Franklin Medical
GROUP, PC

Silvia Hutcheson
Director of Strategic Planning and Business Development

May 13, 2014

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

Re: CON Application for Children's Health Center

Dear Ms. Martone,

Enclosed please find the CON application from Franklin Medical Group, P.C. and StayWell Health Center, Inc. The CON application proposal is to transfer ownership and operation of the Children's Health Center to StayWell Health Center, Inc.

Please confirm that you have received this application. You can reach me by telephone at (203) 709-3312 or by email at Silvia.Hutcheson@gmail.com.

Thank you,

Silvia Hutcheson

Silvia Hutcheson

Franklin Medical GROUP, PC

StayWell Health Center

Growing a healthier community one person at a time.

Children's Health Center

Certificate of Need Application

Application Checklist

Instructions:

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

☐ **Attached is the CON application filing fee in the form of a certified, cashier or business check made out to the "Treasurer State of Connecticut" in the amount of $500.**

For OHCA Use Only:

Docket No.: 14-31914 **Check No.:** 416853
OHCA Verified by: [signature] **Date:** 5/14/14

☐ **Attached is evidence demonstrating that public notice has been published in a suitable newspaper that relates to the location of the proposal, 3 days in a row, at least 20 days prior to the submission of the CON application to OHCA. (*OHCA requests that the Applicant fax a courtesy copy to OHCA (860) 418-7053, at the time of the publication)***

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

☐ **Attached are completed Financial Attachments I and II.**

☐ **Submission includes one (1) original and four (4) hard copies with each set placed in 3-ring binders.**

Note: A CON application may be filed with OHCA electronically through email, if the total number of pages submitted is 50 pages or less. In this case, the CON Application must be emailed to the following email addresses: steven.lazarus@ct.gov and leslie.greer@ct.gov.

Important: For CON applications(less than 50 pages) filed electronically through email, the singed affidavit and the check in the amount of $500 must be delivered to OHCA in hardcopy.

☐ **The following have been submitted on a CD**

1. **A scanned copy of each submission in its entirety, including all attachments in Adobe (.pdf) format.**
2. **An electronic copy of the documents in MS Word and MS Excel as appropriate.**

FRANKLIN MEDICAL GROUP PC
REC DOCK - ST MARYS HOSPITAL 99 UNION STREET
WATERBURY CT 06706

Vendor #11417
TREASURER STATE OF CONNECTICUT

№ 40853

P.O. NUMBER	INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
	05/01/2014	CON CHC	500.00	.00	500.00
		Totals:	500.00	.00	500.00

PAYMENT AMT: 500.00

FRANKLIN MEDICAL GROUP, P.C.
55 FRANKLIN STREET
WATERBURY, CT 06706

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

№ 40853

51-7010/2111

DATE
05/06/2014

CHECK AMOUNT
500.00

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

PAY TO THE ORDER OF: TREASURER STATE OF CONNECTICUT

TREASURER STATE OF CONNECTICUT
410 CAPITOL AVE
HARTFORD CT 06134

TWO SIGNATURES REQUIRED IF OVER $50,000.00

⑈40853⑈ ⑆211670106⑆0009215285⑈

Ad #: RA0615420

AFFIDAVIT OF PUBLICATION

Public Notice
Saint Mary's Hospital, Inc. (Saint Mary's) is filing an application for a Certificate of Need under section 19a-638 of the Connecticut General Statutes requesting approval to terminate the provision of outpatient pediatric services (the Services) provided at the Children's Health Center at 95 Scovill Street, Waterbury, Connecticut 06706. Saint Mary's proposal will also include plans for the continued provision of the Services and operation of the Children's Health Center by StayWell Health Care, Inc. (StayWell). Saint Mary's and StayWell are working closely together to ensure a smooth transition so all Services and hours of operation will remain the same.
Saint Mary's total capital expenditure for this project is $ 100,000.
RA 3/10,11,12 615420

STATE OF CONNECTICUT
County of New Haven Waterbury March 21 20 14

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

ST. MARY'S HOSPITAL

was published in said **Republican-American** in **3** editions of said newspaper issued between **03/10/14** and **03/12/14**

[signature]

SUBSCRIBED AND SWORN BEFORE ME THIS THE March

day of 21ST 20 14

Susan Attadia

Notary Public

My Commission Expires: 3/31/2018

AFFIDAVIT

Applicant: Franklin Medical Group, P.C.

Project Title: Termination and Transfer of the Children's Health Center

I, Steven Schneider, MD, President, of Franklin Medical Group, P.C, being duly sworn, depose and state that Franklin Medical Group's information submitted in this Certificate of Need Application is accurate and correct to the best of my knowledge.

Signature Steven Schneider Date 5/12/14

Subscribed and sworn to before me on May 12, 2014

Victoria Cipriano

Notary Public/~~Commissioner of Superior Court~~

My commission expires: VICTORIA CIPRIANO
NOTARY PUBLIC
MY COMMISSION EXPIRES FEB. 28, 2017

AFFIDAVIT

Applicant: Franklin Medical Group, P.C.

Project Title: Termination and Transfer of the Children's Health Center

I, Steven Schneider, MD, President, of Franklin Medical Group, P.C, being duly sworn, depose and state that Franklin Medical Group's information submitted in this Certificate of Need Application is accurate and correct to the best of my knowledge.

Signature Steven Schneider Date 5/12/14

Subscribed and sworn to before me on May 12, 2014

Victoria Cipriano

Notary Public/~~Commissioner of Superior Court~~

My commission expires: VICTORIA CIPRIANO
NOTARY PUBLIC
MY COMMISSION EXPIRES FEB. 28, 2017

AFFIDAVIT

Applicant: StayWell Health Center, Inc.

Project Title: Termination and Transfer of Children's Health Center

I, Donald Thompson, President/CEO
(Individual's Name) (Position Title – CEO or CFO)

of StayWell Healthcare being duly sworn, depose and state that
(Hospital or Facility Name)

StayWell Healthcare's information submitted in this Certificate of
(Hospital or Facility Name)

Need Application is accurate and correct to the best of my knowledge.

Donald Thompson 5/9/14
Signature Date

Subscribed and sworn to before me on May 9, 2014

Lynn M. Tripp
Notary Public/Commissioner of Superior Court

My commission expires: 1/31/2015

Lynn M. Tripp
Notary Public
State of Connecticut
My Commission Expires
January 31, 2015

State of Connecticut
Office of Health Care Access
Certificate of Need Application

Instructions: Please complete all sections of the Certificate of Need ("CON") application. If any section or question is not relevant to your project, a response of "Not Applicable" may be deemed an acceptable answer. If there is more than one applicant, identify the name and all contact information for each applicant. OHCA will assign a Docket Number to the CON application once the application is received by OHCA.

Docket Number:		
Applicant:	Applicant #1 Franklin Medical Group, P.C.	Applicant #2 StayWell Health Center, Inc.
Contact Person:	Steven Schneider, MD, MBA	Donald Thompson, JR, MPS
Contact Person's Title:	President	President and CEO
Contact Person's Address:	56 Franklin Street Waterbury, CT 06706	80 Phoenix Avenue Waterbury, CT 06702
Contact Person's Phone Number:	(203) 709-3044	(203) 756-8021
Contact Person's Fax Number:	(203) 709-3238	(203) 596-9038
Contact Person's Email Address:	Steven.Schneider@stmh.org	dthompson@staywellhealth.org
Project Town:	Waterbury	Waterbury
Project Name:	Termination and Transfer of Children's Health Center	Termination and Transfer of Children's Health Center
Statute Reference:	Section 19a-638, C.G.S.	Section 19a-638, C.G.S.
Estimated Total Capital Expenditure:	$100,000	$0

1. Project Description: Service Termination

a. Provide a narrative detailing the proposal.

Response:

Franklin Medical Group, P.C. (FMG), is a captive professional corporation associated with Saint Mary's Hospital, Inc. (Saint Mary's). FMG provides services to Saint Mary's and its patients. FMG currently owns and operates the Children's Health Center. The Children's Health Center provides pediatric outpatient services (the Services) to children who are uninsured, underinsured or on Medicaid. The Children's Health Center primarily serves children who live in the City of Waterbury.

FMG proposes to transition the ownership and operation of the Children's Health Center to StayWell Health Care, Inc. (StayWell). StayWell is the largest Federally Qualified Health Center (FQHC) in Waterbury and has six primary care delivery sites.

FMG and StayWell have been working closely together for several months to ensure that all Services and hours of operation remain the same during and after the transition. The Services will continue to be provided at the existing Children's Health Center location at 95 Scovill Street (Third Floor) in Waterbury. StayWell will also hire the majority of staff members who are currently employed through FMG's Children's Health Center.

To effectuate the proposal, Franklin and StayWell have signed a Letter of Intent. Please see **Attachment One**.

b. For each of the Applicant's programs, identify the location, population served, hours of operation, and whether the program is proposed for termination.

Program	**Location**	**Population**	**Hours of Operation**	**Is this program proposed for termination?**
Children's Health Center	95 Scovill Street, Waterbury, CT	Birth to Age 17	Monday – Thursday: 8:30 am – 7:00 pm; Friday: 8:30 am – 5:30 pm	Yes
Family Health Center	95 Scovill Street, Waterbury, CT	Ages 18 and Over	Monday – Friday: 8:00 am – 4:30 pm	No
Dental Health Center	133 Scovill Street, Waterbury, CT	All Ages	Monday – Friday: 8:30 am – 4:00 pm	No

Medicine/ Pediatrics Clinics	95 Scovill Street, Waterbury, CT	Birth to Age 17	Monday – Friday: 8:00 am – 5:30 pm	No

c. Describe the history of the services proposed for termination, including when they were begun and whether CON authorization was received.

Response:

The Children's Health Center began providing Services in 1972. The primary service area for the Children's Health Center is Waterbury, and the secondary service area is Naugatuck. Services include yearly checkups for children; sick visits for infants and young children; well-baby visits; immunizations; physicals and WIC eligibility; health education for teenagers; lead, vision and hearing tests; school, camp, and sports physicals; asthma education program; and medical home services for youth with special needs.

The most recent Certificate of Need associated with the Children's Health Center is **Docket Number 05-30474-CON**. On May 23, 2006, Saint Mary's and FMG received approval from OHCA to transfer control of three health centers, which included the Children's Health Center. Since 2006, the Children's Health Center has been a department within FMG.

d. Explain in detail the Applicant's rationale for this termination of services, and the process undertaken by the Applicant in making the decision to terminate.

Response:

As part of its strategic planning process, FMG evaluated all service lines. Due to State budget cuts and Federal sequestration, FMG administrators reviewed opportunities to increase revenue and reduce expenses. One outcome of the strategic planning process was to begin discussions with FQHC's. FQHC's receive cost-based reimbursement to provide the same services that are provided through a practice such as FMG.

FMG solicited proposals from area FQHC's during the summer of 2013. Two proposals were received. FMG selected StayWell's proposal. StayWell is the largest FQHC in Waterbury and currently operates six primary care delivery sites. StayWell is well-positioned for continued growth in primary and pediatric care. In 2000, StayWell provided 14,856 health care visits and by 2012 StayWell grew to provide 86,929 visits.

StayWell proposes to make the Children's Health Center its seventh site. StayWell has agreed to remain in the same location with the existing hours of operation and provide the same Services. StayWell has also agreed to hire the majority of staff members.

e. Did the proposed termination require the vote of the Board of Directors of the Applicant? If so, provide copy of the minutes (excerpted for other unrelated material) for the meeting(s) the proposed termination was discussed and voted.

Response:

Yes. Please see **Attachment Two** for FMG's relevant Board of Director meeting minutes.

Please see **Attachment Three** for StayWell's relevant Board of Director meeting minutes.

f. Explain why there is a clear public need for the proposal. Provide evidence that demonstrates this need.

Response:

There is a clear public need for this proposal for two reasons.

First, the FQHC model is more sustainable in the long-term than the private practice model. FQHC's are better able to meet the needs of low income and uninsured patients served by the Children's Health Center. In addition to primary care, StayWell provides dental care, behavioral health and social services targeted for these vulnerable populations. Patients will have increased access to more services by being part of the StayWell network.

