Cc: Ping, David <DPing@Health-quest.org>; victorger@pipeline.com
Subject: Sharon Hospital & RHA -- Docket Nos. 16-32132-CON & 16-32133-CON

All:

Attached please find the Applicant's Reply to CASSH's Response Dated April 27, 2017. This is being filed in accordance with OHCA's April 28, 2017 Order, which permits a reply by the Applicants, but expressly prohibits further filings by CASSH unless ordered by the agency.

Thank you,
Jen

Jennifer Groves Fusco, Esq.
Principal

Updike, Kelly & Spellacy, P.C.
One Century Tower
265 Church Street
New Haven, CT 06510
Office (203) 786.8316
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www.uks.com

Transfer of Ownership of Sharon Hospital
to Vassar Health Connecticut, Inc.
Docket No. 16-32132-CON

Transfer of Ownership of Regional Healthcare Associates, LLC
to a Subsidiary of Vassar Health Connecticut, Inc.
Docket No. 16-32133-CON

REPLY TO CASSH'S RESPONSE DATED APRIL 27, 2017

The Applicants in the above-referenced Certificate of Need ("CON") dockets, Essent Healthcare of Connecticut, Inc., Sharon Hospital Holding Company, Health Quest Systems, Inc. ("Health Quest"), Vassar Health Connecticut, Inc., and Regional Healthcare Associates, LLC ("RHA") (collectively the "Applicants"), submit the following reply to the Community Association to Save Sharon Hospital's ("CASSH") April 27, 2017 filing.

With respect to Request Nos. 1 and 2, the Applicants have already provided OHCA with complete, accurate and responsive information. The following is submitted in rebuttal to the unauthorized questions raised by CASSH in its latest filing.

In response to Request No. 1, the Applicants provided a preliminary physician staffing plan, including information requested by CASSH to the extent practicable, and a detailed update on initial physician recruitment. Through their various submissions the Applicants have established that the proposed sale of Sharon Hospital and RHA to Health Quest subsidiaries will improve the quality, accessibility and cost-effectiveness of healthcare delivery in the region (*see* Conn. Gen. Stat. § 19a-639(a)(5)). Moreover, through these same sworn submissions Health Quest has demonstrated how healthcare services will be provided at Sharon Hospital going forward, including any consolidation, reduction, elimination or expansion of existing services or introduction of new services (*see* Conn. Gen. Stat. §19a-639(d)(2)(B)). Health Quest has also shown that it will be able to enhance physician and medical services in the Sharon area in ways that the current owner, RCCH HealthCare Partners, cannot given its geographic limitations and financial restraints relative to hiring less-than-full-time equivalent for physicians and other providers.

In response to Request No. 2, the Applicants provided an accurate financial summary for Northern Dutchess Hospital ("NDH"), based on information that was prepared in accordance with GAAP and independently audited. CASSH's claim that NDH's financial summary was prepared incorrectly is itself incorrect.

Moreover, the successful turnaround of NDH is self-evident. In FY 2000, NDH had a - 6.7% operating margin. By year three of Health Quest operation, the NDH margin was 1.9%. This swing of 8.6 percentage points in three years is greater than the turnaround Health Quest is projecting for Sharon Hospital after three years of operation. After five years of Health Quest operation, NDH had a positive 4.3% margin, making the turnaround a remarkable 11 percentage points. As the data provided demonstrates, Health Quest has the ability to provide health care services to relevant patient populations and payer mix (*see* Conn. Gen. Stat. §19a-639(a)(6)). It

also shows that Health Quest, through its acquisition of a struggling hospital, can impact favorably on the financial strength of a state's healthcare system (*see* Conn. Gen. Stat. §19a-639(a)(4)).

CASSH's comments with respect to the Applicants' responses to Request Nos. 3 and 4 show a lack of understanding of both independent audits and the process and ultimate resolution of investigations such as those referenced in Health Quest's audited financial statements.

For the matters involving the DOJ, two separate and reputable independent audit firms have conducted reviews over the course of the last two years and confirmed the reserving methodology utilized by Health Quest through the issuance of final audits with clean opinions for FYs 2015 and 2016. Moreover, as Footnote No. 15 to Health Quest's audited financial statements indicates, the matters remain in an active resolution process. Activities are being directed by both internal and external counsel and detailed information pertaining to these matters is attorney-client privileged and highly confidential. To comment further with respect to the detail requested by CASSH is inappropriate, and to discuss the specific reserve amount is also counter to the organization's interests.

