

# Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Form **990**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2013

Department of the Treasury  
Internal Revenue Service

▶ Do not enter Social Security numbers on this form as it may be made public.  
▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Open to Public  
Inspection

**A** For the 2013 calendar year, or tax year beginning 10/01, 2013, and ending 09/30, 2014

<b>B</b> Check if applicable:	<input type="checkbox"/>	Address change	<b>C</b> Name of organization <u>ST. MARY'S HOSPITAL, INC.</u>			<b>D</b> Employer identification number <u>06-0646844</u>
	<input type="checkbox"/>	Name change				
	<input type="checkbox"/>	Initial return	Doing Business As		<b>E</b> Telephone number <u>(203) 709-6111</u>	
	<input type="checkbox"/>	Terminated	Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>56 FRANKLIN STREET</u>			
<input type="checkbox"/>	Amended return	City or town, state or province, country, and ZIP or foreign postal code <u>WATERBURY, CT 06706-1281</u>			<b>G</b> Gross receipts \$ <u>279,523,406.</u>	
<input type="checkbox"/>	Application pending	<b>F</b> Name and address of principal officer: <u>CHAD WABLE</u> <u>56 FRANKLIN STREET WATERBURY, CT 06706-1281</u>				
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527						
<b>J</b> Website: <u>WWW.STMH.ORG</u>						
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶						
<b>L</b> Year of formation: <u>1907</u>				<b>M</b> State of legal domicile: <u>CT</u>		
<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
<b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)						
<b>H(c)</b> Group exemption number ▶ <u>0928</u>						

**Part I Summary**

<b>Activities &amp; Governance</b>	1	Briefly describe the organization's mission or most significant activities: <u>SAINT MARY'S HOSPITAL PROVIDES EXCELLENT HEALTHCARE IN A SPIRITUALLY ENRICHED ENVIRONMENT TO IMPROVE THE HEALTH OF OUR COMMUNITY.</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	20.
	4	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	16.
	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	<b>5</b>	1,886.
	6	Total number of volunteers (estimate if necessary)	<b>6</b>	171.
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	955,477.
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	403,825.	
<b>Revenue</b>	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	732,890.	1,607,114.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	239,560,411.	248,807,341.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,137,914.	4,893,950.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	5,876,260.	7,471,863.
			250,307,475.	262,780,268.
<b>Expenses</b>	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	7,850.	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	111,272,363.	109,911,511.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
		<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶	0	0
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	120,659,761.	127,849,647.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	231,939,974.	237,761,158.
19	Revenue less expenses. Subtract line 18 from line 12	18,367,501.	25,019,110.	
<b>Net Assets or Fund Balances</b>	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	187,262,087.	187,153,109.
	22	Net assets or fund balances. Subtract line 21 from line 20	137,565,692.	140,389,197.
		49,696,395.	46,763,912.	

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>		<b>Signature of Officer</b>	<u>8/14/15</u>	<b>Date</b>
	<b>Type or print name and title</b> <u>Chad Wable President &amp; CEO</u>			
<b>Paid Preparer Use Only</b>	<b>Print/Type preparer's name</b> <u>MARY-EVELYN ANTONETTI</u>		<b>Date</b> <u>8/13/2015</u>	<b>Check <input type="checkbox"/> if self-employed</b>
	<b>Firm's name</b> ▶ <u>KPMG LLP</u>		<b>Firm's EIN</b> ▶ <u>13-5565207</u>	
	<b>Firm's address</b> ▶ <u>ONE FINANCIAL PLAZA HARTFORD, CT 06103-2608</u>		<b>Phone no.</b> <u>860-522-3200</u>	
<b>May the IRS discuss this return with the preparer shown above? (see instructions)</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2013)



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OMB No. 1545-0047

2013

Open to Public Inspection

Form 990

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter Social Security numbers on this form as it may be made public.

Information about Form 990 and its instructions is at www.irs.gov/form990.

Department of the Treasury Internal Revenue Service

A For the 2013 calendar year, or tax year beginning 10/01, 2013, and ending 09/30, 2014

Form 990 header section containing organization name (ST. MARY'S HOSPITAL, INC.), EIN (06-0646844), principal officer (CHAD WABLE), and other identifying information.

Part I Summary

Summary table with columns for Activities & Governance, Revenue, Expenses, and Net Assets or Fund Balances. Includes rows for mission statement, revenue breakdown, and expenses.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature block section with fields for officer signature, date, preparer name (MARY-EVELYN ANTONETTI), and firm information (KPMG LLP).

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [ ] No

For Paperwork Reduction Act Notice, see the separate instructions. Form 990 (2013)

**Part III** Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III  X

1 Briefly describe the organization's mission:

SAINT MARY'S HEALTH SYSTEM PROVIDES EXCELLENT HEALTHCARE IN A SPIRITUALLY ENRICHED ENVIRONMENT TO IMPROVE THE HEALTH OF OUR COMMUNITY. SEE SCHEDULE O.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 91,381,523. including grants of \$ ) (Revenue \$ 139,144,254. )

INPATIENT SAINT MARY'S REMAINS COMMITTED TO PROVIDING THE HIGHEST QUALITY CARE FOR OUR PATIENTS. THE HOSPITAL PROVIDED INPATIENT TREATMENT FOR 11,698 INPATIENTS IN 2014. PLEASE SEE SCHEDULE O FOR ADDITIONAL INFORMATION ABOUT SAINT MARY'S INPATIENT SERVICES PROGRAM.

4b (Code: ) (Expenses \$ 88,486,574. including grants of \$ ) (Revenue \$ 114,931,820. )

OUTPATIENT SAINT MARY'S HEALTH SYSTEM EXTENDS FROM WATERBURY TO WOLCOTT, NAUGATUCK, SOUTHBURY AND PROSPECT. IN 2014, 216,818 PATIENTS CHOSE SAINT MARY'S FOR OUTPATIENT CARE. PLEASE SEE SCHEDULE O FOR ADDITIONAL INFORMATION ABOUT THE OUTPATIENT SERVICES PROGRAM.

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses ▶ 179,868,097.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A . . . . .	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? . . . . .	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I . . . . .		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II . . . . .	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III . . . . .		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I . . . . .		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II . . . . .		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III . . . . .		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV . . . . .		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V . . . . .	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI . . . . .	X	
b Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII . . . . .	X	
c Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII . . . . .		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX . . . . .		X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X . . . . .	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X . . . . .	X	
12 a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII . . . . .		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional . . . . .	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .		X
14 a Did the organization maintain an office, employees, or agents outside of the United States? . . . . .		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV . . . . .		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV . . . . .		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV . . . . .		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) . . . . .		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . . . .		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . . . .		X
20 a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H . . . . .	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .	X	

**Part IV Checklist of Required Schedules (continued)**

		Yes	No
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II . . . . .		X
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III . . . . .		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J . . . . .	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a. . . . .		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .		
25 a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I . . . . .		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I . . . . .		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payable to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II. . . . .		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III . . . . .		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV. . . . .		X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV. . . . .		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV. . . . .	X	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M . . . . .		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M . . . . .		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I. . . . .		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II . . . . .		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I . . . . .	X	
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1 . . . . .	X	
35 a	Did the organization have a controlled entity within the meaning of section 512(b)(13)? . . . . .	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2. . . . .	X	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 . . . . .		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI . . . . .		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	X	

<b>Part V</b> Statements Regarding Other IRS Filings and Tax Compliance		Check if Schedule O contains a response or note to any line in this Part V <input type="checkbox"/>		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. . . . .	1a	167		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. . . . .	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .	1c		X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return . . . . .	2a	1,886		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions). . . . .	2b		X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year? . . . . .	3a		X	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O . . . . .	3b		X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .	4a			X
b	If "Yes," enter the name of the foreign country: <b>▶</b> _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. . . . .				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .	5a			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? . . . . .	5b			X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T? . . . . .	5c			
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . . . .	6a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	6b			
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>				
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . .	7a			X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year . . . . .	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .	7f			X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . . . .	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . .	7h			
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . .	8			
9	<b>Sponsoring organizations maintaining donor advised funds.</b>				
a	Did the organization make any taxable distributions under section 4966? . . . . .	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .	9b			
10	<b>Section 501(c)(7) organizations.</b> Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . .	10b			
11	<b>Section 501(c)(12) organizations.</b> Enter:				
a	Gross income from members or shareholders . . . . .	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . .	11b			
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? . . . . .	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . .	12b			
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>				
a	Is the organization licensed to issue qualified health plans in more than one state? . . . . . <b>Note.</b> See the instructions for additional information the organization must report on Schedule O. . . . .	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans . . . . .	13b			
c	Enter the amount of reserves on hand . . . . .	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year? . . . . .	14a			X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . . . .	14b			

**Public Disclosure Copy**

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.  
 Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year . . . . . <span style="float:right">1a 20</span> If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent . . . . . <span style="float:right">1b 16</span>		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .		X
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . .		X
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .		X
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? . . . .		X
<b>6</b> Did the organization have members or stockholders? . . . . .		X
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .	X	
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	X	
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body? . . . . .	X	
<b>b</b> Each committee with authority to act on behalf of the governing body? . . . . .	X	
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates? . . . . .		X
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . .		
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? .	X	
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	X	
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	X	
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .	X	
<b>13</b> Did the organization have a written whistleblower policy? . . . . .	X	
<b>14</b> Did the organization have a written document retention and destruction policy? . . . . .	X	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official . . . . .	X	
<b>b</b> Other officers or key employees of the organization . . . . .	X	
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	X	
<b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	X	

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed ▶ CT,
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request     Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ KYLE JURCZYK 56 FRANKLIN STREET WATERBURY, CT 06706-1281 203-709-6111



**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII.  X

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's current key employees, if any. See instructions for definition of "key employee."
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) CHAD WABLE PRESIDENT AND CEO	40.00 10.00	X		X				755,516.	0	186,789.
(2) JOSEPH CARLSON, II TREASURER	4.00 4.00	X		X				0	0	0
(3) REV. MONSIGNOR JAMES COLEMAN VICE CHAIRMAN	1.00 4.00	X		X				0	0	0
(4) STEPHEN R. GRIFFIN, ESQ. SECRETARY	4.00 4.00	X		X				0	0	0
(5) JEROME SUGAR, M.D. CHIEF OF STAFF THRU 12/31/2013	4.00 3.00	X		X				69,625.	0	0
(6) S. MARK ALBINI, M.D. DIRECTOR	1.00 2.00	X						49,000.	0	0
(7) GARRETT CASEY DIRECTOR	4.00 2.00	X						0	0	0
(8) SISTER DOLORES LAHR DIRECTOR	2.00 2.00	X						0	0	0
(9) JOSEPH MENGACCI, ESQ. DIRECTOR	4.00 2.00	X						0	0	0
(10) WILLIAM MORRIS DIRECTOR THRU 12/31/2013	1.00 4.00	X						0	0	0
(11) MICHAEL O'BRIEN DIRECTOR	1.00 1.00	X						0	0	0
(12) DAVID ROBINSON DIRECTOR THRU 12/31/2013	2.00 3.00	X						0	0	0
(13) ROBERT ROSCOE DIRECTOR	1.00 1.00	X						0	0	0
(14) JAMES C. SMITH DIRECTOR	4.00 1.00	X						0	0	0

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
( 15) CHRISTINE SULLIVAN, ESQ. DIRECTOR	1.00 4.00	X					0	0	0	
( 16) JAMES UBERTI, M.D. DIRECTOR	1.00 40.00	X					0	205,088.	10,027.	
( 17) THE HONORABLE LINDA WIHBEY DIRECTOR (THRU 12/31/2013)	1.00 4.00	X					0	0	0	
( 18) MICHAEL KARNASIEWICZ, M.D. DIRECTOR	1.00 1.00	X					0	0	0	
( 19) ROBERT MAZAIIKA CHAIRMAN (SINCE 1/1/2014)	2.00 2.00	X		X			0	0	0	
( 20) ERIC ALBERT DIRECTOR (SINCE 1/1/2014)	1.00 1.00	X					0	0	0	
( 21) ROBERT GUMBARDO, M.D. DIRECTOR (SINCE 1/1/2014)	4.00 2.00	X					0	0	0	
( 22) ANGELA MATTIE DIRECTOR (SINCE 1/1/2014)	1.00 1.00	X					0	0	0	
( 23) RICHARD PUGH DIRECTOR (SINCE 1/1/2014)	1.00 1.00	X					0	0	0	
( 24) FELIX RODRIQUEZ DIRECTOR (SINCE 1/1/2014)	1.00 1.00	X					0	0	0	
( 25) LAURA ST. JOHN DIRECTOR (SINCE 1/1/2014)	1.00 1.00	X					0	0	0	
<b>1b Sub-total</b>							874,141.	0	186,789.	
<b>c Total from continuation sheets to Part VII, Section A</b>							1,933,407.	644,871.	320,237.	
<b>d Total (add lines 1b and 1c)</b>							2,807,548.	644,871.	507,026.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 93

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 1		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶ 64

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
( 26) RALPH BECKER CFO (SINCE 1/27/2014)	40.00			X			0	0	0	
( 27) CHARLES FINN COO (SINCE 1/13/2014)	40.00			X			0	0	0	
( 28) MICHAEL NOVAK VP OPERATIONS	40.00				X		289,312.	0	39,546.	
( 29) M. CLARK KEARNEY VP HUMAN RESOURCES	40.00					X	249,369.	0	36,662.	
( 30) JOSEPH CONNOLLY CHIEF MARKETING OFFICER	40.00					X	185,357.	0	37,070.	
( 31) STEPHEN SCHNEIDER, MD CMO	40.00 10.00					X	0	439,783.	55,648.	
( 32) GREG BULLER, MD CHAIRMAN, DEPT. OF MEDICINE	40.00					X	255,560.	0	18,765.	
( 33) ELIZABETH BOZZUTO VP SURGICAL SERVICES	40.00					X	290,102.	0	47,790.	
( 34) ROBERT RILEY, CFO CFO (FORMER)						X	226,417.	0	32,847.	
( 35) SANDRA ROOSA VP PATIENT SVC						X	221,872.	0	36,757.	
( 36) CAROLYN ORRELL CIO (FORMER)						X	215,418.	0	5,125.	
<b>1b Sub-total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>										

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **▶ 93**

	Yes	No
<b>3</b> Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual . . . . .	X	
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual . . . . .	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person . . . . .		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **▶**

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII  X

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns . . . . .	1a				
	b Membership dues . . . . .	1b				
	c Fundraising events . . . . .	1c				
	d Related organizations . . . . .	1d	75,420.			
	e Government grants (contributions) . . . . .	1e	531,694.			
	f All other contributions, gifts, grants, and similar amounts not included above . . . . .	1f	1,000,000.			
	g Noncash contributions included in lines 1a-1f: \$ . . . . .					
	h Total. Add lines 1a-1f . . . . .		1,607,114.			
Program Service Revenue	2a NET PATIENT REVENUE	Business Code 900099	248,807,341.	248,807,341.		
	b					
	c					
	d					
	e					
	f All other program service revenue . . . . .					
	g Total. Add lines 2a-2f . . . . .		248,807,341.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts). ATTACHMENT 2 . . . . .		3,767,233.	-4,499.	3,771,732.	
	4 Income from investment of tax-exempt bond proceeds . . . . .		0			
	5 Royalties . . . . .		0			
	6a Gross rents . . . . .	(i) Real	1,243,154.			
		(ii) Personal				
	b Less: rental expenses . . . . .					
	c Rental income or (loss) . . . . .		1,243,154.			
	d Net rental income or (loss) . . . . .		1,243,154.		1,243,154.	
	7a Gross amount from sales of assets other than inventory	(i) Securities	17,869,855.	1,172,414.		
		(ii) Other				
	b Less: cost or other basis and sales expenses . . . . .		16,697,441.	45,697.		
	c Gain or (loss) . . . . .		1,172,414.	1,126,717.		
	d Net gain or (loss) . . . . .		1,126,717.		1,126,717.	
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 . . . . .	a				
	b Less: direct expenses . . . . .	b				
c Net income or (loss) from fundraising events . . . . .		0				
9a Gross income from gaming activities. See Part IV, line 19 . . . . .	a					
b Less: direct expenses . . . . .	b					
c Net income or (loss) from gaming activities . . . . .		0				
10a Gross sales of inventory, less returns and allowances . . . . .	a					
b Less: cost of goods sold . . . . .	b					
c Net income or (loss) from sales of inventory . . . . .		0				
Miscellaneous Revenue		Business Code				
11a CAFETERIA & DIETARY	900099	1,170,616.	1,170,616.			
b MEANINGFUL USE	900099	2,840,267.	2,840,267.			
c PHYSICIAN MALPRACTICE PREMIUMS		577,645.		577,645.		
d All other revenue . . . . .	812930	1,640,181.	1,257,850.	382,331.		
e Total. Add lines 11a-11d . . . . .		6,228,709.				
12 Total revenue. See instructions . . . . .		262,780,268.	254,076,074.	955,477.	6,141,603.	

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**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21 . . . . .	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22 . . . . .	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16, . . . . .	0			
4 Benefits paid to or for members . . . . .	0			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	3,571,513.	1,785,756.	1,785,757.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0			
7 Other salaries and wages . . . . .	82,313,271.	70,130,907.	12,182,364.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . .	7,194,895.	6,024,732.	1,170,163.	
9 Other employee benefits . . . . .	10,504,369.	8,795,960.	1,708,409.	
10 Payroll taxes . . . . .	6,327,463.	5,298,378.	1,029,085.	
11 Fees for services (non-employees):				
a Management . . . . .	0			
b Legal . . . . .	1,588,789.	397,197.	1,191,592.	
c Accounting . . . . .	270,562.	67,640.	202,922.	
d Lobbying . . . . .	145,704.		145,704.	
e Professional fundraising services. See Part IV, line 17.	0			
f Investment management fees . . . . .	0			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . . . . .	34,741,140.	21,286,460.	13,454,680.	
12 Advertising and promotion . . . . .	568,970.	426,727.	142,243.	
13 Office expenses . . . . .	9,330,115.	6,345,673.	2,984,442.	
14 Information technology . . . . .	0			
15 Royalties . . . . .	0			
16 Occupancy . . . . .	13,337,712.	7,924,689.	5,413,023.	
17 Travel . . . . .	203,873.	122,324.	81,549.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19 Conferences, conventions, and meetings . . . . .	340,398.	204,239.	136,159.	
20 Interest . . . . .	1,404,558.	351,139.	1,053,419.	
21 Payments to affiliates . . . . .	0			
22 Depreciation, depletion, and amortization . . . . .	9,887,837.	2,471,959.	7,415,878.	
23 Insurance . . . . .	5,478,532.	3,287,119.	2,191,413.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	35,048,979.	31,544,081.	3,504,898.	
b BAD DEBT	10,078,145.	10,078,145.		
c CONSULTING	2,283,360.	1,370,016.	913,344.	
d DUES AND SUBSCRIPTIONS	852,330.	639,247.	213,083.	
e All other expenses	2,288,643.	1,315,709.	972,934.	
25 Total functional expenses. Add lines 1 through 24e	237,761,158.	179,868,097.	57,893,061.	
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) . . . . .	0			

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X  **X**

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	28,153,440.	1	24,610,433.
	2	Savings and temporary cash investments	28,942.	2	16,948.
	3	Pledges and grants receivable, net	31,774.	3	95,342.
	4	Accounts receivable, net	28,776,370.	4	26,815,465.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	6	0
	7	Notes and loans receivable, net	-260,186.	7	-121,001.
	8	Inventories for sale or use	2,220,053.	8	3,644,672.
	9	Prepaid expenses and deferred charges	1,914,476.	9	2,489,313.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 188,967,766.		
	b	Less: accumulated depreciation	10b 129,200,168.	10c	59,767,598.
	11	Investments - publicly traded securities	ATCH 3 18,505,914.	11	20,802,742.
	12	Investments - other securities. See Part IV, line 11	46,720,286.	12	48,928,064.
	13	Investments - program-related. See Part IV, line 11	0	13	0
	14	Intangible assets	0	14	0
	15	Other assets. See Part IV, line 11	127,803.	15	103,533.
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	187,262,087.	16	187,153,109.	
Liabilities	17	Accounts payable and accrued expenses	37,596,331.	17	34,904,423.
	18	Grants payable	0	18	0
	19	Deferred revenue	0	19	0
	20	Tax-exempt bond liabilities	21,332,784.	20	19,509,799.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23	Secured mortgages and notes payable to unrelated third parties	0	23	0
	24	Unsecured notes and loans payable to unrelated third parties	0	24	0
25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	78,636,577.	25	85,974,975.	
26	<b>Total liabilities.</b> Add lines 17 through 25	137,565,692.	26	140,389,197.	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> <b>X</b> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	31,172,558.	27	27,668,208.
	28	Temporarily restricted net assets	2,269,137.	28	2,414,574.
	29	Permanently restricted net assets	16,254,700.	29	16,681,130.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	<b>Total net assets or fund balances</b>	49,696,395.	33	46,763,912.	
34	<b>Total liabilities and net assets/fund balances.</b>	187,262,087.	34	187,153,109.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	262,780,268.
2	Total expenses (must equal Part IX, column (A), line 25)	2	237,761,158.
3	Revenue less expenses. Subtract line 2 from line 1	3	25,019,110.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	49,696,395.
5	Net unrealized gains (losses) on investments	5	-527,000.
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-27,424,593.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	46,763,912.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . . If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? . . . . . If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .	X	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	X	

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**SCHEDULE A**  
(Form 990 or 990-EZ)

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

OMB No. 1545-0047

**2013**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ.  
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization ST. MARY'S HOSPITAL, INC.	Employer identification number 06-0646844
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**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I    b  Type II    c  Type III-Functionally integrated    d  Type III-Non-functionally integrated
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box.
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	Yes	No
(ii) A family member of a person described in (i) above?		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?		
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
<b>Total</b>									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2013



Schedule A (Form 990 or 990-EZ) 2013

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
3 The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
4 Total. Add lines 1 through 3 . . . . .						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f). . . . .						
6 Public support. Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4 . . . . .						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
9 Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
11 Total support. Add lines 7 through 10 . . . . .						
12 Gross receipts from related activities, etc. (see instructions) . . . . .					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here . . . . .						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) . . . . .	14		%
15 Public support percentage from 2012 Schedule A, Part II, line 14 . . . . .	15		%
16a 33 1/3% support test - 2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>	
b 33 1/3% support test - 2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>	
17a 10%-facts-and-circumstances test - 2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>	
b 10%-facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . .		<input type="checkbox"/>	

Schedule A (Form 990 or 990-EZ) 2013

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**  
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.  
If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f)).	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15.	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f)).	17	%
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	%

- 19a 33 1/3% support tests - 2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization
- b 33 1/3% support tests - 2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization
- 20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

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**Part IV** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

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**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)  
Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

OMB No. 1545-0047

**2013**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization ST. MARY'S HOSPITAL, INC.	Employer identification number 06-0646844
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Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(03 ) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of \$5,000 or more during the year . . . . . ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Public Disclosure Copy

Name of organization ST. MARY'S HOSPITAL, INC.

Employer identification number  
06-0646844

**Part I** Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	----- ----- -----	\$ 80,420.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	----- ----- -----	\$ 191,245.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	----- ----- -----	\$ 340,449.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	----- ----- -----	\$ 1,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Public Disclosure Copy

Schedule B (Form 990, 990-EZ, or 990-PF) (2013)

Page 3

Name of organization ST. MARY'S HOSPITAL, INC.

Employer identification number

06-0646844

**Part II** Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- -----	\$-----	-----

Public Disclosure Copy

Name of organization ST. MARY'S HOSPITAL, INC.