Second, this proposal makes efficient use of limited public health resources. StayWell can operate the Children's Health Center more efficiently than FMG. For example, in 2016, StayWell's projected operating expenses for the Children's Health Center is $ 1,794,606. On the other hand, FMG's projected operating expenses are $2,310,712. Please see Financial Attachment 1.

2. Termination's Impact on Patients and Provider Community

a. List all existing providers (name, address, services provided, hours and days of operation, and current utilization) of the services proposed for termination in the towns served by the Applicant, and in nearby towns.

Response:

Provider	Address	Services	Hours and Days of Operation	Utilization
Children's Health Center /Franklin Medical Group	95 Scovill Street Pavilion B, 3rd Floor	Pediatric Primary Care	Monday – Thursday: 8:30 am -7:00 pm; Friday: 8:30 am-	14,651

	Waterbury, CT 06706		5:00 pm	
StayWell Health Center	80 Phoenix Avenue Ste. 301 Waterbury, CT 06702	Pediatric Primary Care/ Family Medicine	Monday – Friday: 8:00 am -4:00 pm	12,703
StayWell Health Center	1302 South Main Street Waterbury, CT 06706	Pediatric Primary Care/ Family Medicine	Monday – Friday: 8:00 am -5:00 pm; Some Saturdays	1,180
StayWell Health Center	Driggs School-Based Health Center 77 Woodlawn Terrace Waterbury, CT	Pediatric Primary Care	Monday – Friday: 8:00 am – 3:00 pm	950
Pediatric Associates of Connecticut	106 Robbins Street Waterbury, CT 06708	Pediatric Primary Care	Monday, Tuesday, Friday: 7:00 am - 5:30 pm; Wednesday, Thursday: 8:45 am - 5:30 pm; Saturday: 8:45 am-1:00 pm; Sunday: open for emergencies only	Unknown
Reliable Pediatrics, LLC	140 Grandview Avenue Ste. 206 Waterbury, CT 06708	Pediatric Primary Care	Monday – Friday: 9:00 a.m.-5:00 p.m. Sat. 9:00 am – 1:00 pm	Unknown
Naugatuck Pediatrics	577 N. Church Street Naugatuck, CT 06770	Pediatric Primary Care	Monday – Friday: 10:00 am-4:30 pm	Unknown

b. Discuss what steps the Applicant has undertaken to ensure continued access to the services proposed for termination for the Applicant's patients.

Response:

FMG administrators have convened a Transition Team to ensure continued access to all Services at the Children's Health Center. The Transition Team, which meets regularly,

includes representatives from Administration, Operations, Information Technology, Clinical Services, Finance and Human Resources for both organizations.

FMG will continue to operate the Children's Health Center until the planned transition to StayWell. The transition date is based on StayWell receiving approval from the U.S. Department of Health and Human Services to add another primary care delivery site.

c. For each provider to whom the Applicant proposes to transfer or refer clients, provide the current available capacity, as well as the total capacity and actual utilization for the current year and last completed year.

Response:

All patients will be transferred to StayWell. StayWell administrators are staffing the Children's Health Center for an estimated 12,940 visits in its first year. The Children's Health Center's annualized patient visit volume during Fiscal Year 2014 is 12,534. StayWell is expecting to run the Center at 97% capacity (12,534 visits expected / 12,940 visit capacity).

d. Identify any special populations that utilize the services and explain how these clients will continue to access this service after the service location closes.

Response:

The Children's Health Center receives grant funding from the Connecticut Department of Public Health for Children and Youth with Special Health Care Needs. This program provides additional staffing and assistance to children with physical and developmental needs. This program will be transitioned to FMG's Family Health Center for continued access by this population.

In addition, the Children's Health Center is a subcontractor for Connecticut Children's Medical Center's Easy Breathing program. This program provides asthma education to area pediatricians. The Easy Breathing program will also be transitioned to FMG's Family Health Center for continued services.

e. Provide evidence (e.g. written agreements or memorandum of understanding) that other providers in the area are willing and able to absorb the displaced patients.

Response:

Not applicable. Patients are not being displaced. All patients will be transferred to StayWell and offered continued services at the same location.

f. Describe how clients will be notified about the termination and transferred to other providers.

Response:

All Children's Health Center patients will be notified by written correspondence of the transfer to StayWell. Please see **Attachment Four** for a copy of this draft notice.

3. Actual and Projected Volume

a. Provide volumes for the most recently completed FY by town.

Response:

Please see **Attachment Five** for a volume breakdown of visits by town.

b. Complete the following table for the past three fiscal years ("FY") and current fiscal year ("CFY"), for both number of visits and number of admissions, by service.

Response:

Please note the time period for Table 1 below:

FY 2011: 10/1/2010 – 9/30/2011
FY 2012: 10/1/2011 – 9/30/2012
FY 2013: 10/1/2012 – 9/30/2013
FY 2014 YTD: 10/1/2013 – 3/31/2014 (Annualized)

Table 1: Children's Health Center: Historical and Current Visits

Service**	Actual Volume (Last 3 Completed FYs)			CFY Volume*
	FY 2011	FY 2012	FY 2013	FY2014 - Year to Date - Annualized
Visits	17,088	18,879	14,651	12,534
Total	**17,088**	**18,879**	**14,651**	**12,534**

* For periods greater than 6 months, report annualized volume, identifying the number of actual months covered and the method of annualizing. For periods less than six months, report actual volume and identify the period covered.
** Identify each service type and add lines as necessary. Provide both number of visits and number of admissions for each service listed.
*** Fill in years. In a footnote, identify the period covered by the Applicant's FY (e.g. July 1-June 30, calendar year, etc.).

c. Explain any increases and/or decreases in volume seen in the tables above.

Response:

The number of visits has decreased between FY 2012 and FY 2014 year to date. Two health care providers left the Children's Health Center in October 2012. A third health care provider left in August 2013. Due to the planned transition, FMG has not recruited replacements for the three providers. FMG is using Physician Assistants on a per diem basis to continue to provide services that were provided by the health care providers who left the Children's Health Center.

d. For DMHAS-funded programs only, provide a report that provides the following information for the last three full FYs and the current FY to-date:
   i. Average daily census;
   ii. Number of clients on the last day of the month;
   iii. Number of clients admitted during the month; and
   iv. Number of clients discharged during the month.

Not applicable.

4. Quality Measures

a. Submit a list of all key professional, administrative, clinical, and direct service personnel related to the proposal. Attach a copy of their Curriculum Vitae.

Response:

The key personnel related to the proposal include:

Franklin Medical Group
Robert Dickman, Executive Director
Matthew Krenicky, Manager, Medical Informatics
Steven Schneider, MD, President
Kathy Volz, RN, Clinical Manager

Please see **Attachment Six** for the Curriculum Vitae for each individual listed for FMG.

StayWell Health Center
Christine Shea Bianchi, Chief Development Officer
Sunil D'Cunha, MD, Chief Medical Officer
Kenneth Korsu, Director of Human Resources
Beverly A. Lyons, Director of Behavioral Health
Amit Patel, DDS, Dental Director
Donald Thompson, President and CEO
Lule G. Tracey, Chief Financial Officer

Please see **Attachment Seven** for the Curriculum Vitae for each individual listed for StayWell.

b. Explain how the proposal contributes to the quality of health care delivery in the region.

Response:

This proposal contributes to the quality of health care for three reasons.

First, patients will become part of a medical home program that enhances continuity of care. StayWell recently received a Level 3 Patient Centered Medical Home Certification from the National Center for Quality Assurance. StayWell is the first community health center in Connecticut to achieve this certification. StayWell also has a state of the art scheduling and referral tracking system, which received positive feedback from a Health Resources and Services Administration review team. Dr. Sunil D'Cunha, StayWell's Chief Medical Officer, presented information on this tracking system at the National Association of Community Health Centers annual conference.

Second, StayWell engages healthcare providers and patients through technology. StayWell was an early adopter of an electronic health record system and attested to Meaningful Use in February 2012. StayWell launched a patient portal in August 2012 to enhance communication between patients and providers.

Third, StayWell can bring more resources to these patients than FMG. The US Health and Human Service Department provides special grant opportunities for FQHC's. Given that the Children's Health Center is in a Medically Underserved Area, StayWell will have funding opportunities that are not available to private practices such as FMG. Quality of health care will increase as StayWell is better positioned to grow and enhance services for these patients.

c. Identify when the Applicants' funding and/or licensing agencies (e.g. DPH, DMHAS) were notified of the proposed termination, and when the Applicants' licenses will be returned.

Response:

The Children's Health Center is operated under the professional licenses of FMG health care providers. Upon approval from OHCA, DPH will be notified of FMG's transition of Services to StayWell.

StayWell will also notify DPH in writing once approval from the U.S. Department of Health and Human Services is received.

5. Organizational and Financial Information

a. Identify the Applicant's ownership type(s) (e.g. Corporation, PC, LLC, etc.).

Response:

FMG is a Connecticut captive professional corporation and a provider within the Saint Mary's network.

StayWell is a Connecticut nonstock corporation.

b. Does the Applicant have non-profit status?
☒Yes (Provide documentation) ☐ No

Response:

StayWell is a tax-exempt non-profit. Please see **Attachment Eight**.

Franklin is for-profit.

c. Financial Statements

i. If the Applicant is a Connecticut hospital: Pursuant to Section 19a-644, C.G.S., each hospital licensed by the Department of Public Health is required to file with OHCA copies of the hospital's audited financial statements. If the hospital has filed its most recently completed fiscal year audited financial statements, the hospital may reference that filing for this proposal.

Response:

Please see Saint Mary's most recently completed fiscal year 2013 audited financial statements, which have been filed with OHCA. FMG financials are consolidated within the Saint Mary's audited financials. Please see the supplemental schedules in Saint Mary's audited financials for FMG details.

ii. If the Applicant is not a Connecticut hospital (other health care facilities): Audited financial statements for the most recently completed fiscal year. If audited financial statements do not exist, in lieu of audited financial statements, provide other financial documentation (e.g. unaudited balance sheet, statement of operations, tax return, or other set of books.)

Response:

Please see **Attachment Nine** for StayWell's Audited Financial Statements for FY 2013.

d. Submit a final version of all capital expenditures/costs.

The capital expenditures for the project are $100,000. The capital expenditures cover renovation costs to prepare the space for two occupants (FMG and StayWell) on the third floor at 95 Scovill Street. The proposed renovations create a fire-rated means of egress

between the two stairwells. Please see **Attachment Ten** for the space renovation architectural drawings and budget breakdown.

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

Response:

The funding for this proposal will come from Saint Mary's own cash reserves. There will be no financing.

f. Demonstrate how this proposal will affect the financial strength of the state's health care system.

Response:

This proposal expands the services provided by an FQHC. FQHC's receive higher reimbursement for services. In addition, FQHC's are eligible for grants that are unavailable to physician practices and hospitals. This proposal will bring additional revenue to a community that has received reduced reimbursement from the State.

6. Financial Attachments I & II

a. Provide a summary of revenue, expense, and volume statistics, without the CON project, incremental to the CON project, and with the CON project. **Complete Financial Attachment I.** (Note that the actual results for the fiscal year reported in the first column must agree with the Applicant's audited financial statements.) The projections must include the first three full fiscal years of the project.

Response:

Please see **Attachment Eleven** for FMG's Financial Attachment I.

Please see **Attachment Twelve** for StayWell's Financial Attachment I.

b. Provide a three year projection of incremental revenue, expense, and volume statistics attributable to the proposal by payer. **Complete Financial Attachment II.** The projections must include the first three full fiscal years of the project.

Response:

Please see **Attachment Thirteen** for FMG's Attachment II.

Please see **Attachment Fourteen** for StayWell's Financial Attachment II.

c. Provide the assumptions utilized in developing **both Financial Attachments I and II** (e.g., full-time equivalents, volume statistics, other expenses, revenue and expense % increases, project commencement of operation date, etc.).

Response:

Please see **Attachment Fifteen** for Franklin's assumptions for Financial Attachments I and II.

Please see **Attachment Sixteen** for StayWell's assumptions for Financial Attachments I and II.

d. Provide documentation or the basis to support the proposed rates for each of the FYs as reported in Financial Attachment II. Provide a copy of the rate schedule for the proposed service(s).