Health Quest again asserts its belief that the company is adequately reserved for resolution of the DOJ matters, as confirmed by two independent audits. Health Quest further represents that it has received no demand for settlement from government representatives that exceeds the reserve amount. In the unlikely event that a settlement would exceed reserves, Health Quest is a profitable company with a significant cash position that could address any excess amount without materially interrupting any significant strategic imperatives, including its acquisition and operation of Sharon Hospital. Accordingly, considering the foregoing and as testified to by the Applicants under oath both orally and in writing, the proposals before OHCA are financially feasible (see Conn. Gen. Stat. §19a-639(a)(4)).

Furthermore, the Applicants would like to address CASSH's requests in its most-recent filing and others that OHCA impose certain conditions on any transfer of ownership of Sharon Hospital. Just in its latest filing, CASSH asks for a detailed services plan; an independent monitor to review and oversee implementation of the plan; submission of operating and financial performance measures on a semi-annual basis; public disclosure of all of the foregoing information; and a 10-year commitment by Health Quest to continue supporting Sharon Hospital. This is in addition to more than 20 suggested conditions and demands for information made by CASSH in prior filings, many of which are entirely irrelevant to a CON proceeding.

In placing conditions on a hospital transfer of ownership CON, OHCA must weigh the value of such conditions against the individual and cumulative burden of such conditions on the transacting parties and the new hospital (*see* Conn. Gen. Stat. §19a-639(d)(5)). All conditions must be reasonably tailored in time and scope (*see* Conn. Gen. Stat. §19a-639(d)(5)). Placing unnecessary burdens and restrictions on Health Quest's ownership and operation of Sharon Hospital, as recommended by CASSH, will put the acquisition of Sharon Hospital by Health Quest at risk.

An example of a condition that places an undue burden on Health Quest and Sharon Hospital is CASSH's request that Health Quest be required to "support" the Hospital for a period of 10 years. This unclear request goes beyond any condition imposed by OHCA or the Office of the Attorney General on any hospital transfer, including the original for-profit conversion of Sharon Hospital. The Applicants have clearly established a commercially reasonable transaction and deal terms for the acquisition and operation of Sharon Hospital. Moreover, Health Quest has submitted sufficient evidence regarding its current efforts and future plans to sustain and enhance healthcare services for the benefit of Sharon area residents to make any such condition unnecessary.

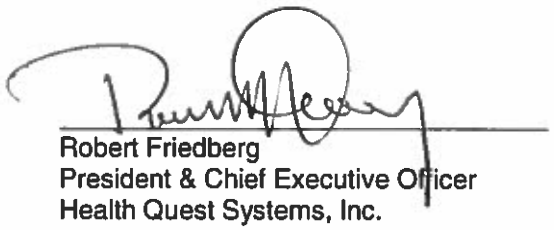
In addition, much of the information that CASSH wants Health Quest to share with the public is information that Sharon Hospital is already required to submit to OHCA in its Twelve Months Actual Filing and Annual Reporting. In addition, as a nonprofit healthcare provider exempt from federal taxation, Health Quest (on behalf of Sharon Hospital) will be submitting detailed information annually with the Internal Revenue Service (Form 990), which will discuss financial operations as well as programmatic services and offerings. This form is also made available to the public through both internet services and upon request. In short, a majority of the information that CASSH is looking for can be found by reviewing these various public filings, making the conditions requested unnecessary.

Lastly, the Applicants accept that CASSH is comprised of concerned citizens who are dedicated to the preservation of an important resource within the community. Health Quest believes it is in the best (and perhaps only) position to help ensure the ongoing viability of Sharon Hospital within its community, and believes it has demonstrated its intent in many ways, including agreeing to acquire the Hospital. The interests of the sides in a larger sense are aligned, but Health Quest disagrees with the approach of CASSH in attempting to legislate specific results (including suggesting acts outside of OHCA's authority) and prolonging an expensive and protracted approval process. The Applicants' hope is to now move forward with the broader community support to complete the transaction and initiate a new vital era for Sharon Hospital.

***

Thank you for the opportunity to submit this rebuttal testimony. Provided that OHCA has all of the information it needs, the Applicants respectfully request that the record of the April 5, 2017 public hearing on these matters be closed.