Employer identification number

06-0646844

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry.

For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$ \_\_\_\_\_

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2013

Open to Public Inspection

Department of the Treasury Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527. Complete if the organization is described below. Attach to Form 990 or Form 990-EZ. See separate instructions. Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization: ST. MARY'S HOSPITAL, INC. Employer identification number: 06-0646844

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
2 Political expenditures \$
3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 \$
2 Enter the amount of any excise tax incurred by organization managers under section 4955 \$
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
4a Was a correction made? Yes No
b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities \$
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities \$
3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b \$
4 Did the filing organization file Form 1120-POL for this year? Yes No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2013



Public Disclosure Copy

**Part II-A** Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B Check  if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying) . . . . .														
b	Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .														
c	Total lobbying expenditures (add lines 1a and 1b) . . . . .														
d	Other exempt purpose expenditures . . . . .														
e	Total exempt purpose expenditures (add lines 1c and 1d) . . . . .														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f) . . . . .														
h	Subtract line 1g from line 1a. If zero or less, enter -0- . . . . .														
i	Subtract line 1f from line 1c. If zero or less, enter -0- . . . . .														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No												

**4-Year Averaging Period Under Section 501(h)**  
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a	Lobbying nontaxable amount				
b	Lobbying ceiling amount (150% of line 2a, column (e))				
c	Total lobbying expenditures				
d	Grassroots nontaxable amount				
e	Grassroots ceiling amount (150% of line 2d, column (e))				
f	Grassroots lobbying expenditures				

**Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

	(a)		(b)
	Yes	No	Amount
<i>For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.</i>			
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1j)?	X		
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		145,704.
j Total. Add lines 1c through 1i			145,704.
2 a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

**Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	

**Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."**

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

**Part IV Supplemental Information**

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, line 2; and Part II-B, line 1. Also, complete this part for any additional information.

SEE PAGE 4

**Part IV** Supplemental Information (continued)

SCHEDULE C - PART II-B - LINE 1I

\$1,402 - THE CATHOLIC HEALTH ASSOCIATION - ANNUAL MEMBERSHIP DUES

\$90,000 - LEGAL FEES RELATED TO LOBBYING

\$35,802 - CONNECTICUT HOSPITAL ASSOCIATION - PORTION OF MEMBERSHIP DUES  
EXPENDED ON LOBBYING

\$18,500 - COMPENSATION OF CHIEF MARKETING OFFICER ATTRIBUTABLE TO  
LOBBYING (APPROXIMATELY 10% OF OFFICER TIME SPENT ON LOBBYING ACTIVITIES)

TOTAL OTHER LOBBYING ACTIVITIES: \$145,704

SCHEDULE D (Form 990)

Supplemental Financial Statements

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization

ST. MARY'S HOSPITAL, INC.

Employer identification number

06-0646844

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply). 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. Table with 2 columns: Held at the End of the Tax Year. Rows include: a Total number of conservation easements, b Total acreage restricted by conservation easements, c Number of conservation easements on a certified historic structure included in (a), d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B) (i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items. b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1, (ii) Assets included in Form 990, Part X. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenues included in Form 990, Part VIII, line 1, b Assets included in Form 990, Part X.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . .  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . .  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- |   | Amount |
|---|--------|
| c Beginning balance . . . . .             | 1c     |
| d Additions during the year . . . . .     | 1d     |
| e Distributions during the year . . . . . | 1e     |
| f Ending balance . . . . .                | 1f     |
- 2a Did the organization include an amount on Form 990, Part X, line 21? . . . . .  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII. . . . .  Yes  No

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance . . . . .	16,630,000.	15,567,000.	13,783,000.	14,500,000.	13,893,000.
b Contributions . . . . .					
c Net investment earnings, gains, and losses . . . . .	1,264,000.	1,768,000.	2,426,000.	-64,000.	1,286,000.
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .	756,000.	705,000.	642,000.	653,000.	679,000.
f Administrative expenses . . . . .					
g End of year balance . . . . .	17,138,000.	16,630,000.	15,567,000.	13,783,000.	14,500,000.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment  %
  - b Permanent endowment  2.6700 %
  - c Temporarily restricted endowment  97.3300 %
- The percentages in lines 2a, 2b, and 2c should equal 100%.

- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |                                       | Yes     | No |
|---------------------------------------|---------|----|
| (i) unrelated organizations . . . . . | 3a(i) X |    |
| (ii) related organizations . . . . .  |         | X  |
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . .  Yes  No

- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		7,272,019.		7,272,019.
b Buildings . . . . .		65,301,177.	48,126,290.	17,174,887.
c Leasehold improvements . . . . .				
d Equipment . . . . .		115,755,461.	80,754,037.	35,001,424.
e Other . . . . .		639,108.	319,840.	319,268.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) . . . . .				59,767,598.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests	5,181,551.	ATTACHMENT 1
(3) Other		
(A) DONOR & HELD IN TRUST BY OTHER	15,696,295.	FMV
(B) DEBT SERVICE FUND	4,321,505.	FMV
(C) MISCELLANEOUS FUNDS	5,613.	FMV
(D) INVESTMENTS IN JOINT VENTURES	23,723,100.	FMV
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.)	48,928,064.	

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.)		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO REIMBURSEMENT AGENCIES	782,612.
(3) SELF INSURANCE LIABILITY	3,278,452.
(4) PENSION LIABILITY	72,181,823.
(5) OTHER LONG TERM LIABILITIES	9,463,675.
(6) OTHER LONG TERM DEBT (CAPITAL	268,413.
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	85,974,975.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**  
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d			2e
3	Subtract line 2e from line 1			3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b			4c
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)			5

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**  
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d			2e
3	Subtract line 2e from line 1			3
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b			4c
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)			5

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

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**Part XIII** Supplemental Information (continued)

PART V, LINE 4

THE INTENDED USE OF THE ENDOWMENT FUNDS IS TO USE THE INCOME GENERATED TO SUPPORT THE MISSION OF THE HOSPITAL. THE HOSPITAL ADOPTED INVESTMENT AND SPENDING POLICIES FOR ENDOWMENT ASSETS THAT ATTEMPT TO PROVIDE A PREDICTABLE STREAM OF FUNDING TO PROGRAMS SUPPORTED BY ITS ENDOWMENT WHILE SEEKING TO MAINTAIN THE PURCHASING POWER OF THE ENDOWMENT ASSETS. THE HOSPITAL FOLLOWS A POLICY OF SPENDING AN AMOUNT THAT APPROXIMATES THE INVESTMENT INCOME EARNED, IN ADDITION TO SPECIFIC PURCHASES OF CAPITAL EQUIPMENT. ACCORDINGLY, THE HOSPITAL EXPECTS ITS SPENDING POLICY WILL ALLOW ITS ENDOWMENT FUNDS TO BE MAINTAINED IN PERPETUITY BY GROWING AT A RATE AT LEAST EQUAL TO THE PLANNED PAYOUTS. ADDITIONAL REAL ENDOWMENT GROWTH WILL BE PROVIDED THROUGH NEW GIFTS AND ANY EXCESS INVESTMENT RETURN.

PART X, LINE 2

THE HOSPITAL IS A TAX-EXEMPT ORGANIZATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND IS GENERALLY EXEMPT FROM INCOME TAXES. THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN PREPARED ON THE BASIS THAT ITS TAX-EXEMPT STATUS WILL BE MAINTAINED.

THE INDEMNITY COMPANY AND PHYSICIAN PARTNERS ARE DISREGARDED ENTITIES. THE TAX CONSEQUENCES OF THEIR OPERATING RESULTS ARE ASSESSED AT THE MEMBER LEVEL.

THE HOSPITAL RECOGNIZES THE EFFECT OF INCOME TAX POSITIONS ONLY IF THOSE POSITIONS ARE MORE LIKELY THAN NOT OF BEING SUSTAINED. RECOGNIZED INCOME



Public Disclosure Copy

**Part XIII** Supplemental Information (continued)

TAX POSITIONS ARE MEASURED AT THE LARGEST AMOUNT OF BENEFIT THAT IS GREATER THAN FIFTY PERCENT LIKELY TO BE REALIZED UPON SETTLEMENT. CHANGES IN RECOGNITION IN MEASUREMENT ARE REFLECTED IN THE PERIOD IN WHICH THE CHANGE IN JUDGMENT OCCURS. THE HOSPITAL DID NOT RECOGNIZE THE EFFECT OF ANY INCOME TAX POSITIONS IN EITHER 2014 OR 2013.

ATTACHMENT 1

SCHEDULE D, PART VII - INVESTMENTS - CLOSELY HELD EQUITY INTERESTS

<u>DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>COST OR FMV</u>
NET INTEREST IN FOUNDATION	5,181,551.	FMV
TOTALS	<u>5,181,551.</u>	

Public Disclosure Copy

**SCHEDULE H**  
**(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2013**

**Open to Public Inspection**

- ▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
- ▶ Attach to Form 990. ▶ See separate instructions.
- ▶ Information about Schedule H (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Department of the Treasury  
Internal Revenue Service

Name of the organization

Employer identification number

ST. MARY'S HOSPITAL, INC.

06-0646844

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .	X	
1b If "Yes," was it a written policy? . . . . .	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>250.0000</u> %	X	
b Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: . . . . . <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	X	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	X	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .		X
6a Did the organization prepare a community benefit report during the tax year? . . . . .	X	
b If "Yes," did the organization make it available to the public? . . . . .	X	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1) . . . . .			328,346.		328,346.	.14
b Medicaid (from Worksheet 3, column a) . . . . .			68,868,328.	55,785,133.	13,083,195.	5.75
c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .						
d Total Financial Assistance and Means-Tested Government Programs . . . . .			69,196,674.	55,785,133.	13,411,541.	5.89
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			147,207.		147,207.	.06
f Health professions education (from Worksheet 5) . . . . .			19,733,222.	17,074,901.	2,658,321.	1.17
g Subsidized health services (from Worksheet 6) . . . . .			3,622,131.	2,236,001.	1,386,130.	.61
h Research (from Worksheet 7) . . . . .			165,239.		165,239.	.07
i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .			70,911.		70,911.	.03
j Total. Other Benefits . . . . .			23,738,710.	19,310,902.	4,427,808.	1.94
k Total. Add lines 7d and 7j. . . . .			92,935,384.	75,096,035.	17,839,349.	7.83

Schedule H (Form 990) 2013

**Part II Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing			202.		202.	
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development			169,504.		169,504.	
9 Other						
10 Total			169,706.		169,706.	

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? . . . . .	1 X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount. . . . .	2 3,295,553.	
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit. . . . .	3 2,306,887.	
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) . . . . .	5 94,305,076.
6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	6 86,782,623.
7 Subtract line 6 from line 5. This is the surplus (or shortfall) . . . . .	7 7,522,453.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other	

**Section C. Collection Practices**

9a Did the organization have a written debt collection policy during the tax year? . . . . .	9a X
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI . . . . .	9b X

**Part IV Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 H. L. CANCER CTR	OUTPATIENT CANCER TREATMENT	50.00000		
2 HEART CTR OF FW	CARDIAC SERVICES MSO	50.00000		
3 SM INDEMNITY GROUP	INSURANCE COMPANY	100.00000		
4 FRANKLIN MEDICAL	PRIMARY CARE PHYSICIAN PRACT			100.00000
5 DIAGNOSTIC IMAGING	OUTPATIENT IMAGING CENTER	60.00000		
6 NAUGATUCK VALLEY MRI	MAGNETIC IMAGING	48.00000		
7 SM PHYSICIAN PTRS.	ACCOUNTABLE CARE ORG.	100.00000		
8				
9				
10				
11				
12				
13				

**Part V Facility Information**

**Section A. Hospital Facilities**

(list in order of size, from largest to smallest - see instructions)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number

1 SAINT MARY'S HOSPITAL INCORPORATED  
56 FRANKLIN STREET  
WATERBURY CT 06706

2

3

4

5

6

7

8

9

10

ER-other	ER-24 hours	Research facility	Critical access hospital	Teaching hospital	Children's hospital	General medical & surgical	Licensed hospital	Other (describe)	Facility reporting group
	X			X		X	X		

**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group SAINT MARY'S HOSPITAL INCORPORATED

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

**Community Health Needs Assessment** (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)

1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9. . . . .

If "Yes," indicate what the CHNA report describes (check all that apply):

- a  A definition of the community served by the hospital facility
- b  Demographics of the community
- c  Existing health care facilities and resources within the community that are available to respond to the health needs of the community
- d  How data was obtained
- e  The health needs of the community
- f  Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups
- g  The process for identifying and prioritizing community health needs and services to meet the community health needs
- h  The process for consulting with persons representing the community's interests
- i  Information gaps that limit the hospital facility's ability to assess the community's health needs
- j  Other (describe in Section C)

2 Indicate the tax year the hospital facility last conducted a CHNA: 20 1 2

3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted . . . . .

4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C . . . . .

5 Did the hospital facility make its CHNA report widely available to the public? . . . . .

If "Yes," indicate how the CHNA report was made widely available (check all that apply):

- a  Hospital facility's website (list url): \_\_\_\_\_
- b  Other website (list url): \_\_\_\_\_
- c  Available upon request from the hospital facility
- d  Other (describe in Section C)

6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year):

- a  Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA
- b  Execution of the implementation strategy
- c  Participation in the development of a community-wide plan
- d  Participation in the execution of a community-wide plan
- e  Inclusion of a community benefit section in operational plans
- f  Adoption of a budget for provision of services that address the needs identified in the CHNA
- g  Prioritization of health needs in its community
- h  Prioritization of services that the hospital facility will undertake to meet health needs in its community
- i  Other (describe in Section C)

7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs . . . . .

8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .

b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .

c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ \_\_\_\_\_

	Yes	No
1	X	
3	X	
4	X	
5	X	
7		X
8a		X
8b		

Part V Facility Information (continued)		Yes	No
Financial Assistance Policy SAINT MARY'S HOSPITAL INCORPORATED			
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? . . . . .	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care: <u>2</u> <u>5</u> <u>0</u> % If "No," explain in Section C the criteria the hospital facility used.	X	
11	Used FPG to determine eligibility for providing discounted care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>4</u> <u>0</u> <u>0</u> % If "No," explain in Section C the criteria the hospital facility used.	X	
12	Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply):	X	
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Section C)		
13	Explained the method for applying for financial assistance? . . . . .	X	
14	Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	X	
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input checked="" type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available on request		
g	<input type="checkbox"/> Other (describe in Section C)		
<b>Billing and Collections</b>			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged:		X
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

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**Part V Facility Information (continued)** SAINT MARY'S HOSPITAL INCORPORATED

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):

- a  Notified individuals of the financial assistance policy on admission
- b  Notified individuals of the financial assistance policy prior to discharge
- c  Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d  Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e  Other (describe in Section C)

**Policy Relating to Emergency Medical Care**

		Yes	No
19	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . .	X	
	If "No," indicate why:		
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
d	<input type="checkbox"/> Other (describe in Section C)		

**Changes to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)**

20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Section C)		
21	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? . . . . .		X
	If "Yes," explain in Section C.		
22	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? . . . . .		X
	If "Yes," explain in Section C.		

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**Part V Facility Information (continued)**

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

PART V, LINE 20D

FREE CARE IS PROVIDED FOR UNINSURED INDIVIDUALS WHOSE INCOME IS BELOW 250% OF THE FEDERAL POVERTY INCOME LEVELS. FOR UNINSURED PATIENTS WHOSE INCOME ARE BETWEEN 251% AND 350% OF THE FEDERAL POVERTY INCOME LEVELS, SMH WILL REDUCE THEIR BILL BY SLIDING SCALE DISCOUNT OR TO "COST OF PROVIDING SERVICES", AS ESTABLISHED BY THE OFFICE OF HEALTH CARE ACCESS (OHCA), WHICHEVER IS GREATER.

UNINSURED PATIENTS, WHOSE INCOME RANGE BETWEEN 351% AND 400% OF THE FEDERAL POVERTY INCOME LEVELS, WILL BE ELIGIBLE FOR AN ADDITIONAL CHARITY CARE REDUCTION OF 20% OFF OF THEIR REMAINING ACCOUNT(S) BALANCE(S).

PART V, LINE 3

SAINT MARY'S RECEIVED SIGNIFICANT INPUT FROM PERSONS REPRESENTING THE COMMUNITY. THE ASSESSMENT WAS CONDUCTED IN COLLABORATION WITH THE NEWLY FORMED GREATER WATERBURY HEALTH IMPROVEMENT PARTNERSHIP (GWHIP), WHICH INCLUDES SAINT MARY'S HOSPITAL, WATERBURY HOSPITAL, THE WATERBURY DEPARTMENT OF HEALTH, UNITED WAY OF GREATER WATERBURY, STAYWELL HEALTH CENTER, AND THE CONNECTICUT COMMUNITY FOUNDATION. IN ADDITION, GWHIP HOSTED A PRIORITIZATION SESSION THAT INCLUDED 41 INDIVIDUALS REPRESENTING LOCAL HEALTH AND HUMAN SERVICE AGENCIES, AREA NON-PROFIT ORGANIZATIONS, HEALTH PROVIDERS AND PUBLIC HEALTH REPRESENTATIVES. AT THIS PRIORITIZATION SESSION WHICH TOOK PLACE ON JUNE 18, 2013, THE GROUP VOTED ON COMMUNITY HEALTH PRIORITIES.



**Part V Facility Information (continued)**

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

THE SESSION INCLUDED 41 PARTICIPANTS FROM 29 ORGANIZATIONS INCLUDING BUT NOT LIMITED TO WATERBURY BOARD OF PUBLIC HEALTH, CATHOLIC CHARITIES ARCHDIOCES OF HARTFORD, UCONN SCHOOL OF PUBIC HEALTH, END HUNGER CONNECTICUT, VNA HEALTH-AT-HOME, BRIDGE TO SUCCESS, HEART CENTER OF GREATER WATERBURY AND THE CHAMBER OF COMMERCE. A LISTING OF PARTICIPANTS IS AVAILABLE UPON REQUEST.

PART V, LINE 4

WATERBURY HOSPITAL

PART V, LINE 5C

GWHIP HOSTED A "HEALTH SUMMIT" AT NAUGATUCK VALLEY COMMUNITY COLLEGE ON OCTOBER 4, 2013. MEMBERS OF THE PUBLIC WERE INVITED TO ATTEND. OVER 100 PEOPLE ATTENDED THE EVENT.

AT THE HEALTH SUMMIT, GWHIP REPRESENTATIVES PRESENTED THE CHNA FINDINGS. GWHIP ALSO CONVENED WORK GROUPS TO ADDRESS IDENTIFIED AREAS OF COMMUNITY HEALTH NEED.

PART V, LINE 7

SAINT MARY'S HOSPITAL ADMINISTRATORS DECIDED TO FOCUS ON THE TOP FOUR COMMUNITY HEALTH NEEDS (ACCESS TO CARE; MENTAL HEALTH/SUBSTANCE ABUSE; CHRONIC DISEASES (OBESITY, HEART DISEASE, DIABETES, AND ASTHMA); AND TOBACCO USE). THESE NEEDS WERE SELECTED AT THE "PRIORITIZATION SESSION" THAT WAS HELD ON JUNE 18, 2013.

**Part V** Facility Information *(continued)*

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

DUE TO LIMITED TIME AND RESOURCES, SAINT MARY'S IS UNABLE TO ADDRESS EACH IDENTIFIED COMMUNITY HEALTH NEED. COMMUNITY ORGANIZATIONS ARE ADDRESSING THE OTHER IDENTIFIED HEALTH NEEDS. FOR EXAMPLE, THE WATERBURY HEALTH DEPARTMENT AND NEW OPPORTUNITIES, INC. ARE BOTH ADDRESSING "LOW BIRTH WEIGHT" BABIES THROUGH THE WOMEN, INFANTS, AND CHILDREN (WIC) NUTRITION PROGRAM. THE WATERBURY HEALTH DEPARTMENT AND NEW OPPORTUNITIES, INC. ADMINISTER THE WIC PROGRAM LOCALLY.

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**Part V Facility Information** (continued)

**Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 9

Name and address	Type of Facility (describe)
1 NAUGATUCK VALLEY SURGICAL CENTER 160 ROBBINS STREET, SUITE 1 WATERBURY CT 06708	SURGICAL CENTER
2 THE HAROLD LEEVER CANCER CENTER 1075 CHASE PARKWAY WATERBURY CT 06708	CANCER CENTER
3 SAINT MARY'S MEDICAL IMAGING CENTER 475 CHASE PARKWAY WATERBURY CT 06708	MRI SERVICES
4 SLEEP DISORDER CENTER 1312 WEST MAIN STREET WATERBURY CT 06708	SLEEP CARE
5 OCCPUATION HEALTH & DIAG. CENTER 146 HIGHLAND AVENUE WATERBURY CT 06708	OCCUPATIONAL HEALTH, OCCUPATIONAL THERAPY, PHYSICAL THERAPY
6 HEART CENTER OF GREATER WATERBURY 1075 CHASE PARKWAY WATERBURY CT 06708	CARDIAC CARE
7 ST. MARY'S HOSP. URGENT CARE - NAUGATUCK 799 NEW HAVEN ROAD NAUGATUCK CT 06770	LAB, RADIOLOGY, URGENT CARE
8 ST. MARY'S HOSP. URGENT CARE - WOLCOTT 503 WOLCOTT ROAD WOLCOTT CT 06716	LAB, RADIOLOGY, URGENT CARE
9 ST. MARY'S MEDICAL ONCOLOGY CENTER 1075 CHASE PARKWAY WATERBURY CT 06708	ONCOLOGY
10	

Schedule H (Form 990) 2013

**Part VI** Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 6A

SAINT MARY'S HOSPITAL COMPLETED A COMMUNITY HEALTH NEEDS ASSESSMENT ("CHNA") DURING THE FISCAL YEAR ENDED 9/30/2013. THE CHNA IS ACCESSIBLE BY CLICKING "ABOUT US" AND "HEALTH NEEDS ASSESSMENT BUTTON" ON THE SAINT MARY'S WEBSITE AT WWW.STMH.ORG.

PART I, LINE 7A

MANY PATIENTS WITHOUT INSURANCE DO NOT COMPLETE THE APPLICATION FOR CHARITY CARE. THE HOSPITAL, UPON PERFORMING AN ASSET VERIFICATION, MAKES A DETERMINATION WHETHER THE PATIENT WOULD HAVE QUALIFIED FOR THE CHARITY CARE. DURING 2012, THE COSTS ASSOCIATED WITH THE CHARGES FOREGONE RELATED TO THESE PATIENTS WERE APPROXIMATELY \$1,340,000. DURING 2013 AND 2014, A SYSTEM CONVERSION LIMITED THE HOSPITAL'S ABILITY TO UNDERTAKE AN ASSET VERIFICATION. AS SUCH, THESE COSTS ARE CLASSIFIED IN THE PROVISION FOR UNCOLLECTIBLE ACCOUNTS. THE HOSPITAL BELIEVES THAT HAD IT PERFORMED THE ASSET VERIFICATIONS IN 2014, COSTS ASSOCIATED WITH THESE PATIENTS WOULD HAVE BEEN FAIRLY CONSISTENT WITH 2012.

**Part VI Supplemental Information**

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
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- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 7, COLUMN F

THE PERCENT OF TOTAL EXPENSE IN PART 1, LINE 7, COLUMN (F) IS CALCULATED BY DIVIDING COLUMN (E), NET COMMUNITY BENEFIT EXPENSE, BY TOTAL EXPENSE. THE BAD DEBT EXPENSE OF \$10,078,145 WAS SUBTRACTED FROM THE TOTAL EXPENSE VALUE USED TO CALCULATE THE PERCENTAGES IN PART 1, LINE 7, COLUMN (F).