Please see **Attachment Seventeen** for a listing of Medicaid reimbursement by procedure code to private practices such as FMG.

Please see **Attachment Eighteen** for StayWell's rate schedule from the State of Connecticut Department of Social Services.

e. Was the Applicant being reimbursed by payers for these services? Did reimbursement levels enter into the determination to terminate?

Response:

Yes. Reimbursement levels did enter into the decision to terminate. Ninety percent of patient visits are insured through Medicaid. StayWell receives a higher level of reimbursement as an FQHC.

f. Provide the minimum number of units required to show an incremental gain from operations for each fiscal year.

Response:

This question is not applicable for Franklin.

StayWell will need to provide 12,940 visits in order to show a $910 incremental gain from operations in year one. Please see **Attachment Twelve**.

g. Explain any projected incremental losses from operations contained in the financial projections that result from the implementation and operation of the CON proposal.

Response:

Not applicable. Implementing the CON proposal will not result in losses from operation.

h. Describe how this proposal is cost effective.

Response:

The proposal ensures that children will continue to have access to pediatric care in Waterbury. Pediatric care will be provided by an FQHC that is a recognized patient-centered medical home program focused on primary and preventive care. Patients will have access to seven primary care delivery sites, including a school-based health center in Waterbury. Increased access to primary and preventive care reduces unnecessary Emergency Department visits, which are costly. FQHC's are a cost effective way to provide primary care for children in Medically Underserved Areas such as Waterbury.

Franklin Medical GROUP, PC

StayWell Health Center
Growing a healthier community one person at a time.

Attachments for Certificate of Need

Attachment One: Letter of Intent

Attachment Two: Franklin Medical Group Board Minutes: February 14, 2014

Attachment Three: StayWell Health Center Board Minutes: January 13, 2014

Attachment Four: Letter Notifying Patients of Transfer

Attachment Five: Children's Health Center: Volumes by Town for FY 2013

Attachment Six: Curriculum Vitae: Franklin Medical Group

- Robert Dickman, Executive Director
- Matthew Krenicky, Manager, Medical Informatics
- Steven Schneider, MD, President
- Kathy Volz, RN Clinical Manager

Attachment Seven: Curriculum Vitae: Staywell Health Center

- Christine Shea Bianchi, Chief Development Officer
- Sunil D'Cunha, MD, President
- Kenneth Korsu, Director of Behavioral Health
- Amit Patel, DDS, Dental Director
- Donald Thompson, President and CEO
- Lule G. Tracey, Chief Financial Officer

Attachment Eight: StayWell's Tax-Exempt Status Letter from the IRS

Attachment Nine: StayWell Health Center Audited Financial Statements

Attachment Ten: Capital Costs and Architectural Drawing of Space Renovation

Attachment Eleven: Financial Attachment 1: Franklin Medical Group

Attachment Twelve: Financial Attachment 1: StayWell Health Center

Attachment Thirteen: Financial Attachment 2: Franklin Medical Group

Attachment Fourteen: Financial Attachment 2: StayWell Health Center

Attachment Fifteen: Assumptions: Franklin Medical Group

Attachment Sixteen: Assumptions: StayWell Health Center

Attachment Seventeen: Franklin Medical Group Rate Schedule

Attachment Eighteen: StayWell's Rate Schedule

Attachment One:
Letter of Intent

Franklin Medical
GROUP PC

4883414 November 7, 2013 – changes by Staywell

November 7, 2013

Donald J. Thompson, JR., M.P.S.

President and Chief Executive Officer

Staywell Health Center

This non-binding Letter of Intent is to confirm our mutual intent for Franklin Medical Group, P.C. ("Group"), an affiliate of Saint Mary's Hospital, Inc., to transfer its wholly-owned Children's Health Center ("Clinic"), to Staywell Health Center, Inc. ("Staywell Health"), a federally qualified health center. Our mutual understanding is as follows:

1. Staywell Health will assume one-hundred percent (100%) ownership of the assets Clinic at the Closing (as defined below). Group will retain at Closing cash and cash equivalents necessary to satisfy certain mutually agreed upon accrued liabilities, vendor payments and outstanding checks. The Group will retain all remaining cash and cash equivalents including Accounts Receivable at Closing. Staywell Health will not assume any liability for any debts or other liabilities of the Clinic, with the exception of the lease. Without limiting any other obligations the Group may have under the Definitive Agreement, the Group shall provide, for a period of two years, free parking for the Clinic's patients and discounted parking for the Clinic staff. Parking for

Clinic staff shall not exceed [either (i) XX% of the normal parking fee or (ii) $XX, to be specified in the Definitive Agreement.] The space to be leased is approximately 5,000 square feet and Group shall use its best efforts to arrange the transaction so that Clinic will rent the space directly from the landlord.

2. The Definitive Agreement (as defined below) for the transaction contemplated by this Letter of Intent will be executed on or before January 1, 2014, or such other date as the parties mutually agree. The final closing of the transactions contemplated by Definitive Agreement (the "Closing") will be subject to and occur as soon as possible after the parties receive all applicable regulatory approvals, including a Certificate of Need ("CON") approving Groups' transfer of the Clinic to Staywell Health. The Definitive Agreement will provide that either party shall have the right to terminate the Definitive Agreement and the transactions contemplated thereby in the event the transactions contemplated by the Definitive Agreement are not consummated by July 1, 2014.

3. The parties will enter into a mutually acceptable definitive agreement ("Definitive Agreement") that is consistent with the terms of this Letter of Intent, and includes such representations, warranties, covenants and conditions as are typical for a transaction of this nature. Staywell Health will begin conducting due diligence immediately after execution of this Letter of Intent, and such due diligence shall be completed within sixty (60) days thereafter, before execution of the Definitive Agreement. Accordingly,

satisfactory due diligence results will not be a condition to Closing the Definitive Agreement.

4. Staywell Health agrees to render services to patients of the Clinic in a competent, professional and ethical manner, in accordance with prevailing standards of medical practice, and in compliance with all applicable statutes, regulations, rules, orders and directives of any and all applicable governmental and regulatory bodies having competent jurisdiction. Staywell Health shall also operate the Clinic and provide services to Clinic patients in accordance with the *Ethical and Religious Directives for Catholic Healthcare Services* as promulgated or amended from time to time by the National Conference of Catholic Bishops.

5. At Closing, the Group agrees to reimburse Staywell Health a mutually agreed upon amount for Electronic Medical Record conversion costs at the Clinic not to exceed one-hundred thousand dollars ($100,000). The conversion process includes but is not limited to scanning and indexing of approximately five-thousand two-hundred (5,200) patient records, interfaces costs, software costs and additional hardware costs. Staywell Health agrees that all existing computer hardware and associated software is the property of the Group and will remain property of the Group after transfer of ownership.

6. Prior to Closing, the Group agrees to fund renovation of the Clinic to the extent that it becomes separated from the adjacent Family Health Center and Med/Peds Clinic

owned and operated by the Group. Renovation costs shall not exceed one hundred thousand dollars ($100,000). Renovation of the facility will include construction of dividing walls between the adjacent practices and installation of a security system.

7. At Closing, the Group agrees to compensate Staywell Health fifty-thousand dollars ($50,000) as a start-up subsidy outlined in the original proposal provided by Staywell Health.

8. Each party shall be responsible for its own expenses incurred in connection with the proposed transaction.

9. Staywell Health agrees to hire current staff whenever possible. Following the Closing, staff will receive compensation and seniority commensurate with their compensation and seniority prior to the Closing.

10. The Closing of the transactions contemplated by this Letter of Intent is contingent on (i) the parties' receiving all applicable regulatory approvals, including a CON approving the Group's transfer of the Clinic to Staywell Health and the Group's termination of Clinic services and (ii) approval by the governing boards of Saint Mary's Health System, Inc., Saint Mary's Hospital, Inc., the Group and Staywell Health.

11. The Closing of the transactions contemplated by this Letter of Intent is contingent on Staywell Health receiving a Federal Change of Scope approval.

12. The parties shall maintain this Letter of Intent in confidence and shall not disclose it or its contents to any third party, except for the respective attorneys, representatives, officers, boards and employees on a need to know basis. No party shall make any public announcement or release to the press concerning this Letter of Intent without the prior written consent of the other party. In addition, except as and to the extent required by applicable law, regulation or legal process, neither Party, nor any affiliate, parent or related entity of Staywell Health, nor any of their respective directors, officers, members, employees, accountants, and other agents and representatives (collectively, "Representatives") shall disclose or use and Confidential Information (as defined herein) with respect to the other party furnished, or to be furnished, by such other party to such receiving part or its Representatives in connection herewith at any time or in any manner, other than in connection with the evaluation of the transactions proposed by this Letter of Intent. For purposes of this Section, "Confidential Information" mean all oral, written or electronic information of or relating to either party, relating to the proposed transactions, including but not limited to proprietary information, intellectual property, and financial information of a party; provided, however, that Confidential Information does not include information which (i) is generally available to and known by the public other than as a result of disclosure by the receiving party or its Representatives; (ii) is independently obtained by a party or its Representatives without violating their obligations under this Letter of Intent; (iii) is available to a party or its Representatives from a source that is not prohibited from disclosing the information by a legal, contractual proceedings. Each party shall, at the request of the other party, either

promptly (a) deliver to the other party, or (b) destroy, all Confidential Information of the other party in its possession upon termination of this Letter of Intent.

13. The parties agree and acknowledge that, except as provided herein below, this Letter of Intent is non-binding, and does not obligate any party to proceed with, or otherwise complete the Definitive Agreement or any other transaction. With the exception of the provisions set forth herein in Sections 12-13, which the parties agree to create legal and binding obligations, this Letter of Intent does not, and is not intended to create, any legal obligation or enforceable right in any party. The parties further expressly acknowledge that, prior to the execution of this Letter of Intent; there have not been any binding commitments, agreements or understandings between them with respect to any future relationship of any kind. Moreover, if the parties proceed to enter into a Definitive Agreement, then all of the agreements, representations, warranties, indemnities, covenants and conditions with respect thereto shall be only as set forth in the Definitive Agreement.

14. This Letter of Intent shall be governed by the substantive laws of the State of Connecticut without regard to the principles of conflicts of laws thereof. The parties consent to the jurisdiction of the courts of Connecticut in connection with any action or proceeding arising out of this Letter of Intent. The parties waive any objection they may have to the laying of venue in the state or federal courts located in Connecticut, of any action or proceeding arising out of this Letter of Intent. No party shall be liable to

another party for any consequential, indirect, incidental, special, exemplary or punitive damages arising out of or related to this Letter of Intent.

15. This Letter of Intent constitutes the entire understanding and agreement between the parties and their affiliates with respect to its subject matter and supersedes all prior or contemporaneous agreements, representations, warranties and understandings of the parties, whether oral or written. Parol evidence and extrinsic evidence shall be inadmissible to show agreement by and between the parties to any term or condition contrary or in addition to the terms and conditions contained in this Letter of Intent.

16. No party may transfer or assign all or any of its rights, obligations or benefits hereunder in whole or in part to any third party, without the prior written consent of the other parties. This Letter of Intent may be amended only by written agreement, signed by a duly authorized officer of each party. This Letter of Intent may be executed in counterparts (and the same may be delivered by means of facsimile or .pdf file), each of which shall be deemed original and to constitute one and the same instrument.

[Balance of page intentionally left blank]

This letter represents our present intentions and it is not intended to be a formal agreement between us or a binding obligation. All obligations to consummate the proposed transaction shall be contained only in the definitive purchase agreement and other contemplated agreements.

Franklin Medical Group, PC

Steven E. Schneider, MD, MBA

President

Chief Medical Officer

Accepted and agreed to this 11 day of Dec, 2013.

Donald J. Thompson, JR., M.P.S.