The foregoing is my sworn testimony.



Robert Friedberg
President & Chief Executive Officer
Health Quest Systems, Inc.

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 Healthcare Access

May 3, 2017

VIA EMAIL ONLY

Jennifer G. Fusco, Esq.
Updike, Kelly & Spellacy, P.C.,
265 Church Street
New Haven, CT 06510

RE: Transfer of Ownership of Sharon Hospital to Vassar Health Connecticut, Inc., a Subsidiary of Health Quest Systems, Inc. (16-32132-CON)
Transfer of Ownership of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a Subsidiary of Health Quest Systems, Inc.(16-32133-CON)
Closure of Public Hearing

Dear Attorney Fusco:

Please be advised, by way of this letter, the consolidated public hearing held on April 5, 2017, in the above referenced dockets is hereby closed as of May 3, 2017. The Office of Health Care Access will not accept further public comments or filings.

If you have any questions regarding this matter, please feel free to contact Kaila Riggott at (860) 418-7037.

Sincerely,

Kevin T. Hansted
Hearing Officer

C: Victor Germack

Connecticut Department of Public Health

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Hartford, Connecticut 06134-0308
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User, OHCA

From: Jennifer Groves Fusco <jfusco@uks.com>
Sent: Wednesday, May 03, 2017 9:22 AM
To: Lazarus, Steven; victorger@pipeline.com
Cc: User, OHCA; Riggott, Kaila; Fernandes, David; Schaeffer-Helmecki, Jessica; Hansted, Kevin; Martone, Kim; Greer, Leslie
Subject: RE: 16-32132 and 16-32133, Close of Public Hearing

Follow Up Flag: Follow up
Flag Status: Completed

Thanks, Steve.

From: Lazarus, Steven [mailto:Steven.Lazarus@ct.gov]
Sent: Wednesday, May 03, 2017 9:08 AM
To: Jennifer Groves Fusco; victorger@pipeline.com
Cc: User, OHCA; Riggott, Kaila; Fernandes, David; Schaeffer-Helmecki, Jessica; Hansted, Kevin; Martone, Kim; Greer, Leslie
Subject: DNs: 16-32132 and 16-32133, Close of Public Hearing

Please see the attached letter, closing the hearing held on April 5, 2015, in the matter referenced above. Any questions, please feel free to contact me directly.

Sincerely,

Steven

Steven W. Lazarus
Associate Health Care Analyst
Division of Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue
Hartford, CT 06134
Phone: 860-418-7012
Fax: 860-418-7053

in this e-mail is unauthorized and may be unlawful. If you are not an addressee, please inform the sender immediately and permanently delete and/or destroy the original and any copies or printouts of this message. Thank you. Updike, Kelly & Spellacy, P.C.

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

Certificate of Need
Final Decision

Applicants: **Regional Healthcare Associates, LLC**
50 Hospital Hill Road
Sharon, CT 06069

Vassar Health Connecticut, Inc. & Health Quest Systems, Inc.
50 Hospital Hill Road
Sharon, CT 06069

Docket Number: **16-32133-CON**

Project Title: **Transfer ownership interest of Regional Healthcare Associates, LLC to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc.**

Project Description: Regional Healthcare Associates, LLC ("RHA") is proposing to transfer ownership of its affiliated group practice to Vassar Health Connecticut, Inc. ("Vassar"), a subsidiary of Health Quest Systems, Inc.

Procedural History: The Applicants published notice of their intent to file a Certificate of Need ("CON") application in the *Republican-American* (Waterbury) on September 28, 29 and 30, 2016. On November 3, 2016, the Office of Health Care Access ("OHCA") received the CON application from the Applicant for the above-referenced project and deemed the application complete on March 3, 2017.

On March 3, 2017, OHCA issued an order consolidating the hearing proceedings with that of Docket Number 16-32132-CON, an application for the transfer of ownership of Sharon Hospital and its associated entities to Vassar Health Connecticut, Inc., a subsidiary of Health Quest Systems, Inc. On March 7, 2017, the Applicants were notified of the date, time, and place of the public hearing. On March 8, 2017, a notice to the public announcing the hearing was published in the *Republican-American*. On March 23, 2017, the Community Association to Save Sharon Hospital ("CASSH") filed a petition requesting intervenor status. CASSH was granted intervenor status with limited rights. Pursuant to Connecticut General Statutes ("Conn. Gen. Stat.") § 19a-

639a(f)(2), a public hearing regarding the CON application was held on April 5, 2017. The public hearing record was closed on May 3, 2017.