PART I, LINE 7

FOR PART 1, LINE 7 SECTIONS (A) CHARITY CARE AT COST, (B) UNREIMBURSED MEDICAID, (C) UNREIMBURSED COSTS-OTHER MEANS-TESTED GOVERNMENT PROGRAMS THE COSTING METHODOLOGY USED WAS THE COST-TO-CHARGE RATIO USING THE INCOME STATEMENT METHOD. THE COST-TO-CHARGE RATIO WAS DERIVED FROM THE YEAR-END GENERAL LEDGER, CALCULATED BY DIVIDING GROSS EXPENSE (LESS BAD DEBT) MINUS OTHER OPERATING REVENUE BY GROSS PATIENT CHARGES AND APPLIED BY CHARGE LINE APPROPRIATELY. SECTIONS (E) COMMUNITY HEALTH IMPROVEMENT; PORTIONS OF (F) HEALTH PROFESSIONS EDUCATION, (G) SUBSIDIZED HEALTH SERVICES, (H) RESEARCH, AND (I) CASH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS ARE COMPRISED (EXCEPT FOR CASH DONATIONS AND IN-KIND MATERIAL DONATIONS) OF 1) SUPPLY EXPENSES; 2) PURCHASED SERVICES; 3)

**Part VI** Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

TUITION WAIVERS; AND 4) THE DIRECT SALARY COSTS FOR STAFF COMPENSATED BY THE HOSPITAL AND SPENT TIME PARTICIPATING IN ACTIVITIES THAT QUALIFY AS COMMUNITY BENEFITS.

THE INTERN, RESIDENT AND FELLOW PORTION OF SECTION (F) HEALTH PROFESSIONS EDUCATION ALSO INCLUDES THE SALARIES, FRINGE BENEFITS AND OTHER EXPENSES OF THE RESIDENCY PROGRAM DERIVED FROM THE GENERAL LEDGER. INDIRECT COSTS WERE ALSO APPLIED. THE COST ACCOUNTING METHODOLOGY WAS USED TO DETERMINE NET COMMUNITY BENEFIT EXPENSE FOR (G) SUBSIDIZED HEALTH SERVICES, WHICH INCLUDE IP AND OP PSYCHIATRY SERVICE LINES AND SERIES/RECURRING.

PART III, LINE 4

THE FINANCIAL STATEMENTS DO NOT HAVE A FOOTNOTE FOR BAD DEBT EXPENSE BUT BELOW IS THE FOOTNOTE FOR THE ALLOWANCE FOR BAD DEBTS.

THE HOSPITAL PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER THEIR FINANCIAL ASSISTANCE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN THEIR ESTABLISHED RATES. BECAUSE THE HOSPITAL DOES NOT ANTICIPATE

**Part VI** Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE. THE HOSPITAL GRANTS CREDIT WITHOUT COLLATERAL TO PATIENTS, MOST OF WHOM ARE LOCAL RESIDENTS AND ARE INSURED UNDER THIRD-PARTY ARRANGEMENTS. ADDITIONS TO THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS ARE MADE BY MEANS OF THE FOR BAD DEBTS. ACCOUNTS WRITTEN OFF AS UNCOLLECTIBLE ARE DEDUCTED FROM THE ALLOWANCE AND SUBSEQUENT RECOVERIES ARE ADDED. THE AMOUNT OF THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS, BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN FEDERAL AND STATE GOVERNMENTAL HEALTH CARE COVERAGE AND OTHER COLLECTION INDICATORS.

PART III, SECTION A: LINES 2 & 3

THE HOSPITAL USED A COST TO CHARGE RATIO TO CALCULATE THE AMOUNTS RECORDED IN LINES 2 AND 3. WE REASONABLY ESTIMATED THE AMOUNT OF BAD DEBTS THAT WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S CHARITY CARE POLICY, IF THE PATIENTS WOULD HAVE APPLIED OR PROVIDED SUFFICIENT INFORMATION. WE DID NOT INCLUDE THIS AMOUNT IN THE COMMUNITY BENEFIT.

**Part VI** Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 8

THERE IS NO SHORTFALL REPORTED IN LINE 7, THEREFORE, WE DID NOT INCLUDE  
IN COMMUNITY BENEFIT. WE UTILIZED THE COST TO CHARGE RATIO TO ESTIMATE  
THE MEDICARE ALLOWABLE COSTS OF CARE.

PART III, LINE 9B

A PATIENT MAY REQUEST CHARITY CARE AT ANY TIME IN THE BILLING AND  
COLLECTION PROCESS. IF THE HOSPITAL, ITS COLLECTION AGENT, OR ITS  
ATTORNEY BECOMES AWARE THAT THE PATIENT OR GUARANTOR REQUESTS CHARITY  
CARE, THE COLLECTION PROCESS WILL BE PROMPTLY DISCONTINUED WHILE THE  
ELIGIBILITY STATUS OF THE PATIENT OR GUARANTOR REQUESTING ASSISTANCE IS  
DETERMINED. WHENEVER IT IS DETERMINED THAT THE PATIENT QUALIFIES FOR  
CHARITY CARE, THE FINANCIAL COUNSELOR WILL ADJUST THE BALANCE BY THE  
APPROPRIATE AMOUNT, AND ANY RESULTING BALANCE WILL BECOME THE PATIENT'S  
RESPONSIBILITY.



**Part VI Supplemental Information**

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART VI, LINE 2

SAINT MARY'S HAS AN ANNUAL STRATEGIC PLANNING PROCESS THAT IDENTIFIES UNMET COMMUNITY NEEDS WHILE DEPLOYING STRATEGIES TO ADDRESS THESE UNMET COMMUNITY NEEDS AND IMPROVE OUR OVERALL COMMUNITY BENEFIT. SAINT MARY'S ALSO WORKS CLOSELY WITH MANY LOCAL CHARITABLE COMMUNITY SERVICE ORGANIZATIONS TO BOTH IDENTIFY AND ADDRESS COMMUNITY NEEDS.

SAINT MARY'S HOSPITAL (SMH) INDIVIDUAL COMMUNITY BENEFIT PROGRAMS HAVE BEEN DESIGNED TO MEET THE LONG-STANDING NEEDS OF INDIVIDUALS LIVING IN THE SERVICE AREA. TO IDENTIFY NEED, SMH HAS RELIED ON EXISTING LOCAL AND REGIONAL NEEDS ASSESSMENTS INCLUDING: UNITED WAY OF GREATER WATERBURY'S COMMUNITY STATUS REPORT (2013); UNITED WAY'S TEN-YEAR PLAN TO END HOMELESSNESS (2013); THE CENTERS FOR DISEASE CONTROL AND PREVENTION BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (2013); CONNECTICUT DEPARTMENT OF PUBLIC HEALTH STATE HEALTH ASSESSMENT (2013); AND THE CONNECTICUT HEALTH CARE SURVEY (2013) BY THE CONNECTICUT HEALTH FOUNDATION.

IN ADDITION, THE HOSPITAL USES CONNECTICUT HOSPITAL ASSOCIATION (CHA)

**Part VI** Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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ONLINE TOOLS WHICH INCLUDE THE CHIME DECISION SUPPORT TOOL AND CHIME MAPS TO UNDERSTAND SERVICE AREA NEEDS. THE HOSPITAL USES THE CENSUS BUREAU DATABASES AS WELL AS DEMOGRAPHIC REPORTS AVAILABLE THROUGH CLARITAS DATABASES.

BETWEEN 2012 AND 2013, SAINT MARY'S CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA). SAINT MARY'S REACHED OUT TO LOCAL ORGANIZATIONS AND FORMED THE GREATER WATERBURY HEALTH IMPROVEMENT PARTNERSHIP (THE PARTNERSHIP). THE PARTNERSHIP INCLUDES LOCAL NON-PROFIT ORGANIZATIONS (SAINT MARY'S HOSPITAL, WATERBURY HOSPITAL, THE WATERBURY DEPARTMENT OF HEALTH, UNITED WAY OF GREATER WATERBURY, STAYWELL HEALTH CENTER, AND THE CONNECTICUT COMMUNITY FOUNDATION). PARTNERSHIP MEMBERS EACH CONTRIBUTED FINANCIAL RESOURCES TO CONDUCT THE COMMUNITY HEALTH NEEDS ASSESSMENT.

DATA COLLECTION AND RESEARCH

SAINT MARY'S CONTRACTED WITH HOLLERAN, AN INDEPENDENT RESEARCH AND CONSULTING FIRM LOCATED IN LANCASTER, PENNSYLVANIA, TO CONDUCT RESEARCH IN SUPPORT OF THE CHNA. THE CHNA INCLUDED BOTH QUALITATIVE AND

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QUANTITATIVE DATA COLLECTION METHODS. QUALITATIVE DATA WERE COLLECTED THROUGH BOTH A KEY INFORMANT ONLINE SURVEY AND SIX FOCUS GROUPS. TWO HUNDRED FIVE COMMUNITY LEADERS, PARTNERS AND HEALTH CARE PROVIDERS PARTICIPATED IN THE ONLINE KEY INFORMANT SURVEY. TWO FOCUS GROUPS WITH HEALTHCARE PROVIDERS WERE HELD AT EACH OF THE HOSPITALS; 24 HEALTH CARE PROVIDERS PARTICIPATED. FOUR FOCUS GROUPS WERE HELD AT NEIGHBORHOOD ASSOCIATIONS IN WATERBURY; 33 LOCAL RESIDENTS PARTICIPATED.

QUANTITATIVE DATA WERE COLLECTED THROUGH A STATISTICAL HOUSEHOLD TELEPHONE SURVEY OF 1,100 PEOPLE IN THE SAINT MARY'S SERVICE AREA. THE STATISTICAL HOUSEHOLD SURVEY WAS BASED ON THE BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (BRFSS) STUDY DEVELOPED BY THE CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC). THE SURVEY ASSESSED INDICATORS SUCH AS GENERAL HEALTH STATUS, PREVENTION ACTIVITIES (SCREENINGS, ETC.) AND RISK BEHAVIORS (ALCOHOL USE, ETC.). THE RESULTS WERE EXAMINED BY A VARIETY OF DEMOGRAPHIC INDICATORS INCLUDING AGE AND GENDER. SPECIAL ATTENTION WAS GIVEN TO IDENTIFYING THE NEEDS OF UNDERSERVED INDIVIDUALS, INCLUDING LOW-INCOME, MINORITY, AND CHRONIC CONDITION POPULATIONS IN THE SAINT

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MARY'S SERVICE AREA. IN ADDITION TO THE HOUSEHOLD SURVEY, SECONDARY DATA WERE ALSO ANALYZED AS PART OF THE CHNA.

**PRIORITIZATION**

ON JUNE 18, 2013, THE PARTNERSHIP HELD A PRIORITIZATION SESSION THAT INCLUDED 40 INDIVIDUALS REPRESENTING LOCAL HEALTH AND HUMAN SERVICE AGENCIES, AREA NON-PROFIT ORGANIZATIONS, HEALTH PROVIDERS AND PUBLIC HEALTH REPRESENTATIVES. THE OBJECTIVES OF THE PRIORITIZATION SESSION WERE TO REVIEW THE RECENTLY COMPILED COMMUNITY HEALTH DATA AND HIGHLIGHT KEY RESEARCH FINDINGS; TO GATHER FEEDBACK FROM THE COMMUNITY REPRESENTATIVES; AND TO PRIORITIZE THE COMMUNITY HEALTH NEEDS BASED ON SELECTED CRITERIA.

ATTENDEES VOTED ON THE TOP FOUR PRIORITY AREAS. THE SELECTED PRIORITIES ARE (1) ACCESS TO CARE; (2) MENTAL HEALTH AND SUBSTANCE ABUSE; (3) CHRONIC DISEASES - OBESITY, DIABETES, HEART DISEASE AND ASTHMA; AND (4) SMOKING.

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IMPLEMENTATION STRATEGY

SAINT MARY'S HOSPITAL DEVELOPED AN IMPLEMENTATION STRATEGY TO ILLUSTRATE SPECIFIC PROGRAMS AND RESOURCES THAT SUPPORT THESE IDENTIFIED COMMUNITY HEALTH PRIORITIES. THE IMPLEMENTATION STRATEGY WAS ADOPTED BY THE SAINT MARY'S BOARD OF DIRECTORS ON SEPTEMBER 12, 2013. THE IMPLEMENTATION STRATEGY IS ATTACHED TO THIS FILING. THE CHNA SUMMARY REPORT AND IMPLEMENTATION STRATEGY ARE ALSO AVAILABLE ON THE HOSPITAL'S WEBSITE (WWW.STMH.ORG).

ONCE THE IMPLEMENTATION STRATEGY WAS CREATED, CONTINUED MONTHLY MEETINGS WITH THE GREATER WATERBURY HEALTH IMPROVEMENT PARTNERSHIP WERE DONE TO ENSURE TAHT EACH ORGANIZATION STAYED ON TRACK WITH THE NEEDS OF THE COMMUNITY. THERE ARE SEVERAL REPRESENTIVES FROM SAINT MARY'S THAT ATTEND THESE MEETINGS EACH MONTH TO NOT ONLY IMPROVE THE HOSPITAL WITH INCREMENTAL CHANGES, BUT THE GREATER WATERBURY COMMUNITY AS A WHOLE. CONTINUED COLLABORATION AND MANAGEMENT OF THE IMPLEMENTATION STRATEGIES ARE DISCUSSED WITH THE COMMUNITY PARTNERS EACH MONTH.

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PART VI, LINE 3

THERE ARE BROCHURES AND SIGNAGE IN FOUR LANGUAGES INDICATING THAT FINANCIAL ASSISTANCE IS AVAILABLE TO QUALIFIED PATIENTS AND THEIR FAMILIES. SIGNAGE IS LOCATED IN REGISTRATION, EMERGENCY DEPARTMENT, ALL SOCIAL SERVICES DEPARTMENTS, CASHIER'S OFFICE, PATIENT FINANCIAL SERVICES AND THE LOBBY. THE SIGNAGE EXPLAINS THE POLICY AND HOW TO APPLY. IN ADDITION, FINANCIAL COUNSELORS ARE AVAILABLE TO MEET WITH INDIVIDUAL PATIENTS TO ASSIST DURING THE PROCESS.

ALL FAMILIES OF ELIGIBLE CHILDREN, REGARDLESS OF INCOME, RECEIVE CARE COORDINATION SERVICES IN PARTNERSHIP WITH THEIR CHILD'S MEDICAL HOME UNDER THE SAINT MARY'S PROGRAM. FAMILY AND COMMUNITY REFERRALS, DIRECT SERVICES, ADVOCACY AND LINKS TO PARENT SUPPORT SERVICES ARE ALSO PROVIDED. A LIMITED NUMBER OF FAMILIES RECEIVE RESPITE AND CAMP FUNDS. UNINSURED OR UNDERINSURED FAMILIES WHO FALL WITHIN THE TITLE V EXTENDED SERVICE FUNDS ELIGIBILITY GUIDELINES CAN ALSO BENEFIT FROM PAYMENT FOR EXTENDED SERVICES (I.E. DURABLE MEDICAL EQUIPMENT, PRESCRIPTIONS,

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SPECIALTY VISITS, THERAPIES AND SPECIAL NUTRITIONAL FORMULAS).

PATIENT FINANCIAL AID SAINT MARY'S HOSPITAL PROVIDES FINANCIAL ASSISTANCE TO PATIENTS WHO QUALIFY FOR THE HOSPITAL'S "BED FUND" OR OTHER FINANCIAL ASSISTANCE PROGRAMS.

IF A PATIENT IS UNINSURED OR OTHERWISE UNABLE TO PAY HIS OR HER MEDICAL BILLS, HE OR SHE MAY QUALIFY FOR THE HOSPITAL BED FUND. IN ORDER TO QUALIFY, A PATIENT MUST MEET CERTAIN CRITERIA, INCLUDING HAVING A HOUSEHOLD INCOME AT OR BELOW 400% OF THE FEDERAL POVERTY LIMITS.

IF A PATIENT QUALIFIES FOR THE "BED FUND," OR ANY OTHER FINANCIAL ASSISTANCE PROGRAMS, THE PATIENT WILL BE NOTIFIED WITHIN THIRTY (30) DAYS OF RECEIPT OF APPLICATION. IF A PATIENT'S APPLICATION IS DENIED, AN EXPLANATION WILL BE PROVIDED. THE PATIENT MAY REAPPLY AT ANY TIME AND THE APPLICATION WILL BE REASSESSED BASED ON THE AVAILABILITY OF ADDITIONAL FUNDS OR A CHANGE IN THE PATIENT'S FINANCIAL STATUS.

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ST. MARY'S HOSPITAL, INC.

06-0646844

Schedule H (Form 990) 2013

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PART VI, LINE 4

SAINT MARY'S TOTAL SERVICE AREA IS COMPRISED OF 35 ZIP CODES, WHICH INCLUDE THE CITY OF WATERBURY AND 17 SURROUNDING TOWNS. THE PRIMARY SERVICE AREA (WHICH INCLUDES WATERBURY, NAUGATUCK, PROSPECT AND WOLCOTT, CT) HAS A POPULATION OF APPROXIMATELY 165,400. THE SECONDARY SERVICE AREA HAS A POPULATION OF APPROXIMATELY 144,600. THE MAJORITY OF SAINT MARY'S HOSPITAL PATIENTS LIVE IN THE CITY OF WATERBURY WHICH IS PARTICULARLY ECONOMICALLY DISTRESSED. THE MEDIAN HOUSEHOLD INCOME IS \$40,867, WHICH IS SIGNIFICANTLY LESS THAN THE OVERALL SERVICE AREA, WHICH IS APPROXIMATELY \$69,500. THE UNEMPLOYMENT RATE IN THE CITY OF WATERBURY IN SEPTEMBER 2014 WAS 12.5%. THIS IS HIGHER THAN THE STATE OF CONNECTICUT UNEMPLOYMENT RATE OF 7.8% APPROXIMATELY 35.9% OF THE POPULATION IN WATERBURY SPEAKS A LANGUAGE OTHER THAN ENGLISH IN THE HOME. THIS IS HIGHER THAN THE STATE OF CONNECTICUT WHERE 23.8% OF THE POPULATION SPEAKS A LANGUAGE OTHER THAN ENGLISH IN THE HOME. IN ADDITION, 17.1% OF FAMILIES IN WATERBURY HAVE POVERTY STATUS COMPARED TO 6.7% IN CONNECTICUT.



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CENTRAL WATERBURY HAS BEEN DESIGNATED A MEDICALLY UNDERSERVED AREA (MUA) AND MEDICALLY UNDERSERVED POPULATION (MUP) BY THE HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA). HRSA HAS ALSO DESIGNATED CENTRAL WATERBURY AS A HEALTH PROFESSIONAL SHORTAGE AREA (HPSA) FOR PRIMARY MEDICAL CARE, DENTAL CARE AND MENTAL HEALTH.

PART II AND PART VI, LINE 5

SMH'S COMMUNITY BUILDING ACTIVITIES INCLUDE THE FOLLOWING: DISASTER PREPAREDNESS; CONTRIBUTIONS TO THE WATERBURY ELIMINATES LEAD HAZARDS PROGRAM; HEALTH CARE ADVOCACY; A VARIETY OF WORKFORCE DEVELOPMENT INITIATIVES INCLUDING LECTURES TO ADDRESS HEALTHCARE WORKFORCE SHORTAGES, RECRUITING MINORITIES AND DIVERSE LANGUAGES, AND SPEAKING TO YOUTH ABOUT CAREERS IN HEALTHCARE; PARTICIPATION IN THE CONNECTICUT HOSPITAL ASSOCIATION'S DIVERSITY COLLABORATIVE; UNITED WAY DAY OF CARING; AND PUBLIC LANDSCAPE ENHANCEMENT AMONG OTHERS. THESE ACTIVITIES PROMOTE HEALTH IN MANY WAYS. THE EFFORTS OF OUR DISASTER PREPAREDNESS COMMITTEE ABOVE AND BEYOND WHAT IS REQUIRED OF THEM HELPS TO PREPARE OUR STAFF AND COORDINATE PLANS WITH OTHER LOCAL AGENCIES (FIRE, POLICE, ETC) IN THE

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EVENT THAT A LOCAL DISASTER WOULD OCCUR. THE WATERBURY ELIMINATES LEAD HAZARDS PROGRAM COLLABORATES WITH OTHER LOCAL AGENCIES TO IDENTIFY LEAD HAZARDS IN THE COMMUNITY AND EDUCATE AND TREAT INDIVIDUALS IN AN EFFORT TO PREVENT LEAD HAZARDS THROUGHOUT THE COMMUNITY. A VARIETY OF SMH STAFF ADVOCATE FOR HEALTHCARE REFORM BOTH LOCALLY AND AT THE STATE LEVEL IN AN EFFORT TO IMPROVE ACCESS TO HEALTHCARE AND PUBLIC HEALTH. THE VARIOUS WORKFORCE DEVELOPMENT INITIATIVES ASSURE ACCESS TO HEALTHCARE SERVICES IN OUR COMMUNITY WHILE MAINTAINING HUMAN RESOURCES. BOTH THE UNITED WAY DAY OF CARING AND PUBLIC LANDSCAPE ENHANCEMENT CLEAN UP OUR COMMUNITIES TO PROVIDE A SAFE AND HEALTHY ENVIRONMENT FOR EVERYONE TO WORK, PLAY AND LIVE.

PART II AND PART VI, LINE 5

SAINT MARY'S HOSPITAL OFFERS A VARIETY OF FREE PROGRAMS AND SERVICES THAT ARE SUBSIDIZED BY THE HOSPITAL. FROM MEDICAL AND SURGICAL SERVICES FOR THE UNINSURED AND UNDERINSURED TO HEALTH EDUCATION, SUPPORT GROUPS AND COMMUNITY OUTREACH PROGRAMS, SAINT MARY'S PLAYS AN INTEGRAL ROLE IN THE COMMUNITY WHILE RESPONDING TO THE UNIQUE HEALTHCARE NEEDS OF THE

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RESIDENTS OF GREATER WATERBURY.

EXAMPLES OF SAINT MARY'S MANY COMMUNITY BENEFIT PROGRAMS AND SERVICES

PROGRAM, WHICH PROVIDES FREE MAMMOGRAMS FOR WOMEN WHO ARE AGE 40 OR OLDER AND HAVE LITTLE OR NO HEALTH INSURANCE. SAINT MARY'S IS THE ONLY HOSPITAL IN WATERBURY OFFERING THIS PROGRAM, WHICH HAS ASSISTED MORE THAN 2,500 WOMEN SINCE 1995. THE PROGRAM IS OFFERED THROUGH SAINT MARY'S CHILDREN'S AND FAMILY HEALTH CENTER. OTHER EXAMPLES OF SAINT MARY'S COMMUNITY BENEFIT PROGRAMS AND SERVICES INCLUDE SUPPORT GROUPS THAT ARE HOSTED AND SUPPORTED BY THE HOSPITAL FOR PATIENTS SUFFERING FROM ASTHMA AND OUR "BEYOND GRIEF" GROUP PROVIDES BEREAVEMENT SUPPORT FOR ADULTS.