President and Chief Executive Officer

Attachment Two:
Franklin Medical Group Board Minutes:
February 14, 2014

Franklin Medical GROUP PC

Board Conference Call
Minutes of February 14, 2014

Present: Laura Brenes-Dorso, MD; Garrett Casey; Philip Corvo, MD; Chris Miller; Michael Novak; Jason Ouellette, MD; Alexander Palesty, MD; John Testa, MD; James Uberti, MD; Chad Wable

Excused: Robert Roscoe; Steven Schneider, MD

Guests: Robert Dickman

This call is a follow-up to the January 24, 2014 Board meeting regarding the Children's Health Center/Staywell Transition project. There being a quorum, Mr. Casey called the meeting to order at 12:02 p.m.

Mr. Dickman highlighted points in the PowerPoint presentation previously provided to the Board for review (copy included with the records of these minutes). The rationale for the change is a matter of sustainability to make sure these services continue to be provided in the community. CHC loses an average of $1.2-1.5 million per year; however, Staywell receives more than twice the reimbursement for the same services due to federal reimbursements. CHC cannot become a FQHC because they are affiliated with a Catholic hospital and must follow the ERDs.

RFPs were sent; Norwalk chose not to respond, and the Community Health Center, Inc. submitted a more expensive proposal and it was doubtful they would adhere to the ERDs. Staywell was chosen as a partner because the transition will be the least expensive and they submitted the best proposal. Additionally, Staywell will adhere to ERDs, keep the same services and hours, take on 16-1/2 FTEs, keep employees benefits, seniority and salary, and take over the Croft building lease.

Regarding our costs, we will fund the EHR migration (working on integration) to a maximum cost of $100,000, fund and implement the geographic separation of CHC from FHC (facilities is looking at putting a wall up to separate the two businesses) to a maximum cost of $100,000, fund transition costs up to $50,000, and fund severances of approximately $50,000 encompassing six employees.

A question and answer period followed. The question of Staywell's financial viability came up and Mr. Miller responded that no specific financial information is available, but they have been a viable entity in the community for quite some time.

A motion was made, seconded and carried to approve the termination of services at the Children's Health Center and the transfer of the Center's ownership and operation to Staywell Health Center, a federally qualified health center, subject to all state and federal regulatory approvals.

There being no further business, the call ended at 12:28 p.m.

Respectfully submitted,

Janet Kusy
Recorder

Attachment Three:
StayWell Health Center Board Minutes:
January 13, 2014

Attachment XX: StayWell Health Center Board Minutes (Excerpt)

StayWell Health Care, Inc.
Board Meeting Minutes
January 13, 2014
80 Phoenix Avenue, Suite 205

Present: Donald Thompson, Lule Tracey, Mark Briggs, Sandee Sorel-Leduc, Carolyn Highsmith, Angie Medina, Dolly Rosario, Walter Machnicz, Thomas Johnson, Judy Acosta

Excused: Lule Tracey, Angie Medina, Arlene Arias, Christopher King

The Board Meeting was called to order by Mark Briggs, Board Chair at 5:34 PM.

- St. Mary's - Franklin Medical Group
  - Meeting held last Friday between St. Mary's Hospital and StayWell.
    - St. Mary's Hospital has a Certificate of Need process that is required with the State which is as lengthy as StayWell's Federal process.
    - Due diligence regarding productivity and personnel continues.
      - **A motion was made by Dolly Rosario to approve StayWell Health Care, Inc. taking over St. Mary's Hospital Children's Health Clinic as presented. Sandee Sorel-Leduc seconded the motion. All were in agreement. No additional discussion was held.**

Attachment Four:
Letter Notifying Patients of Transfer

Franklin Medical GROUP, PC

StayWell Health Center

Date)

To All Our Patients:

We are writing to inform you of an upcoming change at Franklin Medical Group's Children's Health Center (CHC). As of (_____), Franklin Medical Group is transferring the ownership and operational responsibility for the CHC to StayWell Health Care, Inc. (StayWell).

Please be assured that very little will change from your perspective other than the fact that StayWell will be your official provider of record. Any future statements you may receive will come from StayWell instead of Franklin Medical Group. StayWell will continue to provide you with the same services, in the same location at 95 Scovill Street, Waterbury, CT 06706, and with mostly the same medical providers and staff. The transfer does not affect any of your upcoming appointments. New appointments can be made by calling StayWell at (203)_____.

As part of this transfer, Franklin Medical Group will be transferring your medical records to StayWell at absolutely no cost to you. If you have any questions or would like your medical records sent to another provider, please contact (_____) by (_____) at which time we will provide you with the names of alternate providers for pediatric services.

Franklin Medical Group and StayWell are excited about this opportunity. We are looking forward to continuing to serve your health care needs.

Sincerely,

(Signature)

(Franklin Medical Group Administrator)

(Signature)

(StayWell Administrator)

Attachment Five:
Children's Health Center: Volumes by Town for FY 2013

Children's Health Center
Fiscal Year 2013

Patient City	Total
ANSONIA	24
BEACON FALLS	16
BERLIN	5
BETHEL	4
BETHLEHEM	3
BRIDGEPORT	14
BRISTOL	56
CHESHIRE	53
DANBURY	6
DERBY	2
EAST HARTFORD	1
EAST LYME	5
FARMINGTON	23
HAMDEN	6
HARTFORD	7
HARWINTON	10
MANCHESTER	3
MERIDEN	19
MIDDLEBURY	15
MIDDLETOWN	2
MILFORD	9
MORRIS	3
NAUGATUCK	451
NEW BRITAIN	31
NEW HAVEN	18
NEWINGTON	8
NORWALK	8
OAKVILLE	49
OXFORD	3
PLANTSVILLE	13
PLYMOUTH	5
PROSPECT	25
ROCKY HILL	1
SANDY HOOK	4
SEYMOUR	2
SHELTON	9
SOUTHBURY	10
SOUTHINGTON	14
STAMFORD	1
STRATFORD	6
TERRYVILLE	19
THOMASTON	5
TORRINGTON	30
UNIONVILLE	4
VERNON ROCKVILLE	10
WATERBURY	13,362
WATERTOWN	57
WEST HARTFORD	2
WILLIMANTIC	2
WOLCOTT	192
WOODBURY	24
Totals	14,651

Attachment Six:
Curriculum Vitae: Franklin Medical Group

Robert Dickman, Executive Director

ROBERT C. DICKMAN, MBA, CMPE, CPHIMS

Profile

Healthcare Administrator with over twenty years of experience in healthcare and the proven ability to leverage 21st century technology in order to streamline daily operations, implement process improvement initiatives, and support the synchronization of internal and external resources in healthcare organizations.

Competencies

- ✓ Operations Management
- ✓ Business/Financial Administration
- ✓ Interpersonal Communications
- ✓ Medical Practice Management
- ✓ Process Improvement
- ✓ Staff Training & Mentoring
- ✓ Healthcare Information Systems
- ✓ Team Leadership & Development
- ✓ Project Management

PROFESSIONAL EXPERIENCE

Saint Mary's Health System/ Franklin Medical Group, PC, Waterbury, CT — 2013-Present
Executive Director
Responsible for the administration of a 60 provider multispecialty group including primary care, medical specialty and surgical service lines. Provide management support for Medical, Surgical and Dental residency programs. Direct the strategy and development of hospital outpatient urgent care and occupational health clinics.

- Developed physician compensation models and negotiated physician contracts to include quality as well as productivity metrics.
- Restructured the staffing and billing of health system urgent care clinics to expand services and expand on site management.

Norwalk Hospital Physicians & Surgeons (NHP&S), Norwalk, CT — 2011-2013
Operations Manager
Currently oversee administrative and daily functions of 16 hospital owned practices. This includes strategic development, staffing initiatives and management, and adherence to all guidelines, policies and procedures.

- Responsible for the implementation of the Cerner ambulatory EMR product at the hospital integrated practices, successfully attesting for Meaningful Use in both Medicare and Medicaid bonus programs.
- Facilitate the operations of various specialty practices, including Internal Medicine/Primary Care, OB/GYN, Surgery, Pain Management, Gastroenterology, Pulmonology and Immediate Care.
- Integrate newly acquired community practices; manage the conversion of staff employment, transition of electronic practice management systems and adoption of electronic medical record.
- Organized the company wide migration to a new scheduling and demographics system in support of EMR conversion.
- Manage operating and capital budgets on behalf of all NHP&S community practices.
- Lead the initiative to have NHP&S certify as a Patient Centered Medical Home (PCMH).
- Serve as a critical member of internal process improvement initiatives, including the introduction of LEAN methodology and participating in 5S and rapid improvement events.
- Directed the establishment of a new immediate care center in New Canaan and the implementation of a multi-specialty surgical service line.
- Coordinate with interdepartmental and external contacts to allocate resources and support hospital initiatives; member of the Norwalk Hospital IT Security Subcommittee and the ICD-10 Core Team.

The Cardiology Group, PC, Hamden, CT — 2010-2011
Practice Administrator
Accountable for all functions of a six physician, private cardiology practice with 27 staff members and four locations.

- Teamed with group purchasing organizations in order to reduce medical and office supply costs.
- Successfully reported for the CMS PQRI and E-prescribing bonus programs.
- Managed and oversaw the integration of Ingenix-Caretracker EMR architecture.

Continued

Cardiology Associates of Fairfield County, PC, Norwalk, CT/ Stamford, CT 1998-2010
Promoted through a variety of roles within a private cardiology practice.
Chief Operations Officer, Stamford, CT (2008-2010)

- Managed a staff consisting of 6 FTE billers, 1 bookkeeper and 1 in-house IT staff member.
- Responsible for all billing and financial functions for a 20 physician medical group; presented detailed financial and activity reports from Athenahealth and NextGen PM product to executive personnel.
- Facilitated physician credentialing via CMS and private payers.
- Oversaw the transition of practice management systems and the selection of electronic medical record software.
- Served as a member of the Electronic Health Record Selection Committee, as well as the Enterprise Committee of the Norwalk IPA Regional Health Information Organization.

Cardiology Associates of Fairfield County, PC, Norwalk, CT/ Stamford, CT (Continued)
IT Project Manager, Stamford, CT (2004-2008)

- Anticipated and targeted long-term informational needs; set priorities for upgrades and maintenance.
- Served key role in the management team in charge of a $1.8M renovation and expansion project.
- Supervised numerous IT projects and provide organizational representation at events and meetings.

Network Administrator, Stamford, CT (2002-2008)

- Managed servers, workstations, fax solutions, scanning/printing services and miscellaneous IT functionality.
- Facilitated maintenance and integrity verification of computer systems on a daily basis.
- Trained and directed staff members and physicians on how to navigate business and clinical software suites.

Medical Assistant, Norwalk, CT (1998-2002)

- Served as technician responsible for the enhanced external counter-pulsation (EECP) program.
- Ordered and preserved inventory of medical supplies.

United States Navy 1990-1998
Hospital Corpsman

- X-ray technician: performed radiographic examinations and fluoroscopic studies.
- *Honorable discharge/ letter of commendation.*

EDUCATION AND TRAINING

Master of Business Administration, Healthcare Management
BAKER COLLEGE, FLINT, MI

Bachelor of General Studies
UNIVERSITY OF CONNECTICUT

Certificate of Graduation *with Honors*—**X-ray Technician**
NAVAL SCHOOL OF HEALTH SCIENCES

Professional Development

Certified Medical Practice Executive (CMPE)
Certified Professional in Healthcare Information and Management Systems (CPHIMS)
Masters Certificate, Business Management, Tulane University-Stewart Center for Executive Education
LEAN for Managers Training

Professional Affiliations

Member— Medical Group Management Association-American College of Medical Practice Executives
Senior Member— Healthcare Information and Management Systems Society

Awards

Leaders Scholarship Recipient, American College of Medical Practice Executives
Connecticut Medical Group Management Association Scholarship Fund Recipient
Alpha Sigma Lambda National Honor Society, Beta Omega Chapter
National Society of Collegiate Scholars

Attachment Six:
Curriculum Vitae: Franklin Medical Group

Matthew Krenicky, Manager
Medical Informatics

MATTHEW G. KRENICKY

PROFILE

Accomplished, Multi-Talented Professional seeking a position as a Financial Analyst/Business Systems Analyst

Background features eleven years of consistent excellence in progressively responsible positions in the healthcare industry. Strong analytical, organizational, communication and motivational skills. Able to deliver a continuously improving level of patient service and operational efficiency. Excellent PC skills: MS Office. InteGreat Electronic Health Record, Origins PM, Misys-Allscripts, Paragon, PBI, Emdeon, GHN, Centricity, Vision , Advantx Strong work ethic. Energetic; solution-oriented; quality-driven. Successful competitive athlete.