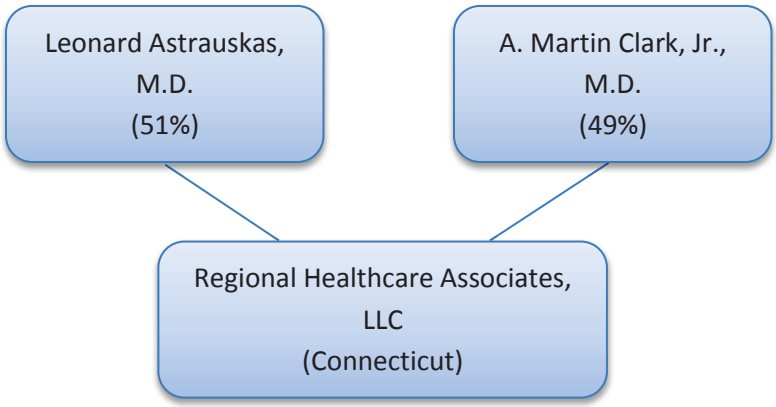
Commissioner Pino designated Attorney Kevin T. Hansted as the hearing officer in this matter. The hearing was conducted in accordance with the provisions of the Uniform-Administrative Procedure Act (Chapter 54 of Conn. Gen. Stat.).

Findings of Fact and Conclusions of Law

1. Regional Healthcare Associates, LLC ("RHA") is a private multi-specialty practice employing 11 physicians and ancillary providers with offices in Sharon, Kent and New Milford. RHA provides primary care, general surgery, orthopedic surgery, hospitalist medicine, urology, obstetrics and gynecology services. Ex. A, p. 21.

2. RHA is a limited liability company consisting of and managed by its physician members (see organizational chart below).

RHA ORGANIZATIONAL CHART



Ex. A, pp. 21, 557, 562.

3. This proposal requests authorization to transfer ownership of RHA to Vassar Health Connecticut, Inc. ("Vassar"), a newly formed Connecticut non-stock corporation and a subsidiary of Health Quest Systems ("Health Quest"). The sale of RHA[1] is part of a larger transaction involving the purchase of assets of Sharon Hospital by Vassar (Docket Number: 16-32132). Ex. A, p. 20.

4. Health Quest, headquartered in LaGrangeville, New York is a not-for-profit health care system. Its network includes three medical centers, one medical practice, an urgent care center and several affiliates. Health Quest consists of 597 licensed beds and more than 5,000 employees. Ex. A, p. 22.

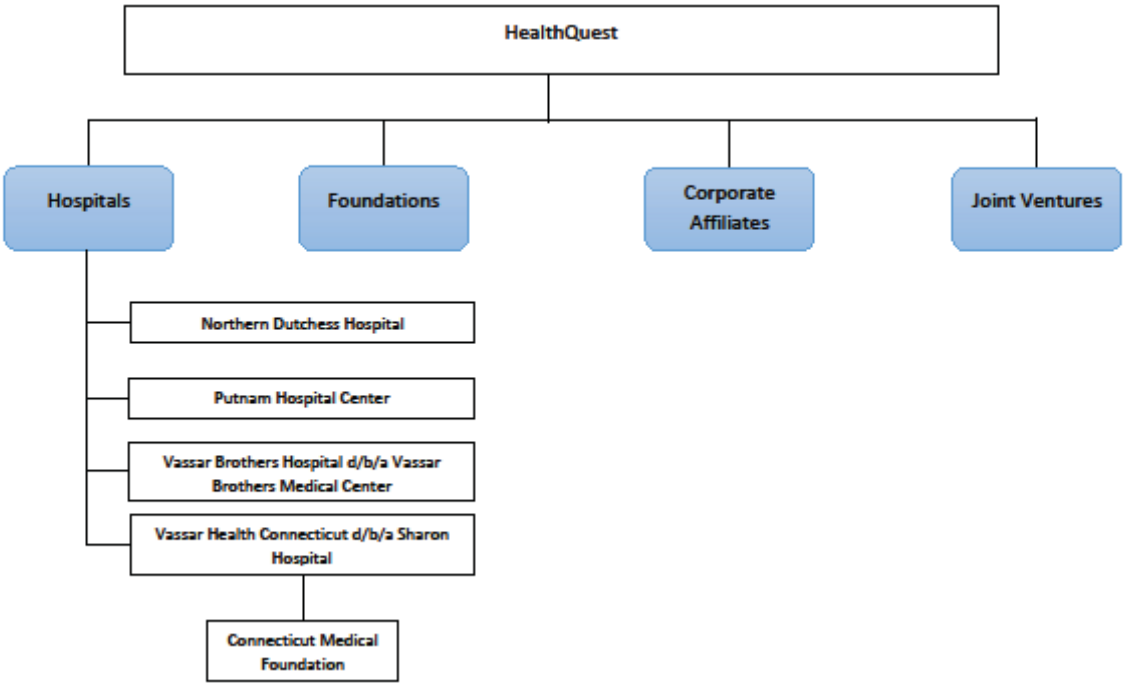
5. Health Quest Medical Practice ("HQMP"), established in 2008, is the employed physician group of Health Quest and currently has more than 300 providers in New York. Ex. A, p. 23.