ONE OF THE PROGRAMS THAT HAS HAD AN IMPACT IS CALLED "TEEN GRIEF," WHICH PROVIDES CONFIDENTIAL BEREAVEMENT SUPPORT TO STUDENTS OF LOCAL MIDDLE AND HIGH SCHOOLS. ESTABLISHED BY A PEDIATRIC SOCIAL WORKER FROM SAINT MARY'S CHILDREN'S AND FAMILY HEALTH CENTER IN THE WAKE OF THE TERRORIST ATTACKS OF SEPTEMBER 2001, THIS PROGRAM IS SUPPORTED IN PART BY A GRANT FROM THE J. WALTON BISSELL FOUNDATION. THIS IN SCHOOL PROGRAM ALLOWS TEENS TO COPE

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WITH THEIR GRIEF IN A POSITIVE WAY AND PROVIDES THEM WITH A SAFE PLACE TO EXPRESS THEIR FEELINGS AND LEARN FROM THE EXPERIENCES OF THEIR PEERS. IN ADDITION TO THESE PROGRAMS SAINT MARY'S ALSO HAS SUCCESSFUL PARTNERSHIPS WITH OTHER COMMUNITY ORGANIZATIONS SUCH AS THE GREATER WATERBURY UNITED WAY, WELLPATH BEHAVIORAL HEALTH FOR CHILDREN AND FAMILIES, AND THE MORRIS FOUNDATION, WHICH OFFERS TREATMENT, PREVENTION, EDUCATION, AND RECOVERY SUPPORT FOR INDIVIDUALS WITH SUBSTANCE ABUSE AND BEHAVIORAL HEALTH ISSUES. THE HOSPITAL HAS ALSO FORGED COLLABORATIONS TO BRING WORLD-CLASS HEALTHCARE SERVICES TO THE COMMUNITY THROUGH: - THE HAROLD LEEVER REGIONAL CANCER CENTER, A FREESTANDING 40,000-SQUARE-FOOT FACILITY DEDICATED TO OUTPATIENT CANCER CARE, WHICH IS A JOINT VENTURE PARTNERSHIP BETWEEN SAINT MARY'S HOSPITAL AND WATERBURY HOSPITAL; - THE HEART CENTER OF GREATER WATERBURY, WHICH PROVIDES ADVANCED CARDIAC SERVICES, INCLUDING ANGIOPLASTY AND OPEN HEART SURGERY, THROUGH A PARTNERSHIP BETWEEN SAINT MARY'S HOSPITAL, WATERBURY HOSPITAL AND THE UNIVERSITY OF CONNECTICUT HEALTH CENTER/JOHN DEMPSEY HOSPITAL. EXTENDING ITS REACH.

SAINT MARY'S CHILDREN'S AND FAMILY HEALTH CENTER HAS BEEN RECOGNIZED BY

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THE CONNECTICUT LEGISLATURE, STATE CHILD ADVOCACY GROUPS AND THE NATIONAL INITIATIVE FOR CHILD HEALTHCARE QUALITY AS A LEADER AND MODEL PRACTICE IN THE CARE OF CHILDREN WITH SPECIAL HEALTHCARE NEEDS BASED ON ITS "MEDICAL HOME" MODEL OF CARE.

FORMALLY KNOWN AS THE NORTHWEST REGIONAL MEDICAL HOME SUPPORT CENTER, THIS HOSPITAL-BASED PROGRAM PROVIDES ASSISTANCE TO CAREGIVERS OF CHILDREN WITH SPECIAL HEALTHCARE NEEDS AND HAS EXPANDED TO FIVE LOCATIONS: SAINT MARY'S CHILDREN'S HEALTH CENTER, LITCHFIELD COUNTY PEDIATRICS IN TORRINGTON, PEDIATRIC ASSOCIATES OF WESTERN, CT, PEDIATRIC ASSOCIATES OF CT AND THE MEDICAL/PEDIATRICS RESIDENCY TRAINING PROGRAM OPERATED JOINTLY BY SAINT MARY'S HOSPITAL AND YALE-NEW HAVEN HOSPITAL.

THE PROGRAM PROVIDES:

- CARE COORDINATION
- FAMILY SUPPORT
- ADVOCACY
- TITLE V FUNDS

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- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

0 BENEFITS COORDINATION

WORKING WITH CAREGIVERS, THE "MEDICAL HOME" PROGRAM HELPS CREATE CUSTOMIZED CARE PLANS AND BRINGS TOGETHER RESOURCES THAT FAMILIES WITH CHILDREN OF SPECIAL NEEDS DEPEND UPON. THE PROGRAM PARTNERS WITH PEDIATRIC CARE PROVIDERS TO MEET THE DIVERSE NEEDS OF CAREGIVERS AND FAMILIES OF CHILDREN WITH SPECIAL HEALTHCARE NEEDS. WORKING THROUGH REHABILITATION AND SCHOOL SERVICES, COMMUNITY AGENCIES AND DEPARTMENT OF SOCIAL SERVICES, THE PROGRAM ESTABLISHES TRANSITION PLANS FOR CHILDREN LEAVING THE PROGRAM AT AGE 21. THE UNITED STATES MATERNAL AND CHILD HEALTH BUREAU DEFINES CHILDREN WITH SPECIAL HEALTHCARE NEEDS (CSHCN) AS THOSE WHO HAVE OR ARE AT INCREASED RISK FOR: CHRONIC PHYSICAL, DEVELOPMENTAL, BEHAVIORAL OR EMOTION CONDITIONS (EXPECTED TO LAST AT LEAST A YEAR); AND THOSE WHO REQUIRE HEALTH AND RELATED SERVICES OF A TYPE OR AMOUNT BEYOND THAT REQUIRED BY CHILDREN GENERALLY. EIGHTEEN PERCENT OF CHILDREN IN THE UNITED STATES ARE INCLUDED IN THAT DEFINITION.

**Part VI** Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
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- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

IN ADDITION TO THE COMMUNITY BUILDING ACTIVITIES IDENTIFIED IN RESPONSE TO QUESTION 5 AND THE QUANTIFIED FREE OR DISCOUNTED HEALTH SERVICES IDENTIFIED IN THE REPORTED CHARITY CARE FIGURES, SMH PROVIDES OTHER COMMUNITY BENEFITS. EXAMPLES INCLUDE SCREENINGS, LECTURES, HEALTH FAIRS, SUPPORT GROUPS, CONSULTATIONS, REFERRALS TO OUTSIDE AGENCIES AND OTHERS.

HEALTH PROFESSIONS EDUCATION: SMH IS A TEACHING HOSPITAL AND IS COMMITTED TO PREPARING FUTURE HEALTHCARE PROFESSIONALS. THIS CATEGORY REPRESENTS THE MAJORITY OF SMH'S COMMUNITY BENEFIT ACTIVITIES AND INCLUDES EFFORTS TO GENERATE INTEREST IN HEALTH PROFESSIONS AS WELL AS PROVIDING A CLINICAL SITE FOR MEDICAL STUDENTS, HIGH SCHOOL STUDENTS AND COLLEGES FOR STUDENTS WHO ARE PURSUING DEGREES AS NURSES, PHYSICIAN ASSISTANTS (PA), OCCUPATIONAL, SPEECH AND PHYSICAL THERAPISTS, DENTAL HYGIENISTS, RADIOLOGY TECHNOLOGISTS AND MORE.

SUBSIDIZED SERVICES: SMH PROVIDES HEALTH SERVICES TO PATIENTS WITH NO INSURANCE OR STATE INSURANCE INCLUDING EMERGENCY SERVICES AND BEHAVIORAL

**Part VI** Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

HEALTH CLINICS.

FINANCIAL AND IN-KIND CONTRIBUTIONS: SMH FINANCIALLY SUPPORTS OTHER  
COMMUNITY ORGANIZATIONS THROUGH SPONSORSHIPS AND IN-KIND DONATIONS VIA  
TIME SPENT BY STAFF IN THE COMMUNITY ON LOCAL BOARDS AND VOLUNTEERING  
TIME FOR LOCAL ORGANIZATIONS.

COMMUNITY BENEFIT OPERATIONS: THE COSTS ASSOCIATED WITH PLANNING AND  
OPERATING COMMUNITY BENEFIT PROGRAMS ARE IN ITSELF A BENEFIT TO THE  
COMMUNITY. THIS CATEGORY ALSO INCLUDES COSTS ASSOCIATED WITH CONDUCTING  
A COMMUNITY HEALTH NEEDS ASSESSMENT AS WELL AS DEVELOPING AN  
IMPLEMENTATION STRATEGY.

RESEARCH

STATE CANCER REGISTRIES ENABLE PUBLIC HEALTH PROFESSIONALS TO BETTER  
UNDERSTAND AND ADDRESS CANCER. SUCH INFORMATION IS ESSENTIAL FOR  
IDENTIFYING WHEN AND WHERE CANCER SCREENING EFFORTS SHOULD BE ENHANCED  
AND FOR MONITORING THE TREATMENT PROVIDED TO CANCER PATIENTS. IN



**Part VI Supplemental Information**

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
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- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ADDITION, RELIABLE REGISTRY DATA IS FUNDAMENTAL TO A VARIETY OF RESEARCH EFFORTS, INCLUDING THOSE AIMED AT EVALUATING THE EFFECTIVENESS OF CANCER PREVENTION, CONTROL OR TREATMENT PROGRAMS. THE DATA IS REPORTED TO A CENTRAL STATEWIDE REGISTRY FROM VARIOUS MEDICAL FACILITIES INCLUDING HOSPITALS, PHYSICIANS' OFFICES, THERAPEUTIC RADIATION FACILITIES, FREESTANDING SURGICAL CENTERS AND PATHOLOGY LABORATORIES. DURING FISCAL YEAR 2014, THE TOTAL COST ASSOCIATED WITH THE SAINT MARY'S HOSPITAL CANCER REGISTRY WAS \$165,239.

PART VI, LINE 6

SAINT MARY'S HOSPITAL PLAYS AN INDISPENSABLE ROLE IN THE HEALTHCARE DELIVERY SYSTEM FOR THE GREATER WATERBURY COMMUNITY AND THE TOWNS OF THE CENTRAL NAUGATUCK VALLEY. FOUNDED IN 1907 BY THE SISTERS OF SAINT JOSEPH OF CHAMBERY, SAINT MARY'S HAS BEEN THE CATHOLIC BEACON OF HEALING AND HOPE IN THE COMMUNITY FOR 100 YEARS. BUILT IN THE HEART OF THE CITY AND WITHIN CLOSE DISTANCE OF ITS ONCE-THRIVING BRASS MILLS SO THAT IT COULD RESPOND READILY TO INJURED WORKERS, THE HOSPITAL HAS EVOLVED INTO A DIVERSE HEALTH SYSTEM THAT TODAY PROVIDES A VARIETY OF HEALTHCARE,

**Part VI Supplemental Information**

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

EDUCATIONAL, FINANCIAL AND OTHER BENEFITS TO THE PEOPLE IT SERVES.

SMH AFFILIATED ORGANIZATIONS SHARE THE GOAL OF PROMOTING HEALTHY LIVING AND DISEASE DETECTION AND PREVENTION THROUGHOUT THE WATERBURY COMMUNITY.

THE HEART CENTER OF GREATER WATERBURY IS A PARTNERSHIP ORGANIZATION WITH SOLE MEMBERS: SAINT MARY'S HOSPITAL AND WATERBURY HOSPITAL. THE HEART CENTER PROMOTES HEALTHY LIVING AND CARDIOVASCULAR DISEASE DETECTION THROUGH SUPPORT GROUPS, SCREENINGS, COMMUNITY HEALTH BOARD INVOLVEMENT, AND COMMUNITY EDUCATION.

THE HAROLD LEEVER CANCER CENTER IS A PARTNERSHIP ORGANIZATION WITH SOLE MEMBERS: SAINT MARY'S HOSPITAL AND WATERBURY HOSPITAL. THE HAROLD LEEVER CANCER CENTER PROMOTES CANCER AWARENESS AND SUPPORT FOR PATIENTS THROUGH SUPPORT GROUPS, SCREENINGS AND COMMUNITY EDUCATION.

SAINT MARY'S HOSPITAL FOUNDATION IS A 501(C)(3) WHOLLY OWNED SUBSIDIARY

**Part VI** Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COMPANY OF SAINT MARY'S HEALTH SYSTEM. THE FOUNDATION SUPPORTS THE HOSPITAL'S MISSION BY RAISING MONEY TO BENEFIT A VARIETY OF COMMUNITY NEEDS.

FRANKLIN MEDICAL GROUP IS A CAPTIVE PROFESSIONAL CORPORATION OF MULTI-SPECIALTY PHYSICIANS AFFILIATED WITH SAINT MARY'S HOSPITAL. THE MEDICAL GROUP OPERATES THE CHILDREN'S AND FAMILY HEALTH CENTER, DENTAL CLINIC AND A VARIETY OF CLINICS OFTEN BENEFITING THE UNINSURED POPULATION. IN ADDITION TO PATIENT CARE, PATIENTS BENEFIT FROM A VARIETY OF FREE OR DISCOUNTED SERVICES.

PART VI, LINE 7

CT

PART I, LINE 3C

OUTSTANDING PATIENT ACCOUNT BALANCES LABELED AS SELF PAY, MAY BE SENT TO AN OUTSIDE VENDOR FOR VERIFICATION OF ASSETS. PATIENTS THAT ARE CLASSIFIED AS HAVING NO ASSETS WILL BE WRITTEN OFF TO CHARITY CARE.

Public Disclosure Copy

SCHEDULE J  
(Form 990)

Compensation Information

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

2013

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

Open to Public Inspection

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Department of the Treasury  
Internal Revenue Service

Name of the organization  
ST. MARY'S HOSPITAL, INC.

Employer identification number  
06-0646844

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                                |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations                | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- |   |    |   |   |
|---|----|---|---|
| a Receive a severance payment or change-of-control payment?                             | 4a | X |   |
| b Participate in, or receive payment from, a supplemental nonqualified retirement plan? | 4b | X |   |
| c Participate in, or receive payment from, an equity-based compensation arrangement?    | 4c |   | X |
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- |                             |    |  |   |
|-----------------------------|----|--|---|
| a The organization?         | 5a |  | X |
| b Any related organization? | 5b |  | X |
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- |                             |    |   |   |
|-----------------------------|----|---|---|
| a The organization?         | 6a | X |   |
| b Any related organization? | 6b |   | X |
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1a		
1b		
2		
3		
4a	X	
4b	X	
4c		X
5a		X
5b		X
6a	X	
6b		X
7		X
8		X
9		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2013

Public Disclosure Copy

06-0646844

ST. MARY'S HOSPITAL, INC.

Page 2

Schedule J (Form 990) 2013

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

	(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	CHAD WABLE PRESIDENT AND CEO	537,551.	180,000.	37,965.	151,575.	35,214.	942,305.	32,316.
2	JAMES UBERTI, M.D. DIRECTOR	204,314.		774.	6,176.	3,851.	215,115.	
3	ROBERT RILEY, CFO CFO (FORMER)	225,836.		581.	9,211.	23,636.	259,264.	
4	SANDRA ROOSA VP PATIENT SVC	231,837.	57,061.	414.	11,700.	27,846.	328,858.	
5	MICHAEL NOVAK VP OPERATIONS	17,113.	10,000.	188,305.		5,125.	220,543.	
6	CAROLYN ORRELL CIO (FORMER)	199,507.	48,644.	1,218.	10,951.	25,711.	286,031.	
7	M. CLARK KEARNEY VP HUMAN RESOURCES	160,067.	24,959.	331.	9,403.	27,667.	222,427.	
8	JOSEPH CONNOLLY CHIEF MARKETING OFFICER							
9	STEPHEN SCHNEIDER, MD CMO	351,095.	87,500.	1,188.	11,700.	43,948.	495,431.	
10	GREG BULLER, MD CHAIRMAN, DEPT. OF MEDICINE	254,786.		774.	15,300.	3,465.	274,325.	
11	ELIZABETH BOZZUTO VP SURGICAL SERVICES	231,261.	57,288.	1,553.	26,134.	21,656.	337,892.	
12								
13								
14								
15								
16								

Schedule J (Form 990) 2013

Public Disclosure Copy

ST. MARY'S HOSPITAL, INC.

06-0646844

Schedule J (Form 990) 2013

Part III Supplemental Information

Page 3

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE J - PART I, LINE 4A

SANDRA ROOSA'S EMPLOYMENT CONTRACT INCLUDED A PROVISION FOR SALARY CONTINUATION. FOR PURPOSES OF SCHEDULE H, THE AMOUNT IS INCLUDED IN OTHER REPORTABLE COMPENSATION IN COLUMN B(III).

CAROLYN ORRELL RECEIVED A ONE YEAR SEVERANCE PACKAGE. THE AMOUNT IS INCLUDED IN COLUMN B(III).

SCHEDULE J - PART I - LINE 4B

CHAD WABLE PARTICIPATES IN A 457(F) DEFERRED COMPENSATION PLAN. THE CONTRIBUTION FROM 2008 BECAME VESTED DURING FISCAL YEAR 2014. FOR PURPOSES OF SCHEDULE J, THE AMOUNT IS INCLUDED IN OTHER REPORTABLE COMPENSATION IN COLUMN B(III). IT IS ALSO LISTED IN COLUMN (F) AS IT WAS PREVIOUSLY REPORTED AS DEFERRED COMPENSATION ON A PRIOR FORM 990.

SCHEDULE J - PART I - QUESTION 6A

EACH SENIOR LEADER IS PROVIDED A BONUS BASED ON NET EARNINGS AND OTHER CORPORATE GOALS. THE BONUS IS CONTINGENT ON CORPORATE GOALS AND

OBJECTIVES EACH YEAR. DURING FY2014, THERE WERE 5 OBJECTIVES: PEOPLE,

JSA

3E1505 1.000

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06-0646844

ST. MARY'S HOSPITAL, INC.

**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SERVICE, QUALITY, FINANCE, AND GROWTH. THE BONUS IS COMPUTED ON A PERCENTAGE ALLOCATION FOR THE WEIGHT OF EACH OBJECTIVE WHICH IS DIFFERENT FOR EACH SENIOR LEADER BASED ON THEIR JOB FUNCTION.

**SCHEDULE L**  
**(Form 990 or 990-EZ)**

**Transactions With Interested Persons**

OMB No. 1545-0047

**2013**

**Open To Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.  
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization

ST. MARY'S HOSPITAL, INC.

Employer identification number

06-0646844

**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

- 2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ \$ \_\_\_\_\_
- 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
			(1)									
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
<b>Total</b> . . . . . ▶ \$												

**Part III Grants or Assistance Benefiting Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2013



Schedule L (Form 990 or 990-EZ) 2013

**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) NAUGATUCK VALLEY WOMENS HEALTH	DIRECTOR - M. ALBINI	346,000.	SEE PART V FOR DESCRIPTIO		X
(2) WEBSTER FINANCIAL SERVICES	DIRECTOR - J. SMITH	505,110.	SEE PART V FOR DESCRIPTIO		X
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

**Part V Supplemental Information**

Provide additional information for responses to questions on Schedule L (see instructions).

PART IV

DR. MARK ALBINI IS A MEMBER OF THE BOARD OF DIRECTORS OF SAINT MARY'S HOSPITAL, INC. DURING THE YEAR ENDING SEPTEMBER 30, 2014, THE HOSPITAL PAID DR. ALBINI'S PRACTICE, NAUGATUCK VALLEY WOMEN'S HEALTH, PC, \$297,000 IN FEES FOR SERVICE. IN ADDITION, DR. ALBINI WAS PAID \$49,000 BY SAINT MARY'S HOSPITAL FOR SERVICES PERFORMED DIRECTLY BY HIM FOR THE HOSPITAL.

MR. JAMES C. SMITH IS A MEMBER OF THE BOARD OF DIRECTORS OF SAINT MARY'S HEALTH SYSTEM, WHICH IS THE PARENT HOLDING COMPANY OF SAINT MARY'S HOSPITAL, INC. MR. SMITH IS ALSO THE CHAIRMAN OF WEBSTER BANK. THE HOSPITAL HAS A LINE OF CREDIT THROUGH WEBSTER BANK, THE BALANCE OF THE LINE OF CREDIT AT THE END OF THE REPORTING PERIOD WAS \$0. DURING THE YEAR ENDED SEPTEMBER 30, 2014, THE HOSPITAL INCURRED \$3,025 IN FEES ON THE LINE OF CREDIT AND PAID \$116,016 IN BANKING FEES.

THE HOSPITAL ALSO PAYS WEBSTER FINANCIAL ADVISORS, A COMPANY RELATED TO THE WEBSTER BANK, TO ADMINISTER ITS PENSION PLAN AND OTHER INVESTMENT MANAGEMENT SERVICES. DURING THE YEAR ENDED SEPTEMBER 30, 2014, SAINT

**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

**Part V Supplemental Information**

Provide additional information for responses to questions on Schedule L. (see instructions).

MARY'S HOSPITAL, INC. AND ITS AFFILIATES PAID \$159,316 FOR INVESTMENT  
MANAGEMENT SERVICES AND \$226,753 FOR ADMINISTRATION OF THE HOSPITAL'S  
RETIREMENT PLAN ASSETS.

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SCHEDULE O  
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

2013

Open to Public  
Inspection

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

Department of the Treasury  
Internal Revenue Service

Name of the organization

Employer identification number

ST. MARY'S HOSPITAL, INC.

06-0646844

990 PART III - LINE 4A

INPATIENT SERVICES SAINT MARY'S REMAINS COMMITTED TO PROVIDING THE  
HIGHEST QUALITY CARE FOR OUR PATIENTS. THE HOSPITAL PROVIDED INPATIENT  
TREATMENT FOR 11,698 INPATIENTS IN 2014, WITH AN AVERAGE LENGTH OF STAY  
OF 4.23 DAYS. SAINT MARY'S THREE LARGEST PROGRAMS ARE SURGERY,  
CARDIOLOGY AND MEDICINE.

IN 2014, 867 PATIENTS CHOSE TO HAVE GENERAL SURGERY AT SAINT MARY'S,  
STAYING AT THE HOSPITAL FOR A TOTAL OF 4,924 DAYS AND GENERATED \$14  
MILLION IN REVENUE; 1,354 PATIENTS CHOSE SAINT MARY'S FOR CARDIAC CARE,  
STAYING IN THE HOSPITAL FOR A TOTAL OF 5,854 DAYS AND GENERATING \$19  
MILLION IN REVENUE; AND 4,004 PATIENTS RECEIVED INPATIENT MEDICAL CARE,  
STAYING IN THE HOSPITAL FOR A TOTAL OF 19,158 DAYS, AND GENERATING \$39  
MILLION IN REVENUE.

AS THE HOSPITAL CONTINUES TO DISTINGUISH ITSELF AS A LEADING PROVIDER OF  
HEALTHCARE SERVICES IN THE REGION, IT HAS GARNERED RECOGNITION FROM STATE  
AND NATIONAL ORGANIZATIONS FOR PROVIDING OUTSTANDING PATIENT CARE.

SAINT MARY'S HOSPITAL IS RANKED AS THE TOP-PERFORMING HOSPITAL IN  
CONNECTICUT FOR DELIVERING PERCUTANEOUS CORONARY INTERVENTION (PCI), A  
LIFE-SAVING PROCEDURE THAT OPENS THE BLOCKED ARTERIES OF HEART ATTACK  
PATIENTS. THE NATIONAL STANDARD STATES THAT PATIENTS SHOULD RECEIVE THIS  
PROCEDURE WITHIN 90 MINUTES OF ARRIVAL AT THE HOSPITAL. ACCORDING TO THE

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Schedule O (Form 990 or 990-EZ) 2013

Page 2

Name of the organization

ST. MARY'S HOSPITAL, INC.

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FEDERAL CENTERS FOR MEDICARE AND MEDICAID (CMS), 100 PERCENT OF PATIENTS WHO REQUIRE ANGIOPLASTY RECEIVE IT AT SAINT MARY'S WITHIN 90 MINUTES OF ARRIVAL. THIS RANKS SAINT MARY'S AS THE NUMBER ONE PERFORMING HOSPITAL IN CONNECTICUT, AND SIGNIFICANTLY AHEAD OF THE NATIONAL AVERAGE, WHICH IS 79 PERCENT OF PATIENTS BEING TREATED WITHIN 90 MINUTES.