EXPERIENCE

2011- FRANKLIN MEDICAL GROUP - Waterbury, CT
current Medical Informatics Systems Analyst

Report to the Manager of Medical Informatics and be responsible for the practice management systems, electronic health record applications, workflows, reporting, conversions and working interfaces between systems. Works directly with physicians on template creation. Provides end user training of systems. General software and hardware support. Part of the Franklin Medical Group Administrative team responsible for the overall management of the physician group.

2002 - CONSTITUTION BILLING & FINANCIAL SERVICES
June 2011 (fka Constitution Eye Surgery Center) - Newington, Connecticut
Supervisor - Billing & Finance Department (2006-June 2011)

Supervise a 20-person staff and serve as the key technical resource/IT vendor liaison for this multi-site ambulatory surgical company, with presence in three states. Report to a Vice President. Create multiple MS Excel reports used in the management of the business. Create volume reports for branch administrators. Produce and reconcile monthly financials. Prepare staff payroll. Represent the company with IT vendors.

Played an important role in the growth of the business from four to nine centers in seven

upgrade projects. Lead technical contact with software vendors on setup of new center in Springfield, including data load.

Conducted web training of personnel in multiple branch locations.

Team Leader - Eye Billing Department (2006)

Provide focus and leadership to a four-person team which delivers exceptional service to patients while maximizing the cash flow of this state of the art outpatient surgical center. Handle a large personal caseload, performing all functions of Patient Account Representative (described below). In addition, train, mentor, motivate and evaluate three staff members.

Track month-end closing for all four eye centers. Generate multiple reports for Administrators.

Manage special projects involving complex Excel spreadsheets.

Initiated a Golf Outing for Physicians, Staff and Administrators which continued for three years.

Patient Account Representative (2004-2006)

Ensured a high level of patient service, responding to patient billing inquiries. Researched and analyzed information. Documented calls in the system. Obtained patient demographic information. Explained billing procedures. Investigated and resolved coding discrepancies. Interfaced with insurance companies.

Diagnostic Technician (Part-Time) (2002-2004)

Conducted diagnostic ophthalmology tests on patients in a satellite office. Operated with a high degree of autonomy, directly interfacing with the patients without the presence of ophthalmologists. Ensure the proper maintenance and repair of technical equipment.

Due to performance and reliability, given responsibility to manage the facilities aspect of the branch.

1999-2004 PETER T. KRENICKY, OPHTHALMOLOGIST - East Hartford, Connecticut

Ophthalmic Assistant - Performed diverse clinical and administrative support functions in this private ophthalmic practice. Performed patient intakes. Took patient histories. Utilized technical equipment.

EDUCATION

CLARK UNIVERSITY - Worcester, Massachusetts

Bachelor of Arts, Philosophy, 2002 Concentration: Communication

Athletics: Varsity Tennis (Four Years). MVP Freshman Year.

Leadership: Attended two-week National Youth Leadership Forum in Washington DC.

Attachment Six:
Curriculum Vitae: Franklin Medical Group

Steven Schneider, MD, President

Steven E. Schneider MD, MBA

Objectives:

- To lead a healthcare organization
- To continue my own professional growth and development

Profile:

I am an experienced senior hospital executive with a proven record in direct operations management, physician leadership, manager care contracting, marketing, and management of quality and patient safety initiatives. I believe my enthusiastic and collaborative style, combined with my experience; make me well prepared to lead an organization looking for positive change and growth.

Professional Experience:

Saint Mary's Hospital – Waterbury, Connecticut ***2011 – Present***
Chief Medical Officer Saint Mary's Hospital
President of Franklin Medical Group

Waterbury Hospital – Waterbury, Connecticut ***1989 – 2011***
Waterbury Hospital Description:

- 15,000 admissions, 10,000 surgical procedures 56,000 ED visits per year
- Not for profit, community hospital
- Residencies in Internal Medicine (Yale Affiliated) and General Surgery (Yale and UCONN Affiliated)
- Level 2 Trauma Center

Direct Reports at Waterbury Hospital:

- Chairs of All Medical and Surgical Departments
- Director of Emergency Department Nursing
- Director of Case Management
- Chief Quality and Safety Officer
- Director of Marketing and Community Relations
- President of Alliance Medical Group
  (Hospital owned multispecialty physician group)
- Chief Medical Officer of Alliance Medical Group
- Director of Managed Care Contracting (from 1995-2000)

Accomplishments:

Vice President for Medical Affairs/Chief Medical Officer **1994 - Present**

- Chair, Board of Directors, Heart Center of Greater Waterbury:
  - Led, along with many others, the creation and approval of the first new Open Heart Surgery and Angioplasty program approved in Connecticut in nearly 20 years;

- First program approved as a joint program between 2 competing hospitals
- As Chair, successfully worked with members of the 2 hospital consortium through a very challenging Certificate of Need process

- Leadership of hospital marketing, advertising, and community relations departments:
  - Created very successful campaign marketing Orthopedic services with more than half of joint replacements coming from areas beyond our primary and secondary service areas
  - Developed, in conjunction with a partnering hospital, a huge and successful multimedia, community grass roots, and political strategy and campaign to win approval for a joint open heart and angioplasty program
- Created one of the first Hospitalist programs in Connecticut:
  - 10 years in operation; grown from 5 to 15 physicians
  - Covers more than half of all inpatients
  - Superior ALOS and quality parameters compared with private service
  - and teaching service patients
- Built and led hospital – owned physician group:
  - Grown over 15 years from a 4 physician primary care group to a Multispecialty group of more than 50 physicians and surgeons
  - Annual revenues of >$15 million; cost per physician lower than the 25th
  - percentile MGMA benchmark
- Started Waterbury Hospital's case management program:
  - Greater than 10 year track record of shortened lengths of stay
  - Greatly improved clinical documentation accuracy with revenue improvements of greater than $1 million per year
- Oversaw managed care contracting on behalf of Waterbury Hospital and the 300 plus physicians in a PHO
- Led complete turnaround of Physician and Nursing Leadership and all Physician staff of the Waterbury Hospital Emergency Department:
  - Changed from no EM Board Certified physician to All EM Board Certified
  - ED volume grew from 40,000 visits to over 56,000 visits per year
  - ED now has a positive contribution margin of $5-$10 million annually

Chairman Department of Psychiatry **1989-1994**

- Full operational and budget responsibility for all aspects of a very large program with greater than 50,000 outpatient visits and 1000 inpatient admissions per year
- Redesigned department from one large service to sub-specialty service lines leading to significant improvements in service quality and in payor mix
- Implemented aggressive utilization management and clinical pathways leading to the publication of an article in a peer reviewed journal featuring our specialty ultra-short length of stay inpatient unit

Allegheny General Hospital* – *Pittsburgh, Pennsylvania **1985-1989**

Acting Medical Director, Allegheny Neuropsychiatric Institute 1988-1989

- Assumed leadership of Allegheny Neuropsychiatric Institute (ANI), a freestanding subsidiary of Allegheny General Hospital at the request of AGH CEO after unexpected departure of both AGH's Department Chair/Founder of ANI and the Medical Director of ANI just after the facility opened.
  - Brought stable leadership to a very chaotic situation
  - Provided credible clinical programming to external referring hospitals
  - Recruited excellent clinical staff in a challenging environment

Chief, Inpatient Psychiatry Allegheny General Hospital/Medical College of Pennsylvania 1985-1988

- Facilitated growth of Inpatient Service from 16-28 beds
- Led change in treatment approaches toward more practical and modern neuropsychiatric and biologic treatment protocols

United States Army Medical Officer **1977-1982**

- Attained rank of Major, U.S. Army Medical Corps

Martin Army Hospital* – *Ft. Benning, Georgia **1980-1982**

Chief, Emergency Medicine Service

- Totally restructured E.R. service organization resulting in dramatic improvement in quality and efficiency of services
- Awarded Army Commendation Medal for the above
- Introduced Advanced Trauma Life Support Courses and Certification to the hospital
- Established respected Family Practice resident rotation in Emergency Medicine

Ft. Lewis/Madigan Army Medical Center – Ft. Lewis, Washington **1978-1979**

Brigade Surgeon, 9th Infantry Division, 3rd Brigade

Education:

1994-1995 University of New Haven, MBA
1982-1985 Yale University School of Medicine, Residency in Psychiatry
1979-1980 Madigan Army Medical Center, Residency in Emergency Medicine
1977-1978 Madigan Army Medical Center, Internship, pre Emergency Medicine
1974-1977 University of Nebraska, College of Medicine, MD
1970-1974 University of Nebraska BA Biology, Magna Cum Laude

Licensure and Certification:
Connecticut Medicine and Surgery
American Board of Psychiatry and Neurology

Academic Publications:
Schneider, SE and Ross, IM. The Effectiveness of Ultra-Short Length of Stay Admission in a Comprehensive Managed Care System. Psychiatric Services, Vol. 47: No. 2, p. 137-138, 1996.

Schneider, SE and Phillips, WM. Depression and Anxiety in Medical, Surgical, and Pediatric Interns. Psychological Reports. 72:1145-1146, 1993.

Yudofsky, SC, Silver, JM, Schneider, SE. The Use of Beta Blockers in the Treatment of Aggression. Psychiatry Letter. Fair Oaks Hospital. Spring/Summer, Vol. 6, Issue 1-6, 1988.

Yudofsky, SC, Silver, JM, Schneider, SE. Pharmacologic Treatment of Aggression. Psychiatry Annals. 17, (6): 397-407, 1987.

Academic Positions:

Assistant Clinical Professor of Psychiatry, Yale University	1991-2000
Adjunct Clinical Assistant Professor, Quinnipiac College	1997-2002
Assistant Professor of Psychiatry, Medical College of Pennsylvania	1987-1989
Clinical Instructor in Emergency Medicine, US Army Academy Of Health Sciences	1981-1982

Professional Organization:
American College of Healthcare Executives
American College of Physician Executives
American Medical Association
Waterbury Medical Society

Community Activities:
Past Trustee Waterbury YMCA
Volunteer Mentor in Waterbury School System
Member of Visions Task Force, City of Waterbury
Acting Director of Health Department, City of Waterbury
Incorporator, Child Guidance Clinic of Waterbury

Attachment Six:
Curriculum Vitae: Franklin Medical Group

Kathy Volz, RN, Clinical Manager

Kathleen Volz, RN

SUMMARY

Experienced nursing manager with exceptional managerial skills and ability to motivate, coach and retain highly engaged staff.

WORK EXPERIENCE

1977 – present **Saint Mary's Hospital, Waterbury, CT**

2006 – present Practice Manager/Nurse Manager, Children's Health Center and Pond Place Pediatrics

- Manage daily clinical and non-clinical operations for five practices with 54 staff members that provide care for approximately 10,00 0 patients annually or 200 patients per day
- Monitor monthly budget and meet expected financial and staffing targets
- Hire, evaluate and coach 54 staff members to achieve exceptional patient care
- Collaborate with providers to optimize patient volume and quality of care

1999 -2006 Lead Nurse, Children's Health Center

- Managed clinical staff for Children's Health Center in collaboration with Clinic Manager
- Co-managed facility budget
- Responsible for regulatory compliance

1994 – 1998 Staff Nurse, Children's Health Center

- Provided individualized care coordination for children from birth to 18 years old
- Collaborated with several specialty pediatric providers to ensure best outcomes for patient care

1983 – 1993 Staff Nurse, Urology Unit

- Provided direct patient care to adult urologic patients
- Worked independently as nigh shift staff nurse demonstrating strong judgment and independent decision making

1977 – 1982 Primary Nurse, Oncology Medical-Surgical Unit

- Provided individualized patient care as part of a newly formed medical-surgical oncology primary care unit

EDUCATION

2014 High Reliability Leadership, CT Hospital Association

2013 Influenza Update: Prevention and Treatment, American Academy of Pediatrics and CT Department of Public Health Teleconference

2013 Preventing Child Abuse by Supporting Parents, American Academy of Pediatrics and CT Department of Public Health Teleconference

2013 Crisis Prevention Training, Saint Mary's Hospital

2012 Saint Mary's Manager Certification Series

2011 Journey to Successful Breastfeeding, Part V: To Pump or Not to Pump, American Academy of Pediatrics and CT Department of Public Health Teleconference

2011 Baptist Leadership Group Manager Education Sessions on Rounding, Vital Conversations, RELATE and Words that Work

2009 So You Think You Know the Flu!, Connecticut American Academy of Pediatrics, Conference

1977 Graduate of Saint Mary's Hospital School of Nursing

Attachment Seven:
Curriculum Vitae: Staywell Health Center

Christine Shea Bianchi
Chief Development Officer

Christine Shea Bianchi, MSW, LCSW

Professional Experience:

StayWell Health Care, Inc. Waterbury, Connecticut

Chief Development Officer, April 2011-Present
Director of Grants & Development, December 2004-April 2011
Director of Community Programs and Marketing, November 2001-December, 2004
Project Director – Open Arms, healthcare for the homeless program, 2005-Present
Project Director/Chair – Waterbury Oral Health Collaborative, September 2004-Present
Director of Community Programs, July 1998-November 2001
Healthy Start Coordinator, July 1996- June 1998
Outreach Worker, December 1995-1996

Participation in the Executive Management Team designed to address agency operation.