6. If approved, RHA will be dissolved and Vassar will create a Connecticut Medical Foundation ("Medical Foundation") that will be affiliated with HQMP of New York. Ex. A, p. 20; Ex. C, p. 564.

[1] Tri State Women's Services, LLC ("TWS") was initially included as an Applicant but TWS does not meet OCHA's definition of a large group practice. A Certificate of Need approval for the transfer of ownership of TWS to Health Quest was not required.

7. Vassar will assume RHA's assets and liabilities, employ virtually all RHA physicians and be the sole member of the Medical Foundation.

POST APPROVAL OWNERSHIP/MEMBERSHIP STRUCTURE



Ex. A, pp. 160-161, 163, 562; Ex. C, p. 564.

8. Approximately 71% of RHA's 22,449 outpatient visits in FY 2016 originated from Connecticut. No changes to the service area towns are expected as a result of this proposal. Ex. A, pp. 34, 47.

9. RHA has experienced an overall decrease in volume since fiscal year ("FY") 2014 due to the loss of physicians, ancillary providers and divestiture of several practices. Historical utilization volumes are shown in the table below:

TABLE 1
RHA'S HISTORICAL UTILIZATION

	Actual Volume		
	FY 2014	FY 2015	FY 2016
Physician Office Visits	**32,189**	**22,076**	**22,449**

RHA's FY is from October 1st through September 30th.
Ex. A, pp. 44, 54.

10. Recruiting physicians to the Sharon area and retaining them has been difficult due to lack of an adequate support structure necessary to operate a practice. The Applicants cite the closures of its sleep center (Docket Number: 15-32014) and Yale-New Haven Hospital's oncology service (Docket Number: 14-31969) as examples. Ex. A, pp. 24-25.

11. Limited access to physicians has caused medical services and, in particular, specialty services, to decline in the Sharon area. There is a need for cardiologists, pulmonologists,

neurologists, hematologists/oncologists and endocrinologists but, according to the Applicants, physicians are unwilling to expand existing services or provide new services in the area due to lack of support. Ex. A, pp. 24-25, 33; Ex. C, p. 566.

12. The physician model has changed from one where the physician served patients as its own entity to one where the expectation is on the health system to employ physicians. Ex. V, Transcript, Mr. Michael Browder, Executive Vice President and CFO of RCCH, pp. 24-24.

13. If the proposal is approved, the following support structures would be made available to the Medical Foundation:
    a. Financial resources to share the costs for implementing electronic medical records and new government programs such as the Medicare Access and CHIP Reauthorization Act and the Merit Based Incentive Payments System;
    b. Collegial engagement and peer mentorship for less experienced physicians;
    c. Increased ability of large physician group to recruit qualified staff with specialty credentials to a remote area and increased flexibility to draw on physicians for on-call coverage; and
    d. Dedicated team of in-house physician recruiters whose role is to identify potential physician recruits to practice in rural and medically underserved areas.
    Ex. C, pp. 565-569.

14. The Medical Foundation's physicians will be integrated with Sharon Hospital, creating a regional health system. Physicians will be able to treat patients in their practices as well as at Sharon Hospital. Ex. A, pp. 38-39.