IN ADDITION, SAINT MARY'S IS THE FIRST HOSPITAL IN CONNECTICUT TO RECEIVE A GOLD AWARD UNDER THE AMERICAN HEART ASSOCIATION'S GET WITH THE GUIDELINES PROGRAM FOR ITS TREATMENT OF PATIENTS WITH CORONARY ARTERY DISEASE. IT IS ALSO THE FIRST HOSPITAL IN THE STATE TO RECEIVE A GOLD AWARD FOR ITS TREATMENT OF PATIENTS WITH HEART FAILURE. AS OF FISCAL YEAR 2014, SAINT MARY'S HAS RECEIVED SIX GOLD AWARDS FOR CARDIAC CARE. THESE ACCOMPLISHMENTS ARE INDICATIVE OF THE EXTRAORDINARY CROSS-DISCIPLINE COLLABORATION AND OVERALL COMMITMENT TO CLINICAL EXCELLENCE SHARED BY THE SAINT MARY'S TEAM.

IN THE 2014 FISCAL YEAR, SAINT MARY'S ALSO ACHIEVED THE HIGHEST SCORES IN THEIR RESPECTIVE SIZE/GEOGRAPHIC GROUP EARNING THEM A SPOT ON THE CLEVERLY ASSOCIATES COMMUNITY VALUE 100 LIST FOR BEING A TOP VALUE HOSPITAL. IN ADDITION IN 2014, SAINT MARY'S WAS ONE OF ONLY 712 HOSPITALS IN THE UNITED STATES TO ACHIEVE THE TOP PERFORMER DISTINCTION TWO YEARS IN A ROW FROM THE JOINT COMMISSION.

IN ADDITION, SAINT MARY'S IS A LEADER IN SURGICAL SERVICES. OUR PHYSICIANS PROVIDE BOTH IN-PATIENT AND OUT-PATIENT SURGERY IN THE AREAS

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Name of the organization ST. MARY'S HOSPITAL, INC.	Employer identification number 06-0646844
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OF GI, ONCOLOGY, THORACIC, VASCULAR, LAPAROSCOPY, TRAUMA, GYNECOLOGY, UROLOGY, NEUROSURGERY, ORTHOPEDICS, CARDIOTHORACIC, PLASTIC, BARIATRIC AND ENDOCRINE SURGERY AT SAINT MARY'S HOSPITAL.

OUR EXPERIENCED SURGEONS PERFORM ADVANCED ROBOTIC-ASSISTED PROCEDURES UTILIZING TWO DAVINCI® ROBOTIC SURGICAL SYSTEMS. THIS INNOVATIVE TECHNOLOGY IS BECOMING THE STANDARD OF CARE FOR MANY COMPLEX SURGICAL PROCEDURES WITH APPLICATIONS FOR GYNECOLOGIC, UROLOGIC, THORACIC, CARDIAC AND GENERAL SURGERY. AS THE LEADING PROVIDER OF SURGICAL SERVICES IN THE REGION, SAINT MARY'S IS COMMITTED TO PROVIDING THE HIGHEST QUALITY AND SUPERIOR SERVICE FOR OUR PATIENTS. DURING FISCAL YEAR 2014, SAINT MARY'S PERFORMED 653 SURGERIES USING THE DAVINCI® ROBOTIC SURGICAL SYSTEMS.

IN ADDITION, THE HOSPITAL OFFERS A COMPREHENSIVE SIX- YEAR TRAINING PROGRAM IN GENERAL SURGERY. SAINT MARY'S HOSPITAL IS COMMUNITY BASED AND BOASTS A CLOSE AFFILIATION TO YALE UNIVERSITY IN NEARBY NEW HAVEN, CONNECTICUT, AND THE UNIVERSITY OF CONNECTICUT IN FARMINGTON, CONNECTICUT. HISTORICALLY, NEARLY ONE HALF OF THE RESIDENTS COMPLETING THIS PROGRAM HAVE PURSUED FURTHER TRAINING IN CARDIOTHORACIC, COLON AND RECTAL, PLASTIC AND RECONSTRUCTIVE, SURGICAL ONCOLOGY, OR VASCULAR SURGERY.

990 PART III - LINE 4B

SAINT MARY'S HEALTH SYSTEM EXTENDS FROM WATERBURY TO WOLCOTT, NAUGATUCK, SOUTHURY AND PROSPECT. IN 2014, 216,818 PATIENTS CHOSE SAINT MARY'S FOR OUTPATIENT CARE. THE HEALTH SYSTEM'S TWO LARGEST PROGRAMS ARE ITS

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EMERGENCY DEPARTMENT, WHICH PROVIDED TREATMENT TO 62,335 PATIENTS IN 2014, GENERATING \$26 MILLION IN REVENUE, AND AMBULATORY SURGERY. IN 2014, 14,313 PATIENTS CHOSE TO HAVE OUTPATIENT SURGERY AT SAINT MARY'S, GENERATING \$47 MILLION IN REVENUE.

OUTPATIENT SERVICES INCLUDE BUT ARE NOT LIMITED TO: MEDICAL IMAGING, BLOOD DRAW AND LAB SERVICES, CARDIAC AND PULMONARY REHABILITATION CLASSES, NUTRITIONAL COUNSELING AND EXPECTANT PARENT CLASSES. SAINT MARY'S SATELLITE FACILITIES INCLUDE HEALTH AND WELLNESS CENTERS PROVIDING URGENT CARE, BLOOD DRAW STATIONS AND X-RAY SERVICES IN NAUGATUCK AND WOLCOTT; OUTPATIENT REHABILITATION THERAPY OFFICES IN WATERBURY, WOLCOTT AND NAUGATUCK; OUTPATIENT SLEEP DISORDERS CENTERS IN WATERBURY AND WOLCOTT; THE BREAST & ONCOLOGY CENTERS IN SOUTHBURY AND PROSPECT, AND OCCUPATIONAL THERAPY IN WATERBURY.

SAINT MARY'S HAS BEEN RECOGNIZED AT THE STATE AND NATIONAL LEVELS AS A DISTINGUISHED PROVIDER OF OUTPATIENT SERVICES.

ONE ADDITION TO THE OUTPATIENT SERVICES INCLUDED THE LIONS LOW VISION CENTER WHICH IS ONE OF ONLY FIVE CENTERS IN CONNECTICUT AND THE ONLY CENTER OF ITS KIND IN GREATER WATERBURY. SPECIALISTS COLLABORATE WITH PATIENTS' EYE CARE PROFESSIONALS AND HELP PATIENTS MAKE THE MOST OF THEIR AVAILABLE VISION WITH EXERCISES, COMPENSATORY STRATEGIES, AND TRAINING WITH LOW VISION AIDES.

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SAINT MARY'S IS AMONG THE LARGEST AND BUSIEST EMERGENCY DEPARTMENTS IN THE STATE OF CONNECTICUT. IN FACT, WITH APPROXIMATELY 67,000 EMERGENCY VISITS PER YEAR, WE RANK AS THE 9TH BUSIEST IN THE STATE.

THE SAINT MARY'S EMERGENCY DEPARTMENTS IS A CERTIFIED LEVEL 2 TRAUMA CENTER, AND ALL PHYSICIANS ARE BOARD CERTIFIED IN EMERGENCY MEDICINE. THE EMERGENCY DEPARTMENT PLAYS A CRITICAL ROLE IN HELPING SAINT MARY'S ACHIEVE ITS EXTRAORDINARY PERFORMANCE WITH DOOR-TO-BALLOON TIME, A MEASURE OF THE TIME IT TAKES A HEART ATTACK VICTIM TO HAVE HIS OR HER BLOCKED ARTERIES OPENED. SAINT MARY'S MEDIAN DOOR-TO-BALLOON TIME IS 60 MINUTES. SAINT MARY'S DOOR-TO-BALLOON TIME IS 30 MINUTES FASTER THAN NATIONAL GUIDELINES SET BY THE AMERICAN COLLEGE OF CARDIOLOGY FOR OPENING BLOCKED ARTERIES.

THE DEPARTMENT ALSO PROVIDES AMBULATORY CARE SERVICES, WHICH ARE DESIGNED TO ACCOMMODATE NON-EMERGENT, LOWER ACUITY NEEDS. THIS UNIT CONTAINS A PEDIATRIC CENTER, WHICH IS STAFFED BY PEDIATRICIANS EACH AFTERNOON.

FINALLY, THE EMERGENCY DEPARTMENT CONTAINS A DEDICATED BEHAVIORAL HEALTH AREA, SUPPORTED BY A PSYCHIATRIST, SOCIAL WORKER AND SPECIALIZED NURSES. THIS UNIT PROVIDES A MUCH NEEDED RESOURCE FOR SERVING OUR PATIENT POPULATION, AND HAS SEEN CONTINUED GROWTH AND INCREASE IN DEMAND.

SAINT MARY'S CANCER PROGRAM WAS AWARDED A THREE-YEAR ACCREDITATION FROM THE AMERICAN COLLEGE OF SURGEONS' COMMISSION ON CANCER WITH COMMENDATION.

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Name of the organization ST. MARY'S HOSPITAL, INC.	Employer identification number 06-0646844
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ONLY 40 PERCENT OF ALL U.S. HOSPITALS SURVEYED BY THE COMMISSION ACHIEVE THIS LEVEL OF RECOGNITION. ACS ACCREDITATION ENSURES THAT PATIENTS WHO CHOOSE SAINT MARY'S FOR CANCER CARE HAVE ACCESS TO A COMPLETE RANGE OF STATE-OF-THE-ART SERVICES AND EQUIPMENT, A TEAM THAT COORDINATES THE BEST AVAILABLE TREATMENT OPTIONS, AND ACCESS TO CLINICAL TRIALS AND NEW TREATMENT OPTIONS, AS WELL AS EARLY DETECTION PROGRAMS, EDUCATION AND SUPPORT SERVICES.

SAINT MARY'S WOUND HEALING CENTER IS STAFFED BY A SPECIALIZED TEAM OF PHYSICIANS, SURGEONS, NURSES AND TECHNICIANS, WHO COLLABORATE TO PRODUCE THE BEST POSSIBLE OUTCOMES. ON AVERAGE, 92.7 PERCENT OF PATIENTS WHO COME TO THE CENTER WITH CHRONIC WOUNDS THAT HAVE RESISTED TRADITIONAL TREATMENT ACHIEVE SUCCESSFUL RESULTS WITHIN 14 WEEKS. SPECIALIZED WOUND CARE ALSO HELPS PATIENTS WITH DIABETIC ULCERS, PRESSURE ULCERS, INFECTIONS AND COMPROMISED SKIN GRAFTS. IN ADDITION THE CENTER OFFERS HYPERBARIC OXYGEN THERAPY, WHICH IS PARTICULARLY EFFECTIVE FOR PATIENTS WHO SUFFER FROM RADIATION DAMAGE OR FACE THE POSSIBILITY OF AMPUTATION.

FORM 990, PART III

BUILDING UPON A LEGACY OF CARING THE MISSION OF SAINT MARY'S HOSPITAL IS TO PROVIDE EXCELLENT HEALTHCARE SERVICES IN A SPIRITUALLY ENRICHED ENVIRONMENT TO IMPROVE THE HEALTH OF OUR COMMUNITY.

IT IS THE HOSPITAL'S VISION TO BECOME AN INTEGRATED NETWORK OF HEALTHCARE PROVIDERS CREATING EXCEPTIONAL VALUE FOR THOSE WE SERVE THROUGH TRUSTED PARTNERSHIPS THAT EMPOWER AND TRANSFORM LIVES. THE HOSPITAL'S STAFF,



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MEDICAL STAFF, BOARD OF DIRECTORS, FOUNDATION, AUXILIARY, AND VOLUNTEERS

ARE ALSO UNITED BY THESE VALUES:

- INTEGRITY - COMMITMENT TO DOING WHAT IS RIGHT
- CARING - COMPASSIONATE APPROACH TO ADDRESSING THE HEALTHCARE NEEDS OF ALL PEOPLE
- ACCOUNTABILITY - PERSONAL RESPONSIBILITY FOR THE PERFORMANCE OF SAINT MARY'S HEALTH SYSTEM
- RESPECT - RESPECT FOR THE DIGNITY, WORTH, AND RIGHTS OF OTHERS
- EXCELLENCE - WORKING TOGETHER IN PURSUIT OF SUPERIOR CLINICAL QUALITY AND SERVICE TO OTHERS

990 PART VI SECTION A LINE 7A

SAINT MARY'S HEALTH SYSTEM, INC. IS THE SOLE MEMBER OF SAINT MARY'S HOSPITAL, INC. AND APPOINTS THE BOARD OF DIRECTORS.

ARE THE DECISIONS OF THE GOVERNING BODY SUBJECT TO APPROVAL

990 PART VI SECTION A LINE 7B

PURSUANT TO THE PROVISIONS OF SECTION 33-1080(B) OF THE CONNECTICUT REVISED NON-STOCK CORPORATION ACT AND THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF THE CORPORATION, THERE SHALL BE RESERVED TO THE ARCHBISHOP OF THE HARTFORD ROMAN CATHOLIC ARCHDIOCESE OF HARTFORD (UNLESS SPECIFICALLY DELEGATED BY HIM) THE FOLLOWING RIGHTS AND POWERS:  
(A) TO APPROVE THE MISSION OR PURPOSE AND THE PHILOSOPHY OF THE CORPORATION AND OF ANY SAINT MARY'S SUBSIDIARIES. (B) TO APPROVE THE ACQUISITION, ALIENATION OR CONVEYANCE OF THE REAL PROPERTY OF THE CORPORATION THAT IS VALUED AT AN AMOUNT GREATER THAN THAT ESTABLISHED BY

Public Disclosure Copy

Name of the organization ST. MARY'S HOSPITAL, INC.	Employer identification number 06-0646844
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THE UNITED STATES CONFERENCE OF CATHOLIC BISHOPS PURSUANT TO CANON LAW OR TO PLACE A MORTGAGE ON SUCH PROPERTY OR TO BORROW FUNDS IN AMOUNTS GREATER THAN THOSE ESTABLISHED BY THE UNITED STATES CONFERENCE OF CATHOLIC BISHOPS PURSUANT TO CANON LAW, WHETHER IN A SINGLE TRANSACTION OR A SERIES OF RELATED TRANSACTIONS. (C) TO APPROVE THE DISPOSAL OF ALL OR SUBSTANTIALLY ALL OF THE PHYSICAL ASSETS OF THE CORPORATION AND TO APPROVE THE MERGER OR CONSOLIDATION OF THE CORPORATION. (D) TO APPROVE THE AMENDMENT OF THE CERTIFICATE OF INCORPORATION OR THE BYLAWS OF THE CORPORATION.

PART VI, SECTION B, LINE 11A

THE FORM 990 WAS DISTRIBUTED TO BOARD MEMBERS AND THE ORGANIZATION'S FINANCE COMMITTEE FOR THEIR REVIEW PRIOR TO FILING TO ENSURE ACCURACY AND COMPLETENESS. A COMPLETE COPY OF THE ORGANIZATION'S FINAL FORM 990, INCLUDING ALL REQUIRED SCHEDULES, AS ULTIMATELY FILED WITH THE IRS, WAS PROVIDED TO EACH MEMBER OF THE BOARD BEFORE ITS FILING WITH THE IRS.

990 PART VI - SECTION B - LINE 12C

ANNUALLY, EACH DIRECTOR, OFFICER, AND BOARD COMMITTEE MEMBER OF SMHS AND ANY OF ITS AFFILIATES, AS APPROPRIATE, WILL SIGN A STATEMENT WHICH AFFIRMS THAT THE PERSON:

- 1) HAS RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY;
- 2) HAS READ AND UNDERSTANDS THE POLICY; AND
- 3) HAS AGREED TO COMPLY WITH THE POLICY.

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Name of the organization ST. MARY'S HOSPITAL, INC.	Employer identification number 06-0646844
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THE STATEMENTS WILL BE DISTRIBUTED ANNUALLY BY THE COMPLIANCE OFFICER AND RETURNED TO THE CEO OR DELEGATED PERSON, WHERE THEY WILL BE RECORDED, REVIEWED, SUMMARIZED AND PRESENTED TO THE CHAIRPERSON OF THE BOARD, AS WELL AS TO THE AUDIT AND GOVERNANCE COMMITTEES, WHERE THEY EXISTS. CONFLICT OF INTEREST STATEMENTS WILL BE MAINTAINED FOR A MINIMUM OF SEVEN YEARS BY THE COMPLIANCE OFFICER.

CONFLICT OF INTEREST FORMS PROVIDED BY OFFICERS, DIRECTORS AND BOARD COMMITTEE MEMBERS WILL BE FORWARDED TO THE COMPLIANCE OFFICER, ALONG WITH A STATEMENT OF IMPACT AS TO THE EFFECT OF THE CONFLICT OF INTEREST ON THE BUSINESS AND ANY ACTION TAKEN TO MINIMIZE THE EFFECT. THEY WILL BE MAINTAINED BY THE COMPLIANCE OFFICER FOR A MINIMUM OF SEVEN YEARS.

990 PART VI - SECTION B - LINES 15A & 15B

THE PROCESS FOR DETERMINING THE COMPENSATION OF THE HOSPITAL'S TOP MANAGEMENT OFFICIALS, INCLUDING THE CEO, ALL OFFICERS, AND KEY EMPLOYEES, MEET THE THREE REQUIREMENTS OF THE REBUTTABLE PRESUMPTION. THE COMPENSATION ARRANGEMENT IS APPROVED IN ADVANCE BY THE ORGANIZATION'S EXECUTIVE COMPENSATION COMMITTEE. THE COMMITTEE IS APPOINTED BY THE BOARD OF DIRECTORS FOR THE PURPOSE OF ASSISTING THE BOARD TO FULFILL ITS RESPONSIBILY TO THE HOSPITAL AND THE COMMUNITY TO ENSURE THE COMPENSATION IS IN ACCORDANCE WITH THE HOSPITAL'S POLICIES. THE COMMITTEE IS COMPRISED OF SIX DIRECTORS WHO ARE INDEPENDENT OF MANAGEMENT AND THE HOSPITAL AND FREE OF ANY CONFLICTS OF INTEREST THAT WOULD INTERFERE WITH THEIR EXERCISE OF INDEPENDENT JUDGEMENT. PRIOR TO MAKING ANY COMPENSATION DECISIONS, THE EXECUTIVE COMPENSATION COMMITTEE OBTAINED AND

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Name of the organization ST. MARY'S HOSPITAL, INC.	Employer identification number 06-0646844
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RELIED UPON APPROPRIATE DATA AS TO COMPARABILITY. THE COMMITTEE CONTRACTS AN INDEPENDENT COMPENSATION CONSULTANT AND UTILIZES LOCAL AND NATIONAL COMPENSATION SURVERY'S TO SET COMPENSATION LEVELS. FINALLY, THE EXECUTIVE COMPENSATION COMMITTEE ADEQUATELY AND TIMELY DOCUMENTED THE BASIS FOR SETTING COMPENSATION CONCURRENTLY WITH THE MAKING OF THE DETERMINATION.

PART VI, SECTION C, QUESTION 19

COPIES OF THE GOVERNING DOCUMENTS, CONFLICTS OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

PART XI, LINE 9

TRANSFERS TO AFFILIATES	(\$14,778,000)
MINIMUM PENSIONS LIAB CHANGE	(\$13,377,000)
CHANGE IN FOUNDATION INTEREST	\$ 351,580
NET ADDITIONS TO ASSETS HELD IN TRUST	\$ 426,000
OTHER	(\$ 47,173)
TOTAL	(\$27,424,593)

ATTACHMENT 1

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
SODEXHO INC. & AFFILIATES PO BOX 905374 CHARLOTTE, NC 28290	HOSPITAL MGMT SVCS	3,285,079.

Public Disclosure Copy

Name of the organization ST. MARY'S HOSPITAL, INC.	Employer identification number 06-0646844
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ATTACHMENT 1 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
MIDDLE CT EMERGENCY PHYSICIANS 1000 RIVER ROAD, SUITE 100 CONSHOHOCKEN, PA 19428	EMERGENCY ROOM SVCS	2,825,989.
PRECYSE SOLUTIONS LLC PO BOX 11407 BIRMINGHAM, AL 35246	CONTRACT LABOR SVCS	3,886,995.
FINANCIAL HEALTH STRATEGIES 704 QUINCE ROAD, SUITE 300 GAITHERSBURG, MD 20878	CONTRACT LABOR SVCS	1,449,472.
ANTHELIO ONE FINANCIAL CENTER BOSTON, MA 02111	HOSP MGMT/IT HOSTING	2,599,856.

ATTACHMENT 2

FORM 990, PART VIII - INVESTMENT INCOME

<u>DESCRIPTION</u>	<u>(A) TOTAL REVENUE</u>	<u>(B) RELATED OR EXEMPT REVENUE</u>	<u>(C) UNRELATED BUSINESS REV.</u>	<u>(D) EXCLUDED REVENUE</u>
MRI PARTNERSHIP INCOME	-55,484.			-55,484.
DIAGNOSTIC IMAGING CENTER INCOME	646,709.			646,709.
PREMIER INCOME	667,720.		-4,499.	672,219.
HLRCC JV NET INCOME	-423,587.			-423,587.
DIVIDEND & INTEREST REVENUE	2,931,875.			2,931,875.
TOTALS	<u>3,767,233.</u>		<u>-4,499.</u>	<u>3,771,732.</u>

ATTACHMENT 3

Public Disclosure Copy

Schedule O (Form 990 or 990-EZ) 2013

Page 2

Name of the organization

ST. MARY'S HOSPITAL, INC.

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ATTACHMENT 3 (CONT'D)

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>COST OR FMV</u>
MARKETABLE SECURITIES	18,505,914.	20,802,742.	FMV
TOTALS	<u>18,505,914.</u>	<u>20,802,742.</u>	

Public Disclosure Copy

06-0646844

ST. MARY'S HOSPITAL, INC.

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**  
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
 ▶ Attach to Form 990. ▶ See separate instructions.  
 ▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Open to Public Inspection

Name of the organization

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06-0646844

**Part I Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) ST. MARY'S INDEMNITY COMPANY, LLC 126 COLLEGE STREET BURLINGTON, VT 05401 06-0646844	INSURANCE	VT	2,523,000.	46,719,000.	ST MARY HOSP
(2) ST. MARY'S PHYSICIAN PARTNERS, LLC 56 FRANKLIN STREET WATERBURY, CT 06706 46-5760769	ACCOUNT. CARE	CT	0	0	ST MARY HOSP
(3) -----					
(4) -----					
(5) -----					
(6) -----					

**Part II Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) ST. MARY'S HEALTH SYSTEM, INC. 56 FRANKLIN STREET WATERBURY, CT 06703 22-2528399	HOLDING CO.	CT	501(C)(3)	11B	N/A		X
(2) SAINT MARY'S FOUNDATION 56 FRANKLIN STREET WATERBURY, CT 06703 22-2528400	FUNDRAISING	CT	501(C)(3)	7	ST MARY HOSP	X	
(3) HAROLD LEEVER REGIONAL CANCER CENTER 1075 CHASE PARKWAY WATERBURY, CT 06708 06-1548409	TREATMENT CTR	CT	501(C)(3)	3	ST MARY HOSP	X	
(4) HEART CENTER OF GREATER WATERBURY, INC. P.O. BOX 2153 WATERBURY, CT 06722 83-0416893	MANAGEMENT	CT	501(C)(3)	11A	ST MARY HOSP	X	
(5) -----							
(6) -----							
(7) -----							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2013

Public Disclosure Copy

ST. MARY'S HOSPITAL, INC.