- Strategic planning and implementation
- Community leadership and partnership building
- Marketing and public relations for health center, including material development
- Chair Performance Improvement Committee
- Legislative liaison and advocate

Responsible for managing all social service programs in the health center.
Programs address any psycho-social barriers to receiving primary preventive care.

- Provision of outreach, application assistance and case management services for pregnant women and children to improve birth outcomes
- Management of Home Visitation Program aimed at preventing child abuse and neglect
- Oversight of data tracking systems
- Supervision of Staff & appropriate training
- Crisis intervention work for agency patients

Responsibilities of coordinating state, federal and privately funded grant programs.

- Management of all grant budgets
- Compliance with state reporting guidelines and Federal OMB regulations
- Grant research, writing and project implementation

Responsible for the overall management of healthcare for the homeless program and School-based health center.

Administer the mobile dental program which services local pre-schools, elementary school, WIC offices and homeless shelters.

- Strategic Planning & community planning to build capacity for access to care by Medicaid covered children
- Ongoing cost-benefit review to maximize productivity to fulfill access goal

Christine Shea Bianchi, MSW, LCSW

Waterbury Hospital, Waterbury, Connecticut
Patient Care Coordinator for Birthing Center & Pedi Unit, Per Diem November 1999-2012

Wheeler Clinic, Plainville Connecticut
Children's Outpatient Clinician, January 1999-September 2000

Education:
Fordham University School of Social Services, New York
Masters in Social Work, December 1998
Saint Joseph College, West Hartford, CT
Bachelor of Arts, May 1993
Received LCSW August 11, 2003

Special Training:
- Results Based Accountability Training, January 2012
- Enrolled in The Family Development Credential Program for Supervisors, February 2006
- Trainer in Focus Point Curriculum, Self-Awareness Cultural Competency Behavior Focused, 2001
- Trainer in Nurturing Curriculum developed by Stephen Bavolek, PhD, 2000
- Completed course in Low Literacy Communication Skills for Health Care Professionals at the University of New England, Maine, 1998
- Certified by the CPCA and the University of Connecticut as train the trainer and implementation of domestic violence identification program and agency protocol, 1997

Community Involvement:
- Chair of the State of CT Council on Medical Assistance Program Oversight, Consumer Access Sub-committee
- State of Connecticut Medicaid Managed Care Council member
- Bridge to Success, (BTS) Community Council Member
- BTS Child Health and Development Workgroup, Co-Chair
- Hispanic Coalition, Former Board Member
- Teen Pregnancy Coalition, Former Co-Chair
- Management Council Representative for Safe Schools Healthy Students
- Mean Initiative, Former Executive Board Member
- Waterbury Violence Prevention Task Force, Former Member
- Member of the Maternal/Child Health Coalition, Former Member
- Healthy Mothers/Healthy Babies Committee Former Member

Presentation:
October 2012, National Network for Oral Health Access
Presentation: "Building a Community Collaborative to Improve Success"
May 2013, Connecticut Coalition to End Homelessness, 11th Annual Training Institute
Presentation: "Medical Respite: How can it work in your community?"

Skills:
Spanish Speaking and experience working with Hispanic population
Knowledge and experience with computers software programs including Excel, Word, Access, Power Point, Medical Manager, Sage/Intergy Electronic Health Record

References:

Donald J. Thompson, M.P.S. – President/C.E.O
StayWell Health Care, Inc.
232 North Elm Street
Waterbury, CT 06702
(203) 756-8021, extension 3016

Evelyn A. Barnum, J.D. - Executive Director
Connecticut Primary Care Association
90 Brainard Road
Hartford, CT 06114
(860) 727-0004

Ellen Andrews, PhD, Executive Director
(Yale Alumni)
CT Health Policy Project
703 Whitney Avenue
New Haven, CT 06511
(203) 562-1636

Mark Schaefer, Medicaid Director
State of Connecticut, Department of Social Services
25 Sigourney St.
Hartford, CT 06106
(860) 424-5067

Grace Damio, Director for the Centers of Nutrition and Women's Health
Hispanic Health Council
175 Main Street
Hartford, CT 06106
(860) 527-0856 ext.274

Senator Toni Harp
State of CT Legislature
Legislative Office Building
300 Capitol Avenue
Hartford, CT 06106
(203) 503-3167

Attachment Seven:
Curriculum Vitae: Staywell Health Center

Sunil D'Cunha, MD
Chief Medical Officer

SUNIL D'CUNHA, MD FACP

Professional address: 80 Phoenix Ave Waterbury, CT. 06702
(203)756-8021sdcunha@staywellhealth.org

QUALIFICATIONS

I am a board certified internal medicine physician, with experience in the care of patients with diabetes, HIV and chronic diseases as well as health disparities, active in the training of medical residents and Physician assistants, developed a reengineered patient visit, implemented electronic medical record meaningful use and active in pursuing patient centered medical care. I speak fluent medical Spanish as well and Tamil and Hindi

EDUCATION /POST GRADUATE TRAINING

1982-1984: Bangalore University, India
- Pre University certificate & first year Bachelor of Science

1984-1990 ST. Johns Medical College, India
Bachelor of Medicine, Bachelor of Surgery (M.B.B.S), MD

1991-1992 Yale University, Bridgeport, CT
- Internship, Internal Medicine, Bridgeport Hospital

1992-1994 Yale University, Bridgeport, CT
- Residency, Internal Medicine, Bridgeport Hospital

1994-1995 Yale University, Bridgeport, CT
- Chief Residency, Internal Medicine, Bridgeport Hospital

MEDICAL LICENSURE/ BOARD CERTIFICATION

Connecticut License number 033666
ABIM – 1994: Recertification Nov. 2004

PRESENT POSITION OR ACADEMIC RANK

Assistant Clinical Professor Yale University, New haven, CT since 2008
Chief medical officer: Staywell health center since 2004
Manage over 11 physicians in the medical, pediatrics, mental health, and GYN departments. Have authority to implement, change and institute medical policies to the center. Run the CVD and Diabetes collaborative at the center resulting in greater than 77% control rate in a diverse, poor population, with low literacy. Help in obtaining grants with the grants department. Oversee and coordinate the Performance improvement of the health center, resulting in 45 % increase in cancer screening rate for women's cancers, 10% increase in Blood pressure control, 5% increase in recall rates for chronic diseases by developing and implementing better health care reminders and decision supports for clinicians and patients, resulting in a 98.3 % satisfaction rate among patients at the health center since implementation of electronic health care records. Responsible for coordinating the administrative and clinical care between

patients, the centers board of directors and also the community, resulting in a 29.9 % increase in patients seen in the health center in the last fiscal year. Implemented a full electronic medical system for all aspects including medicine, pediatrics, Gynecology and assisted in dental and mental health EMR setup and use. Active in clinical practice since 1994

Internal medicine Consultant in the Department of Medicine at Waterbury Hospital and St. Mary's Hospital

PREVIOUS PROFESSIONAL POSITIONS AND APPOINTMENTS

1991-1994 Bridgeport Hospital Bridgeport, CT. ***Resident, Internal Medicine***
Received the prestigious "intern of the year award" in 1992 and the "resident of the year in 1993" for the best resident to graduate the program

1994-1995 Yale University New Haven, CT ***Clinical Instructor and Chief Resident, Internal Medicine***

Supervised and Trained residents in the ambulatory health center. Was a Member of the Quality Improvement Committee and the Internal Review and Education Committee of the hospital with responsibility for the Residents at the hospitals RRC review for accreditation

1996-1998 South West Community Health Center Bridgeport, CT, Internist
Instituted a comprehensive screening campaign for aggressive treatment of HIV infection, using HAART therapy was in charge of the Homeless program and satellite primary care programs of the center. Director, Pharmacy and Therapeutics committee.

1998-6/30/2004 Bridgeport Community Health Center Bridgeport, CT ***Internist***
Instituted a comprehensive screening campaign for aggressive treatment and monitoring a Diabetes care in the clinic together with the Bureau of Primary Care and the state Diabetes Control Project. Was instrumental in the "Re-engineered Patient Visit", which achieved and is the model currently used by the health center and average patient visit time is half the prior achieved times. Received the "employee of the month", two team leadership and "above and beyond" awards from the center.

7/1/2004-7/1/2008 Yale University New Haven, CT ***Clinical Instructor in Medicine***
Precept residents from the Yale Primary Care residency program.

7/1/2004–present: Staywell Health Center Waterbury, CT ***Medical Director/Chief Officer***
Managing physicians in a milti specialty clinic(FQHC). Oversee a department of 47employees and implemented the meaningful Use of electronic health records in all locations and at a homeless site. Run the CVD and Diabetes collaborative at the center. Work actively in obtaining grants with the grants department. Oversee and coordinate the Performance improvement of the health center and instrumental in coordinating the administrative and clinical care between patients, the center's board of directors and also the community. Implemented a full electronic medical record system

Implemented clinical risk reduction, through decision support and health reminders, active in setting up clinical dashboards for improvement of medical care .

TEACHING ACTIVITIES

Yale physician assistant program: preceptor since 2004
University of Connecticut: Urban service track medical student preceptor since 2011
Outpatient clinic for University of Connecticut SEARCH experience student clinic
SEARCH activities for CHCACT for medical students with interest in primary care: University of Connecticut since 2010
Certified diabetes educator by the national board since 2001-2006
Alcohol clinical educator program (ACT) to recognize and treat outpatient alcohol abuse

HOSPITAL / UNIVERSITY COMMITTEE APPOINTMENTS

St Mary's hospital: Pharmacy and therapeutics committee
CT department of social services: physician advisory committee for Patient centered medical home 2011
Member CT Health Information Technology Exchange Technical infrastructure committee

HONORS AND AWARDS

New England Clinicians forum: Dr Raymond Wong's provider recognition award:2009
Connecticut health foundation leadership fellowship awarded for minority health disparities 2005-2006
Resident Teaching Award "best resident", Bridgeport Hospital 1993Intern of the year Bridgeport Hospital, 1992
Project Blue Print: For volunteer diversity in non-profit organizations
Received special citation from The Connecticut General Assembly and Governor John Rowland for volunteer diversity
Certified Diabetes Educator March 2001
Alcohol Clinical Trainer Scholarship April 2005

PROFESSIONAL AND SOCIETY MEMBERSHIPS

Member HITE-CT technical infrastructure committee since 2011
Member Pharmacy and therapeutics committee, St Mary's hospital, 2010-present
Member Institution review and education committee, Bridgeport Hospital 1993-1995
Member of the Connecticut primary care associations clinical issues committee 2004-present
Member Quality Improvement and Management committee, Bridgeport Hospital 93-95
Faculty member; lien hard school of nursing and Pace University till 2000
Fellow American College of Physicians, 2008-present
Family Services of Woodfield –Member of Quality Improvement Committee 01-2004

EDITORIAL ACTIVITIES

"BRIDGES" to PCMH success: **Br**idging **I**ndividuals **D**iabetes **G**aps in **E**ducation at **S**taywell: Poster presentation at NACHC 2013

Optimizing patient health Literacy using the "Ask 3". The provider and patient experience: Poster presentation at the NACHC annual conference 9/12

Know Your ABC's. Can self-rated scores of Diabetic knowledge predict better outcomes in Diabetic patients Poster presentation at NACHC annual meeting .8/07
Recognizing depression in a primary adult Gynecological practice: paper presentation at the national farm workers and migrant health clinicians network annual meeting 5/05

Diabetes management tools for Hispanics and Puerto Rican Health: Paper presentation at the 8th annual national Hispanic medical associations meeting 3/04

Diabetes care in minority populations: 2nd place oral research at the Asian American international society 6/04

COMMUNITY ACTIVITIES

Community health network: physician advisory committee for diabetes care 2011
Family services of Woodfield – Board Membership 2003-2005
Connecticut health foundations leadership fellowship for minority leaders 2005
Project Blueprint Volunteer Diversity 2002
Diabetes Breakfast – group session activities monthly from July 2001
Farmers Market community screen for diabetes in homeless patients Waterbury Ct

Attachment Seven:
Curriculum Vitae: Staywell Health Center

Kenneth Korsu, Director of Human Resources

Kenneth Korsu

Senior Human Resource Executive with a successful track record as a strategic partner and counsel to senior management. Significant for-profit and not-for-profit work experience Exceptional and creative policy formulation experience. Inspirational leader and effective communicator.