15. The Medical Foundation will operate similar to, and in conjunction with, HQMP, allowing the implementation of HQMP's infrastructure and processes. The infrastructure and processes include:
    a. Patient satisfaction surveys to improve access to care and overall patient experience;
    b. Adoption of HQMP quality measures and improvements;
    c. Patient Centered Medical Home certification by December 2018, the addition of telemedicine and the transition to a Cerner EMR platform in early 2018;
    d. Provider and employee satisfaction yearly metrics and action plans to improve services and communication; and
    e. Transition of the Medical Foundation's governance processes to physician-led and following the Dyad Leadership model[2].
    Ex. C, pp. 564-565, 568; Ex. E, p. 627.

16. The Medical Foundation's projections are based on a recent historic volume increases, the recent addition of a urology practice and resumption of the hospitalist/internist program and the anticipated addition of the 21.25 full time equivalents (FTE) associated with the proposal. Projected utilization volumes are shown in the table below:

[2] The Dyad Leadership model involves pairing physician leaders with administrators to combine their expertise in managing a physician office. The physician targets quality and evaluation of services while the administrator is responsible for monitoring financial functions of the business.

TABLE 2
THE MEDICAL FOUNDATION'S PROJECTED UTILIZATION

	Projected Volume			
	FY 2017	FY 2018	FY 2019	FY 2020
Physician Office Visits	**36,892**	**50,574**	**56,667**	**60,048**

The increase in projected volume is based on:

- 1% increase in actual volume from FY 2015 to FY 2016;
- The addition of a urology practice in May 2016 and the resumption of the hospitalist/internist program in October 2016; and
- The anticipated addition of FTE physicians by FY 2020 with the majority of the recruitment occurring in FY 2017 and FY 2018 (8.25 and 7 FTEs, respectively).

Note: It typically takes 18 to 24 months for new physicians to achieve between 50th and 75th percentile for productivity based on the Medical Group Management Association standards.
Ex. A, p. 45; Ex. C, pp. 570, 626; Ex V, Transcript, Mr. Gary Zmrhal, CFO of Health Quest, p. 111.

17. To date, Health Quest has hired two primary care physicians, three OB/GYNs, one cardiologist, one general surgeon and one pain medicine physician. The physicians are expected to serve the Sharon community full time. Ex. V, Transcript, Mr. Zmrhal, pp. 106, 110; Ex. Y, pp. 713-714.

18. Health Quest retained Veralon, a firm specializing in physician needs and the types of physicians relative to the existing service area, to prepare a Medical Staff Development Plan. Primary care, OB/GYN, orthopedic surgeons, cardiologists and medical oncologists were determined to be high priority recruitments. Ex. A, pp. 25, 28-29, 32, 36; Ex. T, pp. 972-773.

19. Medicaid-covered patients accounted for 16.9% of RHA's combined patient volume in FY 2016. No changes in payer mix are anticipated as a result of this proposal.

TABLE 3
CURRENT (RHA) & MEDICAL FOUNDATION'S PROJECTED PAYER MIX

Payer	FY 2016		Projected					
			FY 2017		FY 2018		FY 2019	
	Visits	%	Visits	%	Visits	%	Visits	%
Medicare*	6,282	28.0%	10,324	28.0%	14,152	28.0%	15,857	28.0%
Medicaid*	3,793	16.9%	6,233	16.9%	8,545	16.9%	9,574	16.9%
CHAMPUS	59	0.3%	97	0.3%	133	0.3%	149	0.3%
Total Government	**10,134**	**45.1%**	**16,654**	**45.1%**	**22,830**	**45.1%**	**25,581**	**45.1%**
Commercial Insurers	11,778	52.5%	19,356	52.5%	26,534	52.5%	29,731	52.5%
Uninsured	380	1.7%	624	1.7%	856	1.7%	959	1.7%
Workers Compensation	157	0.7%	258	0.7%	354	0.7%	396	0.7%
Total Non-Government	**12,315**	**54.9%**	**20,238**	**54.9%**	**27,744**	**54.9%**	**31,086**	**54.9%**
Total Payer Mix	**22,449**	**100%**	**36,892**	**100%**	**50,574**	**100%**	**56,667**	**100%**

*Includes managed care activity.
Ex. A, pp. 45, 56; Ex. E, p. 630.

20. The Medical Foundation will treat all patients regardless of their insurance coverage or ability to pay and will also adopt Health Quest's more generous financial assistance policy. Ex. A, pp. 23, 29, 32, 39; Ex. C, p. 570.