06-0646844

**Part III Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocation?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) DIAGNOSTIC IMAGING OF SOUTHBUR 385 MAIN STREET SOUTH	IMAGING CENTER	CT	N/A	RELATED	735,013.	1,412,020.		X	0			60.0000
(2) -----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(3) -----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(4) -----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(5) -----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(6) -----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(7) -----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) FRANKLIN MEDICAL GROUP, PC 56 FRANKLIN STREET WATERBURY, CT 06706	PHYSICIAN OFF	CT	N/A	C CORP	-12,810,000.	5,492,000.	100.0000		X
(2) -----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(3) -----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(4) -----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(5) -----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(6) -----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(7) -----	-----	-----	-----	-----	-----	-----	-----	-----	-----



ST. MARY'S HOSPITAL, INC.

Schedule R (Form 990) 2013

**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

		Yes	No
<p><b>Note.</b> Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.                      1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?                      a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity                      b Gift, grant, or capital contribution to related organization(s)                      c Gift, grant, or capital contribution from related organization(s)                      d Loans or loan guarantees to or for related organization(s)                      e Loans or loan guarantees by related organization(s)                      f Dividends from related organization(s)                      g Sale of assets to related organization(s)                      h Purchase of assets from related organization(s)                      i Exchange of assets with related organization(s)                      j Lease of facilities, equipment, or other assets to related organization(s)                      k Lease of facilities, equipment, or other assets from related organization(s)                      l Performance of services or membership or fundraising solicitations for related organization(s)                      m Performance of services or membership or fundraising solicitations by related organization(s)                      n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)                      o Sharing of paid employees with related organization(s)                      p Reimbursement paid to related organization(s) for expenses                      q Reimbursement paid by related organization(s) for expenses                      r Other transfer of cash or property to related organization(s)                      s Other transfer of cash or property from related organization(s)</p>			
2		If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.	
(a)	(b)	(c)	(d)
Name of related organization	Transaction type (e-s)	Amount involved	Method of determining amount involved
(1) FRANKLIN MEDICAL GROUP, PC	B	14,281,747.	FMV
(2) FRANKLIN MEDICAL GROUP, PC	M	2,961,355.	FMV
(3) DIAGNOSTIC IMAGING OF SOUTHBURY, LLC	S	546,000.	FMV
(4) ST. MARY'S HOSPITAL FOUNDATION, INC.	C	75,420.	FMV
(5) FRANKLIN MEDICAL GROUP, PC	O	495,431.	FMV
(6)			

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ST. MARY'S HOSPITAL, INC.

Schedule R (Form 990) 2013

Page 4

**Part VI** Unrelated Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)		(19)	
																	Yes	No		
(1)																				
(2)																				
(3)																				
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Schedule R (Form 990) 2013

**Part VII** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).



**SAINT MARY'S HOSPITAL, INC.**

Consolidated Financial Statements and  
Consolidating Information

September 30, 2014 and 2013

(With Independent Auditors' Report Thereon)

**SAINT MARY'S HOSPITAL, INC.**  
Consolidated Financial Statements and  
Consolidating Information  
September 30, 2014 and 2013

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KPMG LLP  
One Financial Plaza  
755 Main Street  
Hartford, CT 06103

## Independent Auditors' Report

The Board of Directors  
Saint Mary's Hospital, Inc.:

We have audited the accompanying consolidated financial statements of Saint Mary's Hospital, Inc. (the Hospital), as of September 30, 2014 and 2013, which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We 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 the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 Saint Mary's Hospital, Inc. as of September 30, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



*Other Matter*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in Exhibits 1 and 2 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

December 22, 2014

SAINT MARY'S HOSPITAL, INC.

Consolidated Balance Sheets

September 30, 2014 and 2013

(In thousands)

Assets	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents	\$ 25,797	28,902
Short-term investments	17	29
Current portion of assets whose use is limited	5,948	8,039
Accounts receivable, net of estimated uncollectibles of \$8,975 in 2014 and \$9,392 in 2013	30,196	30,730
Other current assets	6,612	4,357
Total current assets	<u>68,570</u>	<u>72,057</u>
Marketable securities	20,803	18,506
Assets whose use is limited:		
By donor and held in trust by others	15,696	15,258
For estimated self-insurance liability	41,038	31,394
By bond indenture	4,321	4,324
Net interest in Foundation	5,182	4,874
Other	6	6
Total assets whose use is limited	<u>66,243</u>	<u>55,856</u>
Less current portion of assets whose use is limited	5,948	8,039
Noncurrent assets whose use is limited	<u>60,295</u>	<u>47,817</u>
Property and equipment, net	62,371	63,874
Other assets:		
Investments in joint venture arrangements	10,024	10,697
Deferred financing costs, net	103	128
Total other assets	<u>10,127</u>	<u>10,825</u>
Total assets	<u>\$ 222,166</u>	<u>213,079</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Current portion of long-term obligations	\$ 2,509	2,490
Accounts payable	17,252	20,899
Salaries, wages, and payroll withholdings	5,643	4,734
Due to third-party payors, net	783	6,035
Accrued expenses and other current liabilities	14,308	16,486
Total current liabilities	<u>40,495</u>	<u>50,644</u>
Long-term liabilities:		
Long-term obligations, net of current portion	17,891	20,374
Estimated self-insurance liability	31,814	21,908
Pension and deferred compensation	72,182	58,823
Other long-term liabilities	9,523	10,172
Total long-term liabilities	<u>131,410</u>	<u>111,277</u>
Net assets:		
Unrestricted Hospital	30,795	32,332
Noncontrolling interest in subsidiaries	370	302
Total unrestricted	<u>31,165</u>	<u>32,634</u>
Temporarily restricted	2,415	2,269
Permanently restricted	16,681	16,255
Total net assets	<u>50,261</u>	<u>51,158</u>
Total liabilities and net assets	<u>\$ 222,166</u>	<u>213,079</u>

See accompanying notes to consolidated financial statements.



**SAINT MARY'S HOSPITAL, INC.**  
Consolidated Statements of Operations  
Years ended September 30, 2014 and 2013  
(In thousands)

	2014	2013
Revenues:		
Revenue from patient services, net of contractual allowances	\$ 279,161	268,899
Provision for uncollectible accounts, net of recoveries	(11,074)	(12,878)
Net revenue from patient services	268,087	256,021
Other operating revenues	9,776	6,871
Total revenues	277,863	262,892
Expenses:		
Salaries and wages	113,207	108,642
Employee benefits	28,620	31,294
Supplies and other expenses	115,262	103,072
Depreciation and amortization	10,455	9,977
Interest	1,438	1,594
Total expenses	268,982	254,579
Operating income	8,881	8,313
Nonoperating gains (losses):		
Investment income, net	3,824	2,390
Equity in earnings of joint ventures	189	1,170
Change in net assets of Foundation	281	437
Net loss on disposal of assets	(46)	(230)
Other	(283)	(1,572)
Total nonoperating gains, net	3,965	2,195
Excess revenues over expenses	12,846	10,508
Net assets released from restriction for capital expenditures	(48)	545
Capital transactions with affiliates	(363)	(519)
Change in unrealized (losses) gains on marketable securities and other assets whose use is limited	(527)	401
Change in accumulated pension charges to unrestricted net assets	(13,377)	20,819
(Decrease) increase in unrestricted net assets	\$ (1,469)	31,754

See accompanying notes to consolidated financial statements.

**SAINT MARY'S HOSPITAL, INC.**  
Consolidated Statements of Changes in Net Assets  
Years ended September 30, 2014 and 2013  
(In thousands)

	2014	2013
Unrestricted net assets:		
Excess of revenues over expenses	\$ 12,846	10,508
Net assets released from restriction for capital expenditures	(48)	545
Capital transactions with affiliates	(363)	(519)
Change in unrealized (losses) gains on marketable securities and other assets whose use is limited	(527)	401
Change in accumulated pension charges to unrestricted net assets	(13,377)	20,819
(Decrease) increase in unrestricted net assets	(1,469)	31,754
Temporarily restricted net assets:		
Change in net assets of Foundation	146	(100)
Change in net assets of Cancer Center, including releases for capital expenditures	—	(177)
Increase (decrease) in temporarily restricted net assets	146	(277)
Permanently restricted net assets:		
Net earnings on assets held in trust by others	1,177	1,653
Appropriation for expenditure	(751)	(704)
Increase in permanently restricted net assets	426	949
(Decrease) increase in net assets	(897)	32,426
Net assets – beginning of year	51,158	18,732
Net assets – end of year	\$ 50,261	51,158

See accompanying notes to consolidated financial statements.

**SAINT MARY'S HOSPITAL, INC.**  
Consolidated Statements of Cash Flows  
Years ended September 30, 2014 and 2013  
(In thousands)

	2014	2013
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (897)	32,426
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	10,480	10,003
Net loss on disposal of assets	46	230
Change in unrealized losses (gains) on investments	527	(401)
Change in net interest in Foundation	(308)	(379)
Change in net assets of Cancer Center	—	177
Change in accumulated pension charges to unrestricted net assets	13,377	(20,819)
Change in permanently restricted net assets	(426)	(949)
Investment income, net	(3,824)	(2,390)
Equity in earnings of joint ventures	(189)	(1,170)
(Increase) decrease in operating assets:		
Accounts receivable, net	534	3,287
Other current assets	(2,255)	125
Increase (decrease) in operating liabilities:		
Due to third-party payors, net	(5,252)	(972)
Accounts payable and other current liabilities	(6,702)	1,522
Estimated self-insurance liability	9,906	2,846
Pension, deferred compensation, and other long-term liabilities	(667)	526
Net cash provided by operating activities	14,350	24,062
Cash flows from investing activities:		
Purchases of property and equipment	(7,212)	(15,479)
Distributions from joint ventures	546	420
Investments in joint venture arrangements	316	272
Change in other assets whose use is limited	(6,258)	106
Change in assets held in trust by others	426	949
Net decrease in investments	(2,812)	(2,052)
Net cash used in investing activities	(14,994)	(15,784)
Cash flows from financing activities:		
Change in assets whose use is limited by bond indenture	3	(224)
Payments on long-term obligations	(2,464)	(1,676)
Net cash used in financing activities	(2,461)	(1,900)
Net (decrease) increase in cash and cash equivalents	(3,105)	6,378
Cash and cash equivalents – beginning of year	28,902	22,524
Cash and cash equivalents – end of year	\$ 25,797	28,902
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 1,402	1,558
Supplemental disclosure of noncash item:		
Assets acquired under capital lease	\$ —	600

See accompanying notes to consolidated financial statements.

**SAINT MARY'S HOSPITAL, INC.**

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

**(1) Organization**

Saint Mary's Hospital, Inc. (the Hospital) is an acute care hospital located in Waterbury, Connecticut. The Hospital was founded in 1907 and is licensed for 347 beds and 32 newborn bassinets. The Hospital currently staffs 168 beds and 20 newborn bassinets. The Hospital provides a broad range of inpatient and outpatient services including a number of medical and surgical specialties, obstetrics, pediatrics, mental health, alcohol and substance abuse rehabilitation (outpatient) and off-site ambulatory services.

The Hospital's parent holding company is Saint Mary's Health System, Inc. (SMHS). Saint Mary's Hospital Foundation, Inc. (the Foundation) was organized to raise funds to support the Hospital. SMHS is the sole member of the Hospital and the Foundation.

The Hospital has four consolidated subsidiaries: Franklin Medical Group, P.C. (Franklin), a for-profit Connecticut corporation; Saint Mary's Indemnity Company, LLC (the Indemnity Company) a Vermont limited liability company; Diagnostic Imaging of Southbury, LLC (the Diagnostic Center), a for-profit Connecticut corporation and Saint Mary's Physician Partners, LLC (Physician Partners) a Connecticut limited liability company.

The Indemnity Company was formed during June 2009 to provide professional and general liability insurance to the Hospital, Franklin, and community physicians.

The Hospital has a 60% equity interest in the Diagnostic Center, which provides diagnostic imaging services. The remaining interest is accounted for as noncontrolling interest in the accompanying consolidated financial statements.

Physician Partners was formed during July 2014 as a Medicare Shared Savings Plan (MSSP) Accountable Care Organization (ACO). The company had no activity in fiscal year 2014 and; therefore is not included in the consolidating schedules.

The assets, liabilities and operations of the Hospital's Auxiliary have not been reflected in the accompanying consolidated financial statements. Such amounts are not considered significant to the Hospital's consolidated financial position or results of its operations.

**(2) Community Benefit (Unaudited)**

The Hospital is a community teaching hospital that serves the healthcare needs of the Central Naugatuck Valley area. Like other healthcare providers across the nation, the Hospital is faced with the challenge of serving those in need with fewer resources. Although the Hospital cannot meet community needs alone, it is committed to seek out unmet community needs and to be a catalyst in efforts to ensure an adequate community-wide response from government and public organizations in fulfilling community needs.

**(a) Charity and Uncompensated Care**

As part of fulfilling its mission, the Hospital provides care to all patients in need, regardless of their ability to pay. The Hospital has a formalized charity care policy that identifies which patients are deemed "charity care". During 2014 and 2013, the costs associated with the charges foregone, measured using a ratio of cost to charge, related to charity care were approximately \$328,000 and \$94,000, respectively.

**SAINT MARY'S HOSPITAL, INC.**

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

Many patients without insurance do not complete the application for charity care. The Hospital, upon performing an asset verification, makes a determination whether the patient would have qualified for the charity care. During 2012, the costs associated with the charges foregone related to these patients were approximately \$1,340,000. During 2013, a system conversion limited the Hospital's ability to undertake an asset verification. As such, these costs are classified in the provision for uncollectible accounts. The Hospital implemented a solution at the end of fiscal year 2014, which will allow the Hospital to perform these types of verifications. The Hospital believes that had it performed the asset verifications throughout the fiscal year, costs associated with these patients for fiscal year 2014 and 2013 would have been fairly consistent with fiscal year 2012.

In addition, the Hospital provides care to patients covered by governmental healthcare programs. During 2014 and 2013, the Hospital estimates that the cost of providing this care exceeded compensation by \$11,082,000 and \$11,336,000, respectively.

**(b) Education, Research and Training**

As a community teaching hospital affiliated with Yale School of Medicine, the Hospital has residency programs for general surgery, internal medicine and dental. These programs educate in excess of 50 residents and medical students per year. In addition to its residency programs, the Hospital furthers its educational mission by offering allied health programs affiliated with area educational facilities.

**(c) Wellness and Health Promotional Activities**

The Hospital provides many activities to promote the concept of healthy lifestyles, including the publishing and free distribution of *Thrive*, which reaches more than 30,000 community households, health risk screenings, health fairs, support groups, a web-based physician search tool, and a health content library available via the Hospital's website ([www.stmh.org](http://www.stmh.org)).

**(d) Leadership, Advocacy and Voluntarism**

The Hospital's employees are responsive to the community in the areas of planning, governance and service by annually providing thousands of hours of volunteer services, participating on boards of directors and advisory councils, testifying before public policy bodies and working with other healthcare organizations to develop healthcare policies for all persons. The Hospital also provides volunteer opportunities for community residents. The Hospital recognizes donated goods and services at their appraised or estimated value if they create or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. The volunteer services the Hospital received do not meet this criteria for recognition in the accompanying consolidated financial statements, but the volunteers donate a significant amount of time to the Hospital. In fiscal years 2014 and 2013, approximately 171 and 168 volunteers spent more than 21,100 hours and 20,400 hours, respectively, of service in Hospital departments.

**(e) Dollar, Time and In-kind Donations**

The Hospital also provides services to neighborhood schools and organizations at no cost. Contributions are made to programs, organizations and foundations for efforts on behalf of the poor, the disadvantaged and the general population. The Hospital also provides a variety of in-kind

**SAINT MARY'S HOSPITAL, INC.**

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

services including education on parenting and child abuse prevention and use of Hospital space for community meetings.

**(f) Other Support Services**

The Hospital provides outreach and social support services to patients. Programs such as the Sleep Disorders Support Group and the Chronic Lung Disorders/Pulmonary Support Group are integral to the healing of patients, and represent the Hospital's overall commitment to the continuum of care.

**(3) Summary of Significant Accounting Policies**

**(a) Basis of Presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. All intercompany transactions have been eliminated in consolidation.

**(b) Patient Service Revenue**

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. 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.

**(c) Charity Care and Provision for Uncollectible Accounts**

The Hospital provides care to patients who meet certain criteria under its financial assistance policy without charge or at amounts less than its established rates. Because the Hospital does not anticipate collection of amounts determined to qualify as charity care, they are not reported as revenue.

The Hospital grants credit without collateral to patients, most of whom are local residents and are insured under third-party arrangements. Additions to the allowance for uncollectible accounts are made by means of the provision for uncollectible accounts. Accounts written off as uncollectible are deducted from the allowance and subsequent recoveries are added. The amount of the provision for uncollectible accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental health care coverage and other collection indicators.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less.

**SAINT MARY'S HOSPITAL, INC.**

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

The Hospital invests its surplus operating funds in overnight repurchase agreement investments. These investments are collateralized with securities issued by the United States Government or its agencies and are not covered by FDIC insurance.

**(e) *Assets Whose Use is Limited***

Assets whose use is limited primarily include assets held by others pursuant to donor restrictions, by trustees under indenture agreements, and by a wholly owned captive insurance company for professional and general liability insurance.

**(f) *Marketable Securities***

Investments in equity securities, mutual funds and all investments in debt securities are reported at fair value based on readily determinable fair market values or estimated fair value in the accompanying consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses unless the investments are trading securities or are considered to be other than temporarily impaired.

The Hospital has followed a policy of reviewing all investments that have been below cost by at least 25% for three quarters. Unless specific evidence exists to the contrary, the adjustments of these investments to fair value (i.e. new cost basis) is reflected as an other than temporary impairment. The Hospital recorded \$46,000 and \$43,000 of other than temporary impairments on investments in 2014 and 2013, respectively, which are included in investment income, net in the accompanying consolidated statements of operations.

Investment securities, in general, are exposed to various risks. Recent market conditions have resulted in an unusually high degree of volatility and increased the risks and short term liquidity of certain investments held by the Hospital which could impact the value of investments after the date of these consolidated financial statements.

**(g) *Property and Equipment***

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Costs for repairs and maintenance are expensed as incurred.

Gifts of long-lived assets are reported as unrestricted support, and are excluded from the excess (deficiency) of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restriction that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

**SAINT MARY'S HOSPITAL, INC.**

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

The Hospital reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value and may not be recoverable.

*(h) Investments in Joint Venture Arrangements*

Investments in joint venture arrangements, generally in the form of partnership interests, are accounted for using the equity method of accounting.

*(i) Fair Value of Financial Instruments*

FASB ASC 820 establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

- *Level 1* – Inputs into the valuation methodology are the unadjusted quoted prices for identical assets or liabilities in active markets that the Hospital has the ability to access.
- *Level 2* – Inputs into the valuation methodology include quoted prices for similar assets or liabilities in active and inactive markets, other than quoted prices that are observable for specific assets or liabilities, and values that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified contractual term, the value must be observable for substantially the full term of the asset or liability.
- *Level 3* – Inputs into the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets held in trust by others represents a donor established perpetual trust held and administered by an outside trustee. The Hospital owns an interest in the trust rather than in the securities underlying the trust, and therefore it is generally required to consider such investments as Level 3 for the purposes of applying ASC 820. Such classification is based on the inability to redeem the investment, even though the underlying securities may not be difficult to value or may be readily marketable. Accordingly, the inputs or methodology used for valuing or classifying investments for financial reporting purposes are not necessarily an indication of the risk associated with investing in those investments.

The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Hospital believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



**SAINT MARY'S HOSPITAL, INC.**  
Notes to Consolidated Financial Statements  
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The carrying amount of patient accounts receivable, accounts payable, and accrued expenses approximate fair value because of the short maturity of these accounts.

**(j) Net Interest in Foundation**

The Hospital recognizes an asset for its interest in the net assets of the Foundation, which is a financially interrelated recipient organization, as defined. The change in the Foundation's net assets during 2014 and 2013 is shown separately in the accompanying consolidated statements of operations and changes in net assets. The Hospital's interest is classified as net interest in Foundation on the accompanying consolidated balance sheets.

**(k) Net Asset Categories**

To ensure observance of limitations and restrictions placed on the use of resources available to the Hospital, the accounts of the Hospital are maintained in the following net asset categories:

*Unrestricted* – Unrestricted net assets represent available resources other than donor restricted contributions. Included in unrestricted net assets are assets set aside by the board of directors for future capital improvements or for other purposes, as deemed appropriate.

*Temporarily Restricted* – Temporarily restricted net assets represent contributions that are restricted by the donor either as to purpose or as to time of expenditure.

*Permanently Restricted* – Permanently restricted net assets represent contributions received with the donor restriction that the principal be invested in perpetuity and that only the income earned that the trustee does not reinvest be available for operations. The net appreciation of the value of investments held in trust by others remains in permanently restricted net assets until cash is transferred to the Hospital.

**(l) Excess of Revenues over Expenses**

Excess of revenues over expenses included in the consolidated statements of operations reflects the Hospital's performance measure. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments, except for losses that are deemed to be other than temporary, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets). Nonoperating gains and losses and equity in earnings of joint ventures are considered in the performance measure.

**(m) Income Taxes**

The Hospital is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes. The accompanying consolidated financial statements have been prepared on the basis that this tax-exempt status will be maintained.

Franklin is a for-profit organization subject to income taxes. Franklin has net operating loss carryforwards. A valuation allowance has been recorded as management believes realization of such carryforwards is doubtful.

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The Diagnostic Center is a pass-through entity. The Indemnity Company and Physician Partners are disregarded entities. The tax consequences of their operating results are assessed at the member level.

The Hospital recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount of benefit that is greater than fifty percent likely to be realized upon settlement. Changes in recognition in measurement are reflected in the period in which the change in judgment occurs. The Hospital did not recognize the effect of any income tax positions in either 2014 or 2013.

*(n) Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Financial statement areas where management applies the use of assumptions and estimates consist primarily of the allowance for uncollectible accounts, contractual allowances and related third-party accounts, the pension liability, and the estimated self-insurance liability.

*(o) Professional and General Liability*

The liability for unpaid losses and loss adjustment expenses includes estimates for reported losses, plus supplemental amounts calculated based upon loss projections utilizing the Indemnity Company's and insureds' historical data. In establishing this reserve, the Indemnity Company utilizes the findings of an independent consulting actuary. Management believes that its aggregate liability for unpaid losses and loss adjustment expenses at year-end represents its best estimate, based upon available data, of the amount necessary to cover the ultimate cost of losses.

The ultimate liability and receivable could be significantly in excess of or less than the amount indicated in the consolidated financial statements. As adjustments to these estimates become necessary, such adjustments will be reflected in current operations.

*(p) Recently Issued Accounting Pronouncements*

In July 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-07, *Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* (ASU 2011-07), which requires certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts. The amendments also require disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. ASU 2011-07 was effective for the Hospital's fiscal

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year beginning October 1, 2012, and the change in presentation did not significantly impact the Hospital's financial position, results of operations or cash flows.

**(q) Prior Year Reclassifications**

Certain prior year balances have been reclassified in order to be consistent with the current year presentation.