Professional Summary

StayWell Health Center, Waterbury, CT **November 2012 to present**

Director of Human Resources with responsibility for human resource services. In addition responsible for Corporate Compliance and Safety.

Safe Space NYC, Inc. Jamaica, NY **Sept. 2010 to April 2012**

Vice President for Administration for this multi-location diverse social service agency serving children in Southeast Queens, NY. Started as a Consultant and acting Human Resources Director in Sept 2010. Hired as Human Resources Director in December 2010 and then promoted to role of VP in March 2011. As an Officer of the Agency and key member of the Executive Committee my responsibilities expanded to include Human Resources, Compliance, Safety, Security, IT, Facilities, Legal, Administrative Services plus HR management services.

- Saved more that $200K/year in ongoing benefits costs by implementing changes and improvements to the Medical and 401(k) Plans.
- Implemented improvements to HR services with a focus on reducing recruiting and employment costs.
- Improved HR recordkeeping in preparation for ongoing regulatory audits.
- Played a key role in a new facility build-out with a smooth on-time move of offices and staff.
- Chair Safety, Security and Compliance Committees.
- Play a key ongoing role interfacing with government and legal counsel on sensitive business issues.
- Directly managed benefits compliance filings to include 5500's.
- Handled tricky legal issues relating to Workers' Comp multi-employer trust.
- Revamped and updated HR Employee Handbook.
- Playing a key role in move toward paperless communication and recordkeeping.

Selfhelp Community Services, Inc., NY, NY **May 2003 - May 2009**

Director of Human Resources with multi location responsibilities. Accountable for directing a staff supporting the operations of one of New York City's largest home health care and social service agencies. Selfhelp, with a staff of more than 2000, delivers a broad array of services to 20,000 clients in the NYC metro area. Accountable for all recruiting, compensation, labor

relations, union contract negotiations, employee benefits, staff training, employee development and employee relations.

- Completely revamped staff compensation program
- Introduced and implemented pay-for-performance
- Modernized HR record keeping and administration utilizing HRIS information technology software
- Restructured Health, Life, Dental and Disability programs with savings in the millions
- Restructured recruiting resulting in lower turnover and improved staff quality
- Administrator of all benefits plans
- Chief spokesperson annually on six labor contract negotiations with DC 1707, Local 389, AFSME
- Elected to be Chairman of the Board of Trustees for the Union DB Pension and Health & Welfare Plan with a $35M investment portfolio.

Yale University, New Haven, CT **Sept 2000 – Oct 2002**

Director of Benefits, managing staff of 12, supporting 11,000 employees with operating budget exceeding $50M. Innovative change agent leading process to update and modernize benefit plans, communications and employee services. Directed efficient, cost effective, self-insured Workers Compensation Program.

- Championed long overdue 100% cash-out provision in 403(b) plan
- Co-chaired an innovative multi-university committee developing a plan to carve out prescription drug coverage from traditional medical plans with projected savings in the millions.
- Architect of 457 Deferred Comp Plan
- Introduced optional improved 529 Plan
- By invitation, served on both the very selective TIAA-CREF and Vanguard Advisory Boards

Manhattan Group/DKL, Trumbull, CT **Dec 1996 – Sept 2000**

Managing Partner of the Human Resource Consulting and Employment Search Practice. Clients include: JDSUniphase, Microboard Processing Inc., Ann Taylor, ATMI, Kearny National Inc., Waterworks, Precision Valve Corp, Cherry Semiconductor Corp, The Siemon Company, Casey Family Services and Banta Direct Marketing Group.

Our benefit consulting services included complete analysis of benefit philosophy, benefit design, State and Federal Laws, benefit administration, cost management, employee utilization, communication practices and employee satisfaction.

Precision Valve Corporation, Yonkers, NY **Dec 1985 – Dec 1996**

Director of Human Resources for this $250M privately held, multinational conglomerate. In addition to its core business, Precision owned a TV series production company, a winery and two resorts. Managed a staff of 11 providing strategic Human Resource Services to all North

American Units. Administrator of all Benefit Plans. Trustee of Teamster Union Pension Plan with $35M in assets. Key architect of improvements to Corporate Compensation and Benefit Plans.

- Conceived and facilitated retirement plan improvements resulting in the replacement of an outdated defined benefit pension plan, with a 401(k) plan, producing savings of more than $1M in plan cost.

- Continuously analyzed and restructured Medical Plan designs and services which resulted in significant improvement in employee satisfaction, better plan utilization and lower plan costs.
- Conceived and installed new performance management and compensation program, utilizing 360 degree feedback

Prior to 1985. I held human resource management positions in a number of for profit manufacturing businesses.

EDUCATION: B.S. Personnel and Industrial Relations, the University of Bridgeport

Military: With rank of First Lieutenant , US Army, served as Forward Observer and Firing Battery Executive Officer with the 101st Airborne Division during the Viet Nam Conflict. Awarded Bronze Star for Valor with V device, Purple Heart, Army Commendation medal plus other military service ribbons. Currently classified as 50% + disabled for service related injuries and illnesses.

Attachment Seven:
Curriculum Vitae: Staywell Health Center

Beverly A. Lyons
Director of Human Resources

BEVERLY A.LYONS

MSW, ACSW, LCSW

OBJECTIVE

To obtain a position where I can utilize my Behavioral Health, management, leadership, and clinical skills.

EXPERIENCE

Staywell Health Care, Inc., Waterbury, CT
9/26/06 to current

Director of Behavioral Health, Waterbury, CT

- Develop, coordinate, manage and facilitate Mental Health Programming and Community Based Services in accordance with the mission and goals set forth by Staywell Health Care, Inc.
- Supervision and training of Behavioral Health staff and interns
- Encourage and promote Multi-Disciplinary Team Approach to Mental Health Treatment
- Performance Improvement, Quality Assurance and Peer Reviews
- Develop and Maintain Behavioral Health Policy and Procedures
- Public relations, community networking and inter-agency consultations
- Administer and assure compliance with State, Federal and quality assurance standards
- Clinical Assessments, Individual and Group Therapy
- Understanding of licensing, credentialing, CAQH, Public and Commercial insurance utilization requirements
- Experience with EHR Electronic Record Keeping System and development of Behavioral Health Modules
- Member of EHR Committee and Performance Improvement Committee.

Community Renewal Team Behavioral Health, Hartford, CT
5/12/05 - 9/25/06

- Lead Clinician DMHAS Transitional Case Management Program
- Clinical Assessment and Case Management
- Biopsychosocial Assessments for Intensive Out-patient, Partial Hospitalization & Out-patient Mental Health, Substance Abuse, and Dual Diagnosed Programs
- Group Therapy and 1:1 for IOP, PHP and OPC
- Multidisciplinary Team Participation
- Insurance authorizations(Medicare, Anthem Blue Cross and CAQH approved),pre-certifications for Medicaid and SAGA
- JACHO

Department of Social Services, Town of Plainville,
Plainville, CT
Director of Social Services 7/20/77 - 5/11/05

- Develop, coordinate and facilitate Social Services programming

- Direct client service work: assessment, casework, crisis intervention, advocacy, vocational employability, substance abuse and mental health counseling
- Supervisory and consultation skills
- Information and referral
- Community networking and inter-agency consultations
- Knowledge of entitlement program eligibility determination
- Computer literate with the ability to use a variety of software
- Knowledge of health insurance programs, managed care and benefits
- Grant writing and collaboration
- Administer and assure compliance with state mandated General Assistance program
- Insurance, Managed Care, Medicaid and Medicare experience
- Energy Assistance
- Evictions and Ejectments

- **Beverly A. Lyons, LLC,** Farmington, CT
  Private part-time Clinical Practice 3/1/00-12/31/03
- Consultation to families, individuals and Probate Courts with regard to needs assessment and care management plans
- Care manager
- Probate Court appointed conservator for elderly and psychiatrically impaired adults
- Mental Health and substance abuse counseling

- 4/2/76-7/19/77 I attended UCONN School of Social Work part-time as a matriculated student waiting for full time admission status.

City Welfare Department, New Haven, CT
Social Investigator, Intake & Maintenance Unit
Supervisor for General Assistance Program 7/1/70-4/1/76

- Direct service to a variety of caseloads: Families, Singles, Chronics and Child Welfare
- Supervised Intake Eligibility Unit, Security and ongoing caseload units
- Training of staff

Community Service (Past/Present)

New Britain General Hospital, New Britain, CT

- Member of Board of Directors, Development Committee, Performance Improvement Council, and Strategic Planning

Central CT Health Alliance, New Britain CT

- Member of By-laws and Governance Committee
- Chairperson of Behavioral Health Committee

Community Mental Health Affiliates, New Britain, CT

- Member of Board of Directors, Executive Committee, Adult Services Committee and Personnel Committee

Alliance Treatment Center, Avon, CT

- Member of Board of Directors

United Way of Plainville and West Central CT, Plainville and Bristol CT

- Member of Board of Directors

- United Way Loaned Executive

Professional Memberships (Past/Present)

- **National Association of Social Workers**
- Conference Workshop Presenter
- International Association of Trauma Professionals
- **Consortium for Gerentological Education**
- **American Public Welfare Association**
- **CT Local Association of Social Services**

Education Degrees, Licenses and Certifications:

- **MSW**(1981),**ACSW**(1983),**LCSW**(1986), **Post-Master's Certification in Clinical Supervision**(2008), **SIFI Certification**(2010),**Authorized Oasis Trainer**(2010), Certified Clinical Trauma Professional(2013), Certified Fresh Start Smoking Cessation Facilitator (2013).

Salary Requirements Negotiable

References Available upon request

Attachment Seven:
Curriculum Vitae: Staywell Health Center

Amit Patel, DDS, Dental Director

Dr. Amit Patel, DDS

Objective:
To work as a community base dentist/director who can creatively work with other health care professionals from a variety of disciplines to achieve maximal productivity and programmatic effectiveness while continuously promoting the growth and development of fellow professionals, exercising appropriate supervisory control and displaying good work judgment.