21. There are no plans to adjust price structure as a result of the proposal or to impose any additional facility fees. Ex. A, p. 40; Ex. V, Transcript, Mr. Robert Friedberg, President and CEO of Health Quest, pp. 125-126.

22. Incremental losses are projected for the Medical Foundation.

TABLE 6
MEDICAL FOUNDATION PROJECTED INCREMENTAL REVENUES AND EXPENSES

	FY 2017	FY 2018	FY 2019	FY 2020
Revenue from Operations	$660,401	$2,761,410	$3,936,899	$4,549,902
Total Operating Expenses	$1,311,383	$4,582,690	$5,008,782	$5,633,819
Gain/Loss from Operations	($650,983)	($1,821,280)	($1,071,883)	($1,083,918)

Increased operating expenses are due to the recruitment of additional physicians to the Medical Foundation under Health Quest ownership in FY 2017 and FY 2018.
Factors that contribute to operational losses are physician salaries, insurance reimbursement, volume and productivity. Ex. A, pp. 24, 43, 53.

23. Health Quest reported total revenue of $870 million from operations on a consolidated basis and $110 million in cash from operations in its audited financial statements in FY 2015. Ex. A, p. 546.

24. The proposal will be funded, in part, by a $3 million Asset Purchase Grant from the Foundation for Community Health, Inc., ("FCH")[3] with the remaining $2 million balance paid with Health Quest operating funds. There is no additional purchase price for RHA independent from that associated with Health Quest's acquisition of Sharon Hospital. FCH will contribute up to $6 million to Health Quest in the form of a "Working Capital Grant" and will partially reimburse Health Quest for investments made in the Medical Foundation. Funds will be disbursed annually over three to four years. The Medical Foundation, along with Sharon Hospital, will be the sole Health Quest-owned entities directly benefitting from Working Capital Grant expenditures. Ex. A, pp. 26, 41, 53; Ex. C, pp569-570; Ex. V, Transcript, Ms. Heaton, pp. 46, 48, 91.

25. RHA patients will be notified by letter of the transfer of ownership within 30 days of the closing of the transaction. No interruption in service is expected from the transfer of ownership. Ex. C, p. 564.

26. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal's relationship to any regulations not yet adopted by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1))

[3] FCH is a non-profit community foundation formed with the proceeds and the charitable assets of the original Sharon Hospital when it was converted to a for-profit entity.

27. This CON application is consistent with the Statewide Health Care Facilities and Service Plan. (Conn. Gen. Stat. § 19a-639(a)(2))

28. The Applicants have established that there is a clear public need for the proposal. (Conn. Gen. Stat. § 19a-639(a)(3))

29. The Applicants have demonstrated that the proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4))

30. The Applicants have satisfactorily demonstrated that the proposal will improve quality and accessibility while maintaining the cost effectiveness of health care delivery in the region. (Conn. Gen. Stat.§ 19a-639(a)(5))

31. The Applicants have shown that there would be no change in the provision of health care services to the relevant populations and payer mix, including access to services by Medicaid recipients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6))

32. The Applicants have satisfactorily identified the population to be affected by this proposal. (Conn. Gen. Stat. § 19a-639(a)(7))

33. The Applicants' historical provision of services in the service area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8))

34. The Applicants have satisfactorily demonstrated that this proposal would not result in an unnecessary duplication of existing services in the area. (Conn. Gen. Stat. § 19a-639(a)(9))

35. The Applicants have demonstrated that there will be no reduction in access to services by Medicaid recipients or indigent persons. (Conn. Gen. Stat. § 19a-639(a)(10))

36. The Applicants have demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the region. (Conn. Gen. Stat. § 19a-639(a)(11))

37. The Applicants have satisfactorily demonstrated that the proposal will not result in any consolidation that would affect health care costs or access to care. (Conn. Gen. Stat. § 19a-639(a)(12))

Discussion

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in § 19a-639(b) of the Statutes. The Applicants bear the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board, 309 Conn. 727 (2013).*

RHA is a private multi-specialty practice, consisting of and managed by its physician members, with offices in Sharon, Kent and New Milford. RHA services include primary care, general surgery, orthopedic surgery, hospitalist medicine, urology, obstetrics and gynecology services. The Applicants are requesting authorization to transfer ownership of RHA to Vassar, a newly formed Connecticut non-stock corporation and subsidiary of Health Quest. Following authorization, RHA will be dissolved and Vassar will create a medical foundation that will be affiliated with HQMP, Health Quest's physician group. *FF 1-3, 6*.