**(4) Net Revenue from Patient Services**

A substantial portion of net revenue from patient services is derived from funds provided on behalf of patients under federal and state medical assistance programs. Revenue from some of these sources is determined by the application of reimbursement principles and is subject to audit by the applicable agencies. In the opinion of management, such principles have been properly applied in the determination of net patient service revenue. Settlement notices have been received from the Medicare program and the Medicaid program through 2010 and 2000, respectively. 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 or as years are no longer subject to audits, reviews and investigations. Adjustments related to prior year estimates increased the Hospital's net revenues by approximately \$5,977,000 and \$3,775,000, respectively.

Net patient service revenues consist of inpatient revenues, principally from routine patient care and ancillary services and outpatient revenues from ancillary services, after considering allowances under agreements with various third-party payors and provisions for uncollectible accounts. A reconciliation of gross revenues to net revenues from patient services for the years ended September 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Gross revenue from patient services	\$ 733,919	670,163
Contractual and other allowances	(454,430)	(401,170)
Charity care	(328)	(94)
Provision for uncollectible accounts, net of recoveries	(11,074)	(12,878)
Net revenue from patient services	\$ 268,087	256,021

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The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of discounted rates based on the self-pay discount policy. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

	<b>Governmental and other third-party payors</b>	<b>Self-pay</b>	<b>Total all payors</b>
Revenue from patient services, net of contractual allowances, as of September 30, 2014	\$ 271,936	7,225	279,161
Revenue from patient services, net of contractual allowances, as of September 30, 2013	\$ 257,527	11,372	268,899

The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of gross receivables from private pay patients and third-party payors at September 30, 2014 and 2013 was as follows:

	<b>2014</b>	<b>2013</b>
Medicare (including Medicare managed care)	31.6%	31.9%
Medicaid	12.3	13.1
Other third-party payors	32.5	33.1
Private pay patients	23.6	21.9
	<u>100.0%</u>	<u>100.0%</u>

The Hospital's exposure to risk of nonpayment from private pay patients is more significant than other payors. However, the Hospital has recorded an estimate for uncollectible accounts, which, in management's opinion, is sufficient to provide for such risk. This estimate is based on a variety of factors including historical experience, the current economic environment and recent payment patterns.

**(5) Regulatory and Legislative Matters**

**(a) State of Connecticut Regulatory Environment**

Connecticut's acute care hospital regulatory system is currently administered by the State of Connecticut Office of Health Care Access (OHCA). The Hospital is subject to a regulatory system that includes the administration of a pool resulting in distribution of monies by the State to the Hospital.

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The Hospital is subject to legislation enacted in 2011 imposing a tax on certain net patient service revenues of hospitals and changes to the disproportionate share hospital payments (DSH) pursuant to 2011 Conn. Pub. Acts 6 (145-149), as amended by 2011 Conn. Pub. Acts 44 (102-103) and Conn. Pub. Acts 61 (79). The tax is paid on a quarterly basis. The Hospital recorded a tax of \$8,789,076 which has been offset with \$7,559,854 of DSH payments and is recorded in supplies and other expenses for the year ended September 30, 2014. The Hospital recorded a tax of \$8,789,076 which has been offset with \$8,748,914 of DSH payments and is recorded in net revenue from patients for the year ended September 30, 2013.

**(b) Federal Regulatory Environment**

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse and security and privacy of health information. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse regulations as well as other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

**(6) Marketable Securities and Assets Whose Use is Limited**

A comparison of cost and fair values of short-term investments, marketable securities, and assets whose use is limited, including the fair value of investments with unrealized losses that are not deemed other-than-temporarily impaired and the length of time the individual securities have been in a continuous unrealized loss position, at September 30, 2014 and 2013, is as follows (in thousands):

	2014					
	Total		Less than 12 months		12 months or more	
	Fair value	Cost	Fair value	Unrealized losses	Fair value	Unrealized losses
Cash and cash equivalents	\$ 18,630	18,630	—	—	—	—
Corporate bonds	11,820	11,807	1,062	(18)	4,559	(162)
U.S. government and agency obligations	14,023	13,990	2,926	(16)	1,686	(34)
Mutual funds	25,357	21,016	608	(9)	—	—
Equities	1,145	1,173	605	(62)	—	—
	<u>\$ 70,975</u>	<u>66,616</u>	<u>5,201</u>	<u>(105)</u>	<u>6,245</u>	<u>(196)</u>

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	2013					
	Total		Less than 12 months		12 months or more	
	Fair value	Cost	Fair value	Unrealized losses	Fair value	Unrealized losses
Cash and cash equivalents	\$ 2,671	2,671	—	—	—	—
Corporate bonds	15,083	15,885	4,668	(274)	734	(53)
U.S. government and agency obligations	13,769	12,984	3,731	(42)	304	(5)
Mutual funds	27,155	21,326	706	(16)	—	—
Equities	4,633	4,052	—	—	—	—
	<u>\$ 63,311</u>	<u>56,918</u>	<u>9,105</u>	<u>(332)</u>	<u>1,038</u>	<u>(58)</u>

The above tables include permanently restricted assets held by others whose fair value exceeded cost by \$1,209,000 at September 30, 2014 and \$2,807,000 at September 30, 2013. Excluded from the tables are unrestricted assets, held at the Foundation, whose fair value exceeded cost by \$496,000 at September 30, 2014 and \$587,000 at September 30, 2013.

Assets whose use is limited for estimated self-insurance includes approximately \$10,900,000 and \$6,200,000 of other assets, substantially receivables, as of September 30, 2014 and 2013, respectively.

The following table sets forth by level, within the fair value hierarchy, the Hospital's financial instruments at fair value as of September 30, 2014 (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 17,838	—	—	17,838
Domestic corporate bonds	—	9,838	—	9,838
U.S. government and agency obligations	—	12,347	—	12,347
Equity mutual funds	14,925	—	—	14,925
Equity funds	331	—	—	331
Total	<u>33,094</u>	<u>22,185</u>	<u>—</u>	<u>55,279</u>
Assets held in trust by others:				
Perpetual trust	—	—	15,696	15,696
Total	<u>\$ 33,094</u>	<u>22,185</u>	<u>15,696</u>	<u>70,975</u>

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The following table sets forth by level, within the fair value hierarchy, the Hospital's financial instruments at fair value as of September 30, 2013 (in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,307		—	2,307
Domestic corporate bonds	—	12,723	—	12,723
U.S. government and agency obligations	—	11,518	—	11,518
Equity mutual funds	17,017	—	—	17,017
Equity funds	4,488	—	—	4,488
Total	<u>23,812</u>	<u>24,241</u>	<u>—</u>	<u>48,053</u>
Assets held in trust by others:				
Perpetual trust	—	—	15,258	15,258
Total	<u>\$ 23,812</u>	<u>24,241</u>	<u>15,258</u>	<u>63,311</u>

Mutual funds and equities are traded actively on exchanges and price quotes for these shares are readily available.

For domestic and foreign bonds and U.S. government obligations multiple prices and price types are obtained from pricing vendors whenever possible, which enables cross-provider validations. A primary price source is identified based on asset type, class or issue for each security. The fair values of fixed-income securities are based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences.

The redemption period for the Hospital's financial instruments ranges from daily to monthly and require notification of one to five days, except for assets held in perpetual trust by others.

The following table presents additional information about investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended September 30 (in thousands):

	<u>2014</u>	<u>2013</u>
Perpetual trust:		
Fair value at beginning of the year	\$ 15,258	14,299
Net realized and change in unrealized gains	1,177	1,653
Appropriation of endowment assets for expenditure	(739)	(694)
Fair value at end of the year	<u>\$ 15,696</u>	<u>15,258</u>

Assets held in trust by others represents a donor established perpetual trust held and administered by an outside trustee. The Hospital receives a specific portion of the return on the underlying assets of the perpetual trust. The investment income is recorded as unrestricted investment income in nonoperating gains (losses).

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**(7) Property and Equipment**

A summary of property and equipment at September 30, 2014 and 2013 is as follows (in thousands):

	<b>2014</b>	<b>2013</b>
Land and land improvements (5–25 yrs)	\$ 7,911	7,328
Buildings and building improvements (10–40 yrs)	67,094	67,017
Equipment (3–25 yrs)	122,662	114,099
Projects in process	395	1,217
	198,062	189,661
Less accumulated depreciation and amortization	(135,691)	(125,787)
Property and equipment, net	\$ 62,371	63,874

Property under capital leases had a net book value of \$955,000 and \$1,476,000 at September 30, 2014 and 2013, respectively.

**(8) Long-Term Obligations**

In May 1997 the Hospital issued \$36,150,000 of State of Connecticut Health and Educational Facilities Authority (CHEFA) Bonds, Series E, dated May 1, 1997, 5.00% – 6.00% Serial and Term Bonds (Bonds) payable annually in amounts ranging from \$985,000 to \$3,000,000 through July 1, 2022.

The Hospital is required to maintain a Debt Service Reserve fund of the lesser of 10% of the principal amount of the Bonds, the amount required to fund the current portion of the principal and interest payable in any year, or 125% of the average annual debt service on the Bonds. The Hospital is also required to comply with certain financial covenants for the Bonds, including a Debt Service Coverage Ratio requirement of at least 1.25, a Debt Ratio requirement of no greater than 0.75 and a Current Ratio requirement of at least 1.40. The Bond agreements indicate that if the Current Ratio is below 1.40 but above 1.0 and the Debt Service Coverage Ratio is below 1.25 but above 1.0, a consultant is required.

Other long-term obligations consist of capital equipment financing notes and capital leases: Wells Fargo Equipment Finance, with interest of 5.75%, beginning August 2010 and maturing July 2015.



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Long-term obligations at September 30, 2014 and 2013 are as follows (in thousands):

	<u>2014</u>	<u>2013</u>
CHEFA Series E Bonds, principal payable annually and interest payable in semi-annual installments	\$ 19,625	21,475
Capital leases	891	1,531
	<u>20,516</u>	<u>23,006</u>
Less unamortized portion of bond discount	(116)	(142)
Less current portion	<u>(2,509)</u>	<u>(2,490)</u>
	<u>\$ 17,891</u>	<u>20,374</u>

Principal payments on the Hospital's long-term obligations and capital lease payments are as follows (in thousands):

	<u>Long-term obligations</u>	<u>Capital leases</u>
Year ending September 30:		
2015	\$ 1,960	549
2016	2,090	248
2017	2,215	94
2018	2,360	—
2019	2,510	—
Thereafter	<u>8,490</u>	<u>—</u>
	<u>\$ 19,625</u>	891
Interest payments		<u>153</u>
		<u>\$ 1,044</u>

The CHEFA Series E bonds and capital equipment financing notes are collateralized by substantially all of the Hospital's land, buildings and equipment.

Long-term debt is carried at cost. Fair values are estimated based on quoted market prices for the same or similar issues. The estimated fair value of the CHEFA Series E bonds approximates \$19,635,000 as of September 30, 2014 and is classified as Level 2 for fair value disclosure purposes.

**(9) Line of Credit**

The Hospital maintains a financing agreement with Webster Bank for a \$5,000,000 line of credit which has an August 13, 2015 maturity date. Interest on the line of credit is at the Hospital's choice of either the lending institution's prime rate or at the LIBOR rate plus 110 basis points. At September 30, 2014 and 2013, there was no outstanding balance under this line of credit agreement. Additionally, \$450,000 of the unused line of credit secures a stand-by letter of credit.

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**(10) Unrestricted, Temporarily, and Permanently Restricted Net Assets**

The changes in consolidated unrestricted net assets attributable to the Hospital and noncontrolling interest for the year ended September 30, 2014 were as follows (in thousands):

	<u>Total</u>	<u>Controlling interest</u>	<u>Noncontrolling interest</u>
Unrestricted net assets, beginning of year	\$ 32,634	32,332	302
Excess (deficiency) of revenues over expenses	12,846	12,414	432
Net assets released from restriction for capital expenditures	(48)	(48)	—
Transfers to affiliates	(363)	1	(364)
Change in unrealized (losses) gains on marketable securities and other assets whose use is limited	(527)	(527)	—
Change in accumulated pension charges to unrestricted net assets	(13,377)	(13,377)	—
Unrestricted net assets, end of year	<u>\$ 31,165</u>	<u>30,795</u>	<u>370</u>

The changes in consolidated unrestricted net assets attributable to the Hospital and noncontrolling interest for the year ended September 30, 2013 were as follows (in thousands):

	<u>Total</u>	<u>Controlling interest</u>	<u>Noncontrolling interest</u>
Unrestricted net assets, beginning of year	\$ 880	528	352
Excess (deficiency) of revenues over expenses	10,508	10,153	355
Net assets released from restriction for capital expenditures	545	545	—
Transfers to affiliates	(519)	(114)	(405)
Change in unrealized gains on marketable securities and other assets whose use is limited	401	401	—
Change in accumulated pension charges to unrestricted net assets	20,819	20,819	—
Unrestricted net assets, end of year	<u>\$ 32,634</u>	<u>32,332</u>	<u>302</u>

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Temporarily restricted net assets are available for the following purposes at September 30, 2014 and 2013 (in thousands):

	<u>2014</u>	<u>2013</u>
Cancer	\$ 212	196
Building and equipment	421	428
Community services	511	518
Education	186	153
Other	1,085	974
	<u>\$ 2,415</u>	<u>2,269</u>

Permanently restricted net assets at September 30, 2014 and 2013 are restricted to (in thousands):

	<u>2014</u>	<u>2013</u>
Investments held by trustee in perpetuity, the income from which is expendable to support Hospital operations	\$ 15,713	15,287
Investments held by Hospital Foundation in perpetuity, the income from which is expendable to support:		
Hospital operations	818	818
Medical education	150	150
	<u>\$ 16,681</u>	<u>16,255</u>

**(11) Endowment**

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) adopted by the State of Connecticut (Act) provides standards to guide investing in a prudent manner and eliminated the restriction that endowment funds could not be spent below historical dollar value.

The Hospital's endowment consists of funds established for a variety of purposes including donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. At September 30, 2014 and 2013, the Hospital has no funds designated by the Board of Directors as endowment.

The Hospital has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Hospital classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts 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 fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital in a manner consistent with the standard of prudence prescribed by the Act.

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The Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds; the duration and preservation of the fund, the purposes of the Hospital and the donor-restricted endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the Hospital, and the investment policies of the Hospital.

Endowment funds consist of the following at September 30, 2014 and 2013 (in thousands):

	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted endowment funds at September 30, 2014	\$ 457	16,681	17,138
Donor-restricted endowment funds at September 30, 2013	\$ 375	16,255	16,630

Changes in endowment funds for the year ended September 30, 2014 are as follows (in thousands):

	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, September 30, 2013	\$ 375	16,255	16,630
Investment return:			
Investment income	110	913	1,023
Net (depreciation) appreciation	(23)	264	241
Total investment return	87	1,177	1,264
Appropriation of endowment assets for expenditure	(5)	(751)	(756)
Endowment net assets, September 30, 2014	\$ <u>457</u>	<u>16,681</u>	<u>17,138</u>

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Changes in endowment funds for the year ended September 30, 2013 are as follows (in thousands):

	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, September 30, 2012	\$ 261	15,306	15,567
Investment return:			
Investment income	96	789	885
Net appreciation	19	864	883
Total investment return	115	1,653	1,768
Appropriation of endowment assets for expenditure	(1)	(704)	(705)
Endowment net assets, September 30, 2013	<u>\$ 375</u>	<u>16,255</u>	<u>16,630</u>

The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Hospital must hold in perpetuity or for a donor-specified period. Funds held in trust by others represents a donor established perpetual trust held and administered by an outside trustee and are not within the Hospital's control as to spending and investment policies.

To satisfy its long term rate-of-return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Hospital targets a diversified asset allocation that places emphasis on investments in equities and fixed income investments to achieve its long-term return objectives with prudent risk constraints.

The Hospital follows a policy of spending an amount that approximates the investment income earned, in addition to specific purchases of capital equipment. Accordingly, the Hospital expects its spending policy will allow its endowment funds to be maintained in perpetuity by growing at a rate at least equal to the planned payouts. Additional real endowment growth will be provided through new gifts and any excess investment return.

**(12) Professional and General Liability**

Prior to July 1, 2009, the Hospital purchased limits of professional and general liability from Partners Interinsurance Exchange (PIE) to cover risks up to specified limits. Within PIE the Hospital maintained retentions net to its own account by type of coverage. A claims made reinsurance contract was purchased each fiscal year that provided coverage above these retentions. Beginning January 1, 2002, the professional liability coverage provided for total limits, with respect to professional liability, of \$18 million per claim and \$27 million in the aggregate, with a retention inside that limit of \$3,000,000 per incident applying as net to the Hospital's account within PIE. The general liability coverage provided limits of \$16 million per claim and \$19 million in the aggregate with a retention of \$1,000,000 per incident and \$4,000,000 in the annual aggregate retained as net to the Hospital's account within PIE. The Hospital paid an actuarially

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determined premium to PIE for the purpose of setting aside assets to cover the reasonable value of ultimate expected loss retained as net within PIE.

During June 2009, the Hospital established the Indemnity Company as a successor to the Hospital's financial interest in PIE. On July 1, 2009 the Hospital's account in PIE was transferred to the Indemnity Company. The Hospital and certain affiliates continue to purchase limits of professional and general liability from the Indemnity Company at levels previously purchased from PIE.

Professional liability have been asserted against the Hospital by various claimants. The claims are in various stages of assessment and resolution. There are also known and unknown incidents that have occurred through September 30, 2014 that may result in the assertion of additional claims. Actuarially determined premiums are paid in order to set aside assets to cover the reasonable value of ultimate expected losses. The resolution of these claims, including those unasserted, involves extended evaluation of the facts, including the involvement of independent specialists. As a result, the estimates made are reassessed periodically and are subject to change. Hospital management, along with its consulting actuaries, accrued its best estimate of professional and general liabilities. Hospital management believes that the ultimate settlement of these claims will not have a material impact on the Hospital's consolidated financial position or results of their operations, as adequate self-insurance reserves, Indemnity Company assets and reinsurance are in place.

The Indemnity Company entered into a loss portfolio transfer (LPT) on July 1, 2009 with PIE. The losses associated with this transaction did not transfer insurance risk to the Indemnity Company. As such, this LPT is accounted for using deposit accounting, which requires offsetting assets and liabilities.

Activity in the reserves for premiums held on deposit included in self-insurance liability is summarized as follows (in thousands):

	<u>2014</u>	<u>2013</u>
Reserves for premiums held on deposit at beginning of year	\$ 10,544	6,657
Current period payments from loss escrow	4,600	2,450
Change in reserve for premiums held on deposit for loss portfolio transfer	374	6,673
Current period payments from reserves for premiums held on deposit	403	5,236
Reserves for premiums held on deposit at end of year	<u>\$ 15,115</u>	<u>10,544</u>

**SAINT MARY'S HOSPITAL, INC.**  
Notes to Consolidated Financial Statements  
September 30, 2014 and 2013

Activity in the self-insurance liability for unpaid losses and loss adjustment expenses for prospective losses is summarized as follows (in thousands):

	<u>2014</u>	<u>2013</u>
Balance at beginning of period	\$ 14,993	14,750
Less reinsurance recoverable	(2,650)	(2,300)
Net balance at beginning of period	<u>12,343</u>	<u>12,450</u>
Incurred related to:		
Current year	4,547	4,493
Prior years	(993)	(4,034)
Total incurred	<u>3,554</u>	<u>459</u>
Paid related to:		
Current year	73	3
Prior years	350	563
Total paid	<u>423</u>	<u>566</u>
Net balance at end of period	15,474	12,343
Add reinsurance recoverable	<u>2,750</u>	<u>2,650</u>
Balance at end of period	<u>\$ 18,224</u>	<u>14,993</u>

The provision for incurred losses related to prior years (relating to loss incurred subsequent to the loss portfolio transfer from Partner Interinsurance Exchange at July 1, 2009) totaled (\$993,000) and (\$4,034,000) for 2014 and 2013, respectively, the result of development on outstanding claims.

**(13) Retirement Plans**

**(a) Defined Benefit Plan**

The Hospital has a noncontributory, defined benefit pension plan (the Plan) for most employees, which is funded with available cash flow. The Plan is qualified as a "Church Plan" and is therefore exempt from a majority of ERISA regulations. Plan benefits are not guaranteed by the Pension Benefit Guaranty Corporation. The Plan was frozen to new entrants in 1997. In 2004, the Plan's benefits were curtailed to eliminate participants' earnings of additional benefits for future services.

**SAINT MARY'S HOSPITAL, INC.**  
Notes to Consolidated Financial Statements  
September 30, 2014 and 2013

The following table sets forth the Plan's funded status at September 30, 2014 and 2013, the Plan measurement date, (in thousands):

	<u>2014</u>	<u>2013</u>
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 124,196	138,482
Interest cost	6,064	5,613
Actuarial loss (gain)	17,454	(13,726)
Benefits paid	<u>(6,786)</u>	<u>(6,173)</u>
Benefit obligation, end of year	<u>140,928</u>	<u>124,196</u>
Change in plan assets:		
Fair value of plan assets, beginning of year	66,215	59,683
Actual return on plan assets	6,091	7,340
Contributions	4,121	5,365
Benefits paid	<u>(6,786)</u>	<u>(6,173)</u>
Fair value of plan assets, end of year	<u>69,641</u>	<u>66,215</u>
Funded status at year end	<u>\$ (71,287)</u>	<u>(57,981)</u>
Amounts recognized in consolidated balance sheets consist of:		
Noncurrent liabilities	\$ (71,287)	(57,981)
Accumulated charges to unrestricted net assets, consisting of net actuarial losses	<u>56,338</u>	<u>42,961</u>
Net amount recognized	<u>\$ (14,949)</u>	<u>(15,020)</u>

The prior service cost that will be amortized from accumulated charges to unrestricted net assets into net periodic benefit cost over the next fiscal year is \$4,427,000.



**SAINT MARY'S HOSPITAL, INC.**

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

The accumulated benefit obligation for the pension plan was \$140,928,000 and \$124,196,000 at September 30, 2014 and 2013, respectively. Net periodic benefit cost recognized in 2014 and 2013 was (in thousands):

	2014	2013
Components of net periodic benefit cost:		
Interest cost	\$ 6,064	5,613
Expected return on plan assets	(5,064)	(4,724)
Net amortization and deferral	3,050	4,477
Net periodic benefit cost	4,050	5,366
Other changes in plan assets and benefit obligation recognized as (charges) credits to unrestricted net assets in 2014 and 2013 are as follows (in thousands):		
Net (loss) gain	(10,327)	25,296
Net amortization and deferral	(3,050)	(4,477)
(Decrease) increase recognized in changes to unrestricted net assets	(13,377)	20,819
(Decrease) increase to unrestricted net assets associated with recognized net periodic benefit cost and (charge) credit to accumulated pension charge	\$ (17,427)	15,453

Weighted average assumptions used to determine benefit obligations and net periodic benefit cost as of and for the years end September 30, 2014 and 2013 were as follows:

	2014	2013
Weighted average assumptions at September 30:		
Discount rate for benefit obligations	4.55%	5.02%
Discount rate for net periodic benefit cost	5.02	4.15
Expected return on plan assets	8.00	8.00

The discount rate is based on high-grade bond yield curve under which benefits were projected and discounted at spot rates along the curve. The discount rate was then determined as a single rate yielding the same present values.

**SAINT MARY'S HOSPITAL, INC.**  
Notes to Consolidated Financial Statements  
September 30, 2014 and 2013

The following table sets forth by level, within the fair value hierarchy, the pension plan's financial instruments at fair value as of September 30, 2014 (in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 2,241	—	—	2,241
Domestic corporate bonds	—	12,827	—	12,827
U.S. government and agency obligations	—	261	—	261
Equity mutual funds	47,991	—	—	47,991
Fixed income mutual funds	6,321	—	—	6,321
Preferred equity securities	—	—	—	—
Total	<u>\$ 56,553</u>	<u>13,088</u>	<u>—</u>	<u>69,641</u>

The following table sets forth by level, within the fair value hierarchy, the pension plan's financial instruments at fair value as of September 30, 2013 (in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 1,745	—	—	1,745
Domestic corporate bonds	—	14,443	—	14,443
U.S. government and agency obligations	—	291	—	291
Equity mutual funds	44,545	—	—	44,545
Fixed income mutual funds	4,747	—	—	4,747
Preferred equity securities	—	444	—	444
Total	<u>\$ 51,037</u>	<u>15,178</u>	<u>—</u>	<u>66,215</u>

The redemption period for the Plan's financial instruments ranges from daily to monthly and require notification of one to five days.

The expected long-term rate of return for the plan's total assets is based on the expected return of each of the above categories, weighted based on the target allocation of each class. Equity securities are expected to return 9% to 10% over the long-term, while debt securities are expected to return between 4% and 7%. Money market funds are held to pursue market opportunities.

The investment policy, as established by the Investment Committee, is to earn a total return in any five-year period that will have exceeded the interest assumption in the actuarial plan valuation for that five-year period. For performance evaluation purposes, all rates of return will be examined on a net-of-fee basis. The pension assets are to be broadly diversified so as to limit the impact of large losses in individual investments on the total portfolio. The asset allocation is reviewed on a quarterly basis.

In the aggregate, contributions to the pension plan are expected to be \$5,400,000 in 2015.

**SAINT MARY'S HOSPITAL, INC.**  
Notes to Consolidated Financial Statements  
September 30, 2014 and 2013

The following benefit payments are expected to be paid (in thousands):

2015	\$	7,408
2016		7,574
2017		7,848
2018		8,196
2019		8,422
2020 through 2024		45,151
	\$	84,599

**(b) Defined Contribution Plan**

The Hospital established a defined contribution plan when it reduced the benefits of the Plan via amendment in 1997. The defined contribution plan provides for a Hospital match up to a certain percentage of employee contributions. Expenses related to the defined contribution plan amounted to \$3,885,000 and \$5,005,000 in 2014 and 2013, respectively, and are included in employee benefits in the accompanying consolidated statements of operations.

**(c) Supplemental Pension Plan**

In addition, the Hospital has an unfunded supplemental pension plan for a small group of long term employees, who are now retired. The Hospital's recorded liability was \$975,000 and \$923,000 at September 30, 2014 and 2013, respectively.

**(14) Leases and Rental Expenses**

Rental expense aggregated approximately \$6,303,000 and \$6,138,000 for the years ended September 30, 2014 and 2013, respectively. Minimum future rental commitments on all noncancelable operating leases with initial or remaining terms of more than one year are as follows (in thousands):

Fiscal year:		
2015	\$	3,208
2016		2,429
2017		1,654
2018		1,349
2019		1,186
2020 and thereafter		5,253
	\$	15,079

The Hospital rents space from SMHS in a medical office building for approximately \$13,000 per month.

**SAINT MARY'S HOSPITAL, INC.**  
Notes to Consolidated Financial Statements  
September 30, 2014 and 2013

**(15) Cancer Center**

During 1997, the Hospital entered into an agreement with Waterbury Hospital to develop a joint Cancer Care Center, known as the Harold Leever Regional Cancer Center (HLRCC) that provides treatment services to cancer patients in the greater Waterbury area. The Hospital is entitled to distributions at the discretion of HLRCC's Board of Directors, which is selected by Waterbury Hospital and the Hospital on a 50/50 basis. The Hospital's investment in HLRCC is carried using the equity method, and the carrying value is approximately \$9,562,000 and \$10,151,000 at September 30, 2014 and 2013, respectively. Equity in earnings was approximately (\$424,000) and \$414,000 in 2014 and 2013, respectively.

**(16) Heart Center of Greater Waterbury**

The Hospital and Waterbury Hospital operate an advanced cardiac care program known as the Heart Center of Greater Waterbury, Inc. (HCGW). Patients at the Hospital and Waterbury Hospital are provided access to services such as angioplasty and open heart surgery. Procedures are performed at both hospitals, each recording related revenues and expenses. The HCGW, a MSO that provides administrative support and management functions to the program, has a Board of Directors selected by Waterbury Hospital and the Hospital on a 50/50 basis. HCGW incurs costs, which are funded by the hospitals, to market the program and derives no net assets from its activities. The Hospital expensed \$118,000 and \$131,000 of funding, in 2014 and 2013, respectively.

**(17) Investments in Joint Venture Arrangements**

*Naugatuck Valley MRI Limited Partnership*

The Hospital is a 1% general partner and a 47% limited partner in the Naugatuck Valley MRI Limited Partnership, which provides diagnostic imaging services in Waterbury. The investment is carried on the equity basis, and the carrying value is approximately \$199,000 and \$255,000 at September 30, 2014 and 2013, respectively. Equity in earnings was approximately (\$55,000) and \$402,000 in 2014 and 2013, respectively.

**SAINT MARY'S HOSPITAL, INC.**  
Notes to Consolidated Financial Statements  
September 30, 2014 and 2013

**(18) Other Operating Revenues**

Components of other operating revenues for the years ended September 30, 2014 and 2013 are as follows (in thousands):

	2014	2013
Investment income related to short-term investments and investments for self-insurance	\$ 280	276
Cafeteria	1,170	1,173
Outside services	545	274
State grants	656	742
Parking fees	232	320
Day care	718	665
Rentals	1,242	1,263
Meaningful use	2,962	1,149
Other	1,971	1,009
Total	\$ 9,776	6,871

**(19) Functional Expenses**

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended September 30, 2014 and 2013 are as follows (in thousands):

	2014	2013
Health care services	\$ 225,237	215,207
General and administrative	43,745	39,372
	\$ 268,982	254,579

**(20) Activities Between Affiliates**

During 2014 and 2013, the Foundation distributed \$80,000 and \$311,000, respectively, to the Hospital to support programs and services.

In addition to the lease activity with affiliates described in note 14, all employees of SMHS and the Foundation are paid through the Hospital's payroll system, and the amounts paid are charged directly to the related affiliate. In addition, time spent by certain Hospital employees on affiliate activities is charged to the related affiliate.

**(21) Subsequent Events**

The Hospital has evaluated events through December 22, 2014, which represents the date the consolidated financial statements were available to be issued and noted no subsequent events that would have impacted the Hospital's consolidated financial statements except as disclosed below.

**SAINT MARY'S HOSPITAL, INC.**

Consolidating Balance Sheet

September 30, 2014

(In thousands)

	Saint Mary's Hospital	Franklin Medical Group, P.C.	Saint Mary's Indemnity Company, LLC	Southbury Diagnostic Imaging Center, Inc.	Eliminations	2014 Consolidated
<b>Current assets:</b>						
Cash and cash equivalents	\$ 24,610	823	—	364	—	25,797
Short-term investments	17	—	—	—	—	17
Current portion of assets whose use is limited	1,145	—	4,803	—	—	5,948
Accounts receivable, net	26,816	2,999	(68)	381	68	30,196
Other current assets	6,108	253	5,749	17	(5,515)	6,612
<b>Total current assets</b>	<b>58,696</b>	<b>4,075</b>	<b>10,484</b>	<b>762</b>	<b>(5,447)</b>	<b>68,570</b>
<b>Marketable securities</b>	<b>20,803</b>	—	—	—	—	<b>20,803</b>
<b>Assets whose use is limited:</b>						
By donor and held in trust by others	15,696	—	—	—	—	15,696
For estimated self-insurance liability	—	—	41,038	—	—	41,038
By bond indenture	4,321	—	—	—	—	4,321
Net interest in Foundation	5,182	—	—	—	—	5,182
Other	6	—	—	—	—	6
<b>Total assets whose use is limited</b>	<b>25,205</b>	—	<b>41,038</b>	—	—	<b>66,243</b>
<b>Less current portion of assets whose use is limited</b>	<b>1,145</b>	—	<b>4,803</b>	—	—	<b>5,948</b>
<b>Noncurrent assets whose use is limited</b>	<b>24,060</b>	—	<b>36,235</b>	—	—	<b>60,295</b>
Property and equipment, net	59,768	1,417	—	1,186	—	62,371
<b>Other assets:</b>						
Investments in joint venture arrangements	23,723	—	—	—	(13,699)	10,024
Deferred financing costs, net	103	—	—	—	—	103
<b>Total other assets</b>	<b>23,826</b>	—	—	—	<b>(13,699)</b>	<b>10,127</b>
<b>Total assets</b>	<b>\$ 187,153</b>	<b>5,492</b>	<b>46,719</b>	<b>1,948</b>	<b>(19,146)</b>	<b>222,166</b>

**SAINT MARY'S HOSPITAL, INC.**

Consolidating Balance Sheet  
September 30, 2014  
(In thousands)

	Saint Mary's Hospital	Franklin Medical Group, P.C.	Saint Mary's Indemnity Company, LLC	Southbury Diagnostic Imaging Center, Inc.	Eliminations	2014 Consolidated
<b>Current liabilities:</b>						
Current portion of long-term obligations	\$ 2,101	—	—	408	—	2,509
Accounts payable	16,795	432	—	25	—	17,252
Salaries, wages, and payroll withholdings	3,974	1,370	—	299	—	5,643
Due to third-party payors, net	783	—	—	—	—	783
Accrued expenses and other current liabilities	13,994	504	5,038	219	(5,447)	14,308
Total current liabilities	37,647	2,306	5,038	951	(5,447)	40,495
<b>Long-term liabilities:</b>						
Long-term obligations, net of current portion	17,818	—	—	73	—	17,891
Estimated self-insurance liability	3,278	—	28,536	—	—	31,814
Pension and deferred compensation	72,182	—	—	—	—	72,182
Other long-term liabilities	9,464	59	—	—	—	9,523
Total long-term liabilities	102,742	59	28,536	73	—	131,410
<b>Net assets (deficit):</b>						
Unrestricted	27,668	3,127	13,145	924	(14,069)	30,795
Noncontrolling interest in subsidiaries	—	—	—	—	370	370
Total unrestricted	27,668	3,127	13,145	924	(13,699)	31,165
Temporarily restricted	2,415	—	—	—	—	2,415
Permanently restricted	16,681	—	—	—	—	16,681
Total net assets	46,764	3,127	13,145	924	(13,699)	50,261
Total liabilities and net assets	\$ 187,153	5,492	46,719	1,948	(19,146)	222,166

See accompanying independent auditors' report.

**SAINT MARY'S HOSPITAL, INC.**

Consolidating Statement of Operations

Year ended September 30, 2014

(In thousands)

	Saint Mary's Hospital	Franklin Medical Group, P.C.	Saint Mary's Indemnity Company, LLC	Southbury Diagnostic Diagnostic Imaging Center, Inc.	Eliminations	2014 Consolidated
<b>Revenues:</b>						
Revenue from patient services, net of contractual allowances	\$ 248,807	24,157	—	6,197	—	279,161
Provision for uncollectible accounts	(10,078)	(996)	—	—	—	(11,074)
Net revenue from patient services	238,729	23,161	—	6,197	—	268,087
Other operating revenues	8,706	4,039	5,070	16	(8,055)	9,776
Total revenues	247,435	27,200	5,070	6,213	(8,055)	277,863
<b>Expenses:</b>						
Salaries and wages	85,350	26,689	—	1,168	—	113,207
Employee benefits	24,562	3,778	—	280	—	28,620
Supplies and other expenses	106,022	9,260	4,092	3,370	(7,482)	115,262
Depreciation and amortization	9,888	283	—	284	—	10,455
Interest	1,405	—	—	33	—	1,438
Total expenses	227,227	40,010	4,092	5,135	(7,482)	268,982
Operating income (loss)	20,208	(12,810)	978	1,078	(573)	8,881
<b>Nonoperating gains (losses):</b>						
Investment income, net	2,279	—	1,545	—	—	3,824
Equity in earnings of joint ventures	3,359	—	—	—	(3,170)	189
Change in net assets of Foundation	281	—	—	—	—	281
Net loss on disposal of assets	(46)	—	—	—	—	(46)
Other	(856)	—	—	—	573	(283)
Total nonoperating gains (losses), net	5,017	—	1,545	—	(2,597)	3,965
Excess (deficiency) of revenues over expenses	25,225	(12,810)	2,523	1,078	(3,170)	12,846
Net assets released from restriction	(48)	—	—	—	—	(48)
Capital transactions, net	(14,778)	14,778	—	(910)	547	(363)
Change in unrealized (losses) gains on marketable securities and other assets whose use is limited	(527)	—	(486)	—	486	(527)
Change in accumulated pension charges to unrestricted net assets	(13,377)	—	—	—	—	(13,377)
(Decrease) increase in unrestricted net assets	(3,505)	1,968	2,037	168	(2,137)	(1,469)
	\$					\$

See accompanying independent auditors' report.





DAILY CENSUS & REVENUE REPORT  
August 21, 2015

UNIT	DEPT	STAFFED BEDS	DAILY BUDGET Patient Days	DAILY ACTUAL Patient Days	DAILY ACTUAL Discharges	MTD BUDGET Patient Days	MTD ACTUAL Patient Days	MTD BUDGET Discharges	MTD ACTUAL Discharges	MTD VAR Patient Days	MTD BUDGET Discharges	MTD ACTUAL Discharges	MTD VAR Discharges	MTD BUDGET Length of Stay	MTD ACTUAL Length of Stay	MTD VAR Length of Stay
Medical Acute S15	3150	21	19	16	10	404	365	404	365	-10%	96	108	12%	4.20	3.38	20%
Behavioral Health Svc OBI	3570	12	11	12	2	233	243	233	243	4%	45	43	-4%	5.21	3.65	-30%
Telestroke	3140	20	18	19	4	375	311	375	311	-17%	81	74	-8%	4.65	4.20	-10%
OB-4 Outpatient	3150	30	22	25	5	457	324	457	324	-29%	113	88	-22%	4.04	3.68	-9%
OB-3 Medical Outpatient	3320	26	23	-	-	489	329	489	329	-33%	96	89	-7%	5.08	3.70	-27%
OB-2 General Surgery	3200	26	18	-	8	381	264	381	264	-31%	129	84	-35%	2.86	3.14	10%
Child Care Unit	3300	16	11	9	1	231	200	231	200	-13%	20	15	-25%	11.76	13.53	15%
Cardiovascular Unit	3510	8	4	4	-	75	74	75	74	-1%	26	26	0%	2.72	2.58	-5%
Lab/Delivary	4070	23	8	12	2	175	183	175	183	5%	64	71	10%	2.92	2.58	-12%
Holding	-	-	4	9	1	92	76	92	76	-18%	8	3	-63%	11.33	2.53	-78%
OB/Gyn	3600	-	0	-	-	-	6	-	3	-100%	-	2	100%	4.31	1.50	-66%
SubTotal	179	139	122	113	33	2,019	2,312	2,019	2,312	15%	677	586	-14%	4.31	3.99	-8%
Neonatal (CU Critical Care Nurs)	3750	9	4	3	-	76	74	76	74	-2%	8	9	13%	9.33	8.22	-12%
Nursery	3700	23	6	11	2	134	148	134	148	10%	47	62	32%	2.87	2.39	-17%
Birth Center	4310	2	0	-	-	1	-	1	-	100%	1	-	-100%	2.00	-	-100%
SubTotal	34	10	14	14	2	211	222	211	222	5%	56	71	26%	3.80	3.13	-18%
TOTAL (incl Psych and Nursery)	178	132	113	113	31	2,763	2,203	2,763	2,203	-20%	642	582	-9%	4.31	3.99	-7%
GRAND TOTAL (incl Psych & Nursery)	213	149	136	136	35	3,130	2,594	3,130	2,594	-17%	733	657	-10%	4.27	3.95	-8%

Adult & Peds Occupancy: 78%  
 NICU Occupancy: 40%  
 Nursery Occupancy: 28%  
 Total Occupancy: 70%

78% 68% 78% 63%  
 40% 39% 40% 39%  
 28% 48% 28% 31%  
 70% 64% 70% 58%

Note: E Main Urgent Care Center is budgeted, but is not opened yet.

	DAILY BUDGET	DAILY ACTUAL	MTD BUDGET	MTD ACTUAL	MTD VAR
Observation	6	6	134	175	29%
OP Surgery	61	54	923	834	-9%
Chemistry/Diag Lab	481	452	7,628	7,339	-4%
Psych OP	5	1	75	41	-45%
Scenic/Recurring	22	19	342	247	-28%
Urgent Care	73	59	1,366	1,206	-12%
OP Visits (incl ER Visits)	648	591	10,498	10,580	1%
ER Visits (only includes discharges)	178	173	3,725	3,678	-1%
Total OP Visits (incl ER Visits)	826	764	14,223	14,258	0%

CHANGE TOTALS:	Daily Budget	Daily Actual	Daily Prof Excess/Shortfall	MTD Budget	MTD Actual	MTD Prof Excess/Shortfall	YTD Budget	YTD Actual	YTD Prof Excess/Shortfall
IP Actual	843,681	840,771	\$4,090	17,739,299	18,514,430	(\$774,869)	268,562,483	273,280,061	(\$4,667,578)
OP Actual	1,581,240	1,268,268	(\$315,972)	25,667,827	24,489,737	(\$1,078,070)	378,303,382	380,919,026	(\$2,615,644)
Total	\$2,426,921	\$2,111,039	(\$311,882)	\$43,407,126	\$40,004,166	(\$3,372,909)	\$546,865,865	\$554,199,086	(\$7,282,221)
Budget Variance	-13.9%			-7.7%			-1.4%		

	7/31/2015	8/21/2015	Change
IP Accounts Receivable	23,097,971	20,877,457	(2,460,514)
OP Accounts Receivable	28,730,929	24,881,657	(1,130,728)
ACCOUNTS RECEIVABLE:	\$51,768,900	\$45,459,114	(\$6,309,786)
IP Unbilled Receivable	7,098,463	5,088,334	(1,990,091)
OP Unbilled Receivable	16,718,641	14,714,253	(2,004,388)
UNBILLED RECEIVABLE:	23,817,104	23,802,807	(5,297)
	\$75,586,004	\$79,261,921	\$3,675,917



UNIT	DEPT	STAFFED BEDS	DAILY BUDGET Patient Days	DAILY ACTUAL Patient Days	DAILY ACTUAL Discharges	MTD BUDGET Patient Days	MTD ACTUAL Patient Days	MTD ACTUAL Discharges	MTD YTD Budget Days	MTD BUDGET Discharges	MTD ACTUAL Discharges	MTD YTD Budget Days	MTD YTD Budget Discharges	MTD YTD ACTUAL Discharges	MTD YTD BUDGET Length of Stay	MTD ACTUAL Length of Stay	MTD YTD ACTUAL Length of Stay
Medical Acute S/S	3130	21	19	15	8	424	380	101	10%	101	116	13%	13%	4.20	3.28	22%	
Behavioral Svc OBS	3570	12	11	12	-	24	25	47	4%	47	43	-8%	-8%	5.21	5.92	14%	
Telemed	3140	20	18	18	4	47	329	84	-16%	84	78	-8%	-8%	4.65	4.22	9%	
OB-4 Ortho/Neuro	3150	30	22	24	9	479	348	119	-27%	119	97	-18%	-18%	4.04	4.22	11%	
X-3 Medical Oncology	3320	26	23	-	-	512	329	101	-56%	101	89	-12%	-12%	5.08	3.70	-27%	
OB-7 General Surgery	3200	23	18	-	4	400	382	133	-2%	133	88	-33%	-33%	3.20	3.20	-8%	
Critical Care Unit	3500	16	11	10	1	242	210	21	-12%	21	16	-22%	-22%	11.76	13.13	-12%	
Cardiovascular Unit	3510	8	4	4	-	79	78	27	-1%	27	19	-30%	-30%	2.92	8.67	-19%	
Labor/Delivery	4070	23	8	7	6	183	190	67	4%	67	77	14%	14%	2.72	2.47	-9%	
Holding	0	-	4	4	1	97	80	9	-17%	9	4	-53%	-53%	11.33	20.00	-77%	
OB/Gyn	3600	-	0	-	-	6	3	-	-50%	-	2	-#DIV/0!	-#DIV/0!	1.50	1.50	-7%	
SubTotal		179	139	112	33	3,058	2,484	710	-19%	710	619	-13%	-13%	4.31	4.01	-7%	
Neonatal ICU (Critical Care Nurs)	3750	9	4	3	-	79	77	9	-3%	9	9	6%	6%	9.33	8.56	-8%	
Nursery	3700	23	6	7	5	141	153	49	-10%	49	67	37%	37%	2.87	2.51	-20%	
Birthmg Center	4310	2	0	-	-	1	-	1	-100%	1	-	-100%	-100%	2.00	2.00	-	
SubTotal		34	10	10	5	221	232	58	5%	58	76	31%	31%	3.80	3.05	-20%	
TOTAL (incl Pwch and Nursery)		178	132	103	33	2,895	2,366	671	-20%	671	585	-13%	-13%	4.31	3.94	-9%	
GRAND TOTAL (incl Pwch & Nursery)		213	149	122	38	3,279	2,716	768	-17%	768	695	-9%	-9%	4.27	3.91	-8%	

Adult & Peds Occupancy: 78%  
 NICU Occupancy: 40%  
 Nursery Occupancy: 28%  
 Total Occupancy: 70%

78%  
40%  
28%  
70%

63%  
33%  
30%  
57%

78%  
40%  
28%  
70%

63%  
39%  
31%  
58%

Observation	DAILY BUDGET	DAILY ACTUAL	MTD BUDGET	MTD ACTUAL	MTD VAR
OP Surgery	6	7	140	130	79%
Operation/ICU Lab	-	2	923	816	-7%
Pwch OP	110	167	7,728	7,666	-1%
Sched/Recurring	-	-	73	41	-45%
Urgent Care	50	2	342	749	219%
OP Visits (incl ER Visits)	166	179	1,446	1,267	-12%
ER Visits (only includes discharges)	178	164	10,664	10,759	1%
Total OP Visits (incl ER Visits)	344	343	3,913	3,842	-2%
			14,577	14,601	0%

Note: E. Main Urgent Care Center is budgeted, but is not opened yet.

CHARGE TOTALS:	Daily Budget	Daily Actual	Daily Prof Excess/Shortfall	MTD Budget	MTD Actual	MTD Prof Excess/Shortfall	YTD Budget	YTD Actual	YTD Prof Excess/Shortfall
IP Actual	845,681	800,206	(\$35,475)	18,604,940	18,024,335	(\$380,605)	269,408,164	275,739,966	\$6,331,802
OP Actual	308,205	400,631	\$92,426	25,876,032	24,890,338	(\$985,694)	378,611,587	381,318,637	\$2,707,050
Total	\$1,153,886	\$970,537	(\$213,349)	\$44,481,012	\$40,914,723	(\$3,566,289)	\$648,019,751	\$657,058,603	\$9,038,852
Budget Variance	-21.1%			-8.0%			1.4%		

7/31/2015  
 23,037,971  
 28,730,929  
 \$51,768,900  
 7,098,463  
 16,718,641  
 23,817,104  
 \$75,586,004

8/22/2015  
 20,377,437  
 21,981,667  
 \$55,459,114  
 9,578,169  
 13,114,884  
 24,713,344  
 \$90,172,458

Change  
 (-\$2,660,534)  
 (-\$1,351,228)  
 (\$5,459,114)  
 9,578,169  
 (1,600,577)  
 (\$906,240)  
 (\$4,586,144)