Postgraduate Training:

1999-2000 GPR, Saint Francis Hospital, CT
An intensive hospital residency program with emphasis placed on Oral Surgery, Endodontic, Periodontics, Prosthodontics, Operative, and Pedodontic.
Participation Certificate
1994-1995 Bachelors of Science in Biology, Saint John's University,
Honors:
Freshman tutor for Biology and Chemistry
Dean's List Junior and Senior Years
Completed a Minor in Chemistry
1992-1994 Associate Degree of Biology, University of Massachusetts at Amherst,
Honors:
Dean's List

Professional Experience:

2001-Present	Staywell Health Center, Inc., Dental Director
2000-2001	Brook dale Maxi-Course in Implantology
1999-2000	GPR, Saint Francis Hospital
1997-1999	Bellevue Hospital
1998-1999	Mt. Sinai Hospital (N.Y.C)
1998-1999	Dr. Korngut Dental Office, Dental Assistant
1991-1992	Tufts Dental Facility for Handicap, Volunteer

Activities:

1996-1999	Student Dental Research Group
1995-1999	Dental Judicial Board Member
1995-1999	Indian Dental Association Member
1995-1999	ASDA Member
1998-1999	Admission Committee Tour
1998-2000	Pediatric Outreach Program
1992-1995	Undergraduate Intramural Soccer
1992-1995	Undergraduate Intramural Basketball
1994-1995	Allied Health Organization Member

References
Available upon request

Attachment Seven:
Curriculum Vitae: Staywell Health Center

Donald Thompson, President and CEO

Donald J. Thompson, M.P.S.

Summary

Experienced public health administrator with background in writing grant applications and implementation of grant funded programs. Increased the use of fund sources and monitored the effectiveness of their application using appropriate statistical and epidemiological methods. Experience with State and Government Programs

Experience

1/1995 - Present StayWell Health Care, Inc. Waterbury, CT

President/CEO

- Responsible for the day-to-day operations and compliance of FQHC (Federally Qualified Health Center) providing 70,000 patient visits per year for the underserved of Greater Waterbury.
- Transferred a City clinic into a FQHC (Federally Qualified Health Center) in 1994 offering Medical, Dental and Mental Health services, purchasing three buildings along the way. StayWell Health Clinic is one of seven owners of Community Health Network.

1991 – 1/1995 StayWell Health Care, Inc. Waterbury, CT

Associate Director

1989 - 1991 City of Waterbury Waterbury, CT

Public Health Administrator

- Coordinate the activities of the public health grant programs and provide administrative support to the Public Health Director. Analyze health related data on morbidity and mortality to plan activities to address health needs. Seek grant funds and write applications. Plans and administrates grant-funded programs.

1988 - 1989 Ear, Nose and Throat Associates Waterbury, CT

Administrator

- Responsible for management of diverse medical practice including financial analysis, utilization of IBM PC, payroll and accounting functions. Coordinated four management teams including personnel recruiting and management building

1985 - 1988 StayWell Health Care, Inc. Waterbury, CT

Associate Director

- Responsible for coordinating grants with structure of three fiscal years, Title 18 and 19 programs, employee administration, varied insurance plans, Federal and State agencies and acted as Board of Health liaison.

1977 - 1985 Various Health Care Facilities Waterbury, CT

Administrator

- Administrator to various Health Care Facilities, permanent and transitional positions. Aided facilitating the process acquisitions. Responsible for facility management, labor relations, and patient recruitment. Developed positive working relationship with State and Federal Regulatory Agencies. Excellent problem solving and organized labor negotiating skills.

1987 - 1995 Rose Manor Care Facility Waterbury, CT

Administrator (Part-Time)

- Responsible for the operation of the institution in compliance with State Regulations. Managed personnel, equipment, facilities, sanitation, and maintenance of the home to ensure the health, comfort and safety of the patients

Board Experience

1991 - Present Community Health Center Association of CT (CHCACT) Wethersfield, CT

Past Treasurer and Board Chair

1995 - Present Community Health Network Meriden, CT

Board Member

2011 – Present eHealth Connecticut Hartford, CT

Board Member

2010 – Present Children's Community School Waterbury, CT

Board Member

1997 - 1999 New England Community Health Center Association

Member of Finance Committee

Education

Masters in Health Service Administration, Quinnipiac College

Bachelor of Science, Business Administration, Central Connecticut State University

Language Fluency

English

Attachment Seven:
Curriculum Vitae: Staywell Health Center

Lule G. Tracey, Chief Financial Officer

Lule G. Tracey

A self-starter with high synergy, computer savvy and enthusiasm with record for managing and building strong effective project teams. Proven track record of driving value-added business contributions.

PROFESSIONAL EXPERIENCE

STAYWELL HEALTH CARE INC, Waterbury, Connecticut **1999 - Present**
A $ 14.5 million nonprofit community - based health center. Net Revenue increased by 1,095% in 5yrs.

Chief Financial Officer
Reporting to CEO and Board of Directors, experienced CFO responsible for directing and managing all of the organization's financial functions including billing, collections; financial analysis, reporting, planning and forecasting; budgeting and inventory control, fiscal grants management, AR, AP, 401(k), general ledger and payroll, in such a manner that ensures integrity, accuracy and transparency of the financial reporting and security of assets.

- Developed chart of accounts designed to capture reporting requirements and converted manual general ledger and payable to a computerized automated financial accounting system.
- Implemented the first monthly agency & cost center financial reporting.
- Achieved balance sheet creditability through establishing agency's first accounting policies and procedures.
- Developed & implemented the first operational and programmatic budget. Orchestrated budget process with all departments, senior management concluding in the presentation of a final budget approved by the Board of Directors.
- Established agency's billing and collections policies and procedures.
- Ensure compliance with GAAP, federal grant regulations, Medicare regulations, Medicaid regulations, IRS regulations.
- Maximized Patient Revenue by managing patient receivables.

HISPANIC HEALTH COUNCIL, Hartford, Connecticut **1997 - 1999**
A $ 3.5 million nonprofit community - based research, direct training, and advocacy organization.

Chief Financial Officer
Reporting to CEO and Board of Directors, initial responsibilities were to improve financial reporting and analysis, to manage implementation of $ 300,000 expense reduction effort, design and automate the annual consolidated budget for 52 fiscal grants totaling $3.1 million, and explore opportunities for maximizing returns and minimizing risks.

- Achieved financial goal: turned agency around from $155K deficit to 82K profit in 12 months.
- Managed financial and grant reporting, administration of subcontracts.
- Managed 403B pension plan and a 45 user windows NT network.
- Supervised: operation, accounts payable, accounts receivable, payroll, insurance, collections, facilities management, employee development, inventory control, budgeting and forecasting.

CENTERBANK, Waterbury, Connecticut **1996-1997**
A $ 4 billion regional savings bank (recently acquired by First Union Bank)

Senior Business Officer
Brought in as a member of special projects staff performing business studies and financial analysis for the office of the President and COO.

- Directed and monitored regional managers to assure proper procedures, requirements, and timing of "Spirit 96" incentive program.
- Analyzed and computed actual full-time equivalent employees to accurately track salary expenses, which held regional managers more accountable for salary budget resulting in cost reduction.
- Analyzed and identified the non-sufficient funds waivers, resulted in increase of revenues by $ 270M for 1996.
- Acted as project manager as assigned by COO for diverse projects which impacted several business and strategic initiatives.

FLEET FINANCIAL, Hartford, Connecticut **1990 - 1996**
A $ 91 billion national bank (formerly Shawmut Bank)

Senior Financial Analyst for the Profit Planning & Analysis Department, 1994 - 1996
Recommended and participated in developing internal systems and analytical reports to improve information resources available to senior management. Researched and analyzed product profitability measurement issues to ultimately maximize revenue. Conducted cost analysis studies and maintained integrity of cost allocation system.

- Designed and developed an interactive budget system for payroll subsidiary which established a business planning and forecasting capability.
- Developed and implemented system to automate preparation of monthly financial reports, raised efficiencies, improved morale and increased productivity by 28%.
- Elected Member of Shawmut's Diversity Leadership Team; responsible for data analysis, recommendation, and presentation to senior management and training of 216 audit/finance employees.

Senior Tax Accountant of the Trust Income Tax Department, 1990 - 1994
Responsible for timely preparation and filing of sensitive, high net worth, complex federal and state tax returns for 92 individuals, 525 fiduciary trusts, 26 charitable trusts and 23 exempt organizations. Responsible for overseeing, auditing, monitoring the workload of 22 accountants.

- Designated team leader to resolve all tax, legal and personnel issues within a 12 member team.
- Consulted clients worth over $1MM on financial and tax planning strategies.
- Acted as project manager for various projects as assigned.
- Elected member of system development and implementation project team.
- Novell LAN manager, software and mainframe trainer for department of 50 employees.

EDUCATION

University of New Haven, West Haven , CT — *MSTax* - 1997
University of Connecticut, Storrs, CT — *BSBA in Finance* - 1989.

CERTIFICATION

Professional Certificates in Taxation of Individuals and Taxation of Corporations.

Attachment Eight:
StayWell's Tax-Exempt Status Letter from the IRS

IRS Department of the Treasury
Internal Revenue Service
P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077589886
Dec. 13, 2013 LTR 4168C 0
22-3160873 000000 00
00039138
BODC: TE

STAYWELL HEALTH CARE INC
80 PHOENIX AVE STE 201
WATERBURY CT 06702-1418

011610

Employer Identification Number: 22-3160873
Person to Contact: Mr. Schatz
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Oct. 21, 2013, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in July 1992.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

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

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

Attachment Nine: StayWell Health Center Audited Financial Statements

Staywell Health Care, Inc.

Financial Statements
and Independent Auditor's Report

June 30, 2013 and 2012

Staywell Health Care, Inc.

Index

Independent Auditor's Report

To the Board of Directors
Staywell Health Care, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Staywell Health Care, Inc., which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Staywell Health Care, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated October 24, 2013 on our consideration of Staywell Health Care, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Staywell Health Care, Inc.'s internal control over financial reporting and compliance.

Cohn Reznick LLP

Glastonbury, Connecticut
October 24, 2013

Staywell Health Care, Inc.

Statements of Financial Position
June 30, 2013 and 2012

Assets	2013	2012
Current assets:		
Cash and cash equivalents	$ 3,151,018	$ 3,607,546
Certificate of deposit	254,164	253,149
Patient service receivables, net	773,279	949,756
Grant receivables	240,833	90,449
Other receivables	76,318	22,254
Prepaid expenses	177,305	182,467
Total current assets	4,672,917	5,105,621
Property and equipment, net	4,513,972	4,551,247
Other assets	345,957	277,673
Investment in Community Health Network, Inc.	83,333	83,333
Total assets	$ 9,616,179	$ 10,017,874
Liabilities and Net Assets		
Current liabilities:		
Current portion of long-term debt	$ 62,990	$ 55,610
Accounts payable	93,575	93,431
Accrued expenses	540,316	473,711
Accrued profit sharing	-	492,398
Deferred revenue	117,754	179,661
Total current liabilities	814,635	1,294,811
Long-term liabilities:		
Supplemental executive retirement plan	345,957	277,673
Long-term debt, less current portion	971,244	1,036,812
Total liabilities	2,131,836	2,609,296
Commitments and contingencies		
Net assets:		
Unrestricted net assets	5,931,961	5,962,355
Temporarily restricted net assets	1,552,382	1,446,223
Total net assets	7,484,343	7,408,578
Total liabilities and net assets	$ 9,616,179	$ 10,017,874

See Notes to Financial Statements.

Staywell Health Care, Inc.

Statements of Activities and Changes in Net Assets
Years Ended June 30, 2013 and 2012

	2013	2012
Changes in unrestricted net assets:		
Unrestricted support and revenue:		
Net patient service revenue (net of contractual allowances and discounts)	$ 9,760,909	$ 10,986,573
Provision for uncollectible accounts	(601,409)	(502,080)
Net patient service revenue, less provision for uncollectible accounts	9,159,500	10,484,493
Grant revenue	2,887,170	2,901,260
Donated vaccines	761,812	494,255
Rental income	171,244	166,071
Pharmacy revenue	418,820	20,792
Fundraising and contributions	21,318	7,498
Other revenue	152,835	287,740
Net assets released from restrictions	104,056	192,377
Total unrestricted support and revenue	13,676,755	14,554,486
Program expenses:		
Medical	4,249,329	4,311,678
Dental	2,039,195	2,238,504
Mental health	555,240	605,167
Community programs	1,885,032	1,585,322
Vaccines	761,812	494,255
Total program expenses	9,490,608	9,234,926
Management and general expenses:		
Facility	364,924	260,877
Administrative	3,829,008	4,270,708
Fundraising	22,609	-
Total management and general expenses	4,216,541	4,531,585
Change in unrestricted net assets	(30,394)	787,975
Changes in temporarily restricted net assets:		
Grant funds used for capital