The proposal will allow physician support for a physician practice that has experienced difficulty in recruiting and retaining physicians in a rural setting. The drop in the number of physicians in the area has resulted in a decline in available medical services, especially specialty services, creating areas of unmet need and access concerns for local patients. Physician supports such as cost sharing, collegial engagement and peer mentorship for less experienced physicians, increased ability to recruit qualified specialty staff and improved flexibility to draw on physicians for on-call coverage are expected to make practicing in the Sharon area more appealing to physicians. Health Quest's experienced in-house recruiters have demonstrated past success in recruiting physicians in similarly rural and medically underserved areas. Quality of care is also expected to improve, as the proposal will allow the implementation of HQMP's infrastructure and processes, including the adoption of HQMP's quality measures. Health Quest has begun to assess physician need in the area and has determined primary care, OB/GYN, orthopedic surgeons, cardiologists and medical oncologists as high priority recruitments. To date, the hiring of two primary care physicians, three OB/GYNs, one cardiologist, one general surgeon and one pain medicine physician have been finalized. Vassar has satisfactorily demonstrated that access to and quality of physician and specialty services in the Sharon area will be enhanced. *FF 9-11, 13, 15, 17-18.*

Medicaid-covered patients are expected to remain unchanged, at nearly 17%, for the next three years. The medical foundation will treat all patients regardless of insurance status or the ability to pay. It is also anticipated that the Medical Foundation will adopt Health Quest's more generous financial assistance policy. There is no plan to adjust the price structure or to impose any additional facility fees. *FF 19-21.*

Although incremental losses are projected for the Medical Foundation, Health Quest has the ability to off-set physician losses due to its strong financial condition. Health Quest reported $870 million from operations and $110 million in cash from operations in FY 2015 ensuring financial feasibility. *FF 22-23.*

Notably, the Applicants have satisfactorily demonstrated that the proposed transaction was the result of a voluntary offer for sale. As a result, there is a presumption in favor of approving this application pursuant to Conn. Gen. Stat. § 19a-639(b).

Order

Based upon the foregoing Findings of Fact and Discussion, the Applicants' request to transfer ownership of RHA to Vassar Health Connecticut, Inc. is hereby **APPROVED**.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the
Department of Public Health
Office of Health Care Access

7/26/17
Date

Yvonne T. Addo, MBA
Deputy Commissioner

Olejarz, Barbara

From: Olejarz, Barbara
Sent: Wednesday, July 26, 2017 4:36 PM
To: 'jfusco@uks.com'
Subject: final decision
Attachments: 16-32133-CON final decision signed.pdf

Tracking:

Recipient	Delivery
'jfusco@uks.com'	
OHCA-DL All OHCA Users	
McLellan, Rose	
Bruno, Anthony M.	
'daniels@chime.org'	
Johnson, Colleen M	Delivered: 7/26/2017 4:36 PM
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7/26/17

Jennifer,

Attached is the final decision for Regional Healthcare Assoc. and Vassar Health Conn. & Health Quest Systems, Docket Number: 16-32133-CON.

Barbara K. Olejarz
Administrative Assistant to Kimberly Martone
Office of Health Care Access
Department of Public Health
Phone: (860) 418-7005
Email: Barbara.Olejarz@ct.gov

Olejarz, Barbara

From: Microsoft Outlook
To: 'jfusco@uks.com'
Sent: Wednesday, July 26, 2017 4:36 PM
Subject: Relayed: final decision

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

'jfusco@uks.com' (jfusco@uks.com)

Subject: final decision

Olejarz, Barbara

From: Jennifer Groves Fusco <jfusco@uks.com>
Sent: Wednesday, July 26, 2017 4:38 PM
To: Olejarz, Barbara
Subject: RE: final decision

Thanks, Barbara.

From: Olejarz, Barbara [mailto:Barbara.Olejarz@ct.gov]
Sent: Wednesday, July 26, 2017 4:36 PM
To: Jennifer Groves Fusco
Subject: final decision

7/26/17

Jennifer,

Attached is the final decision for Regional Healthcare Assoc. and Vassar Health Conn. & Health Quest Systems, Docket Number: 16-32133-CON.

Barbara K. Olejarz
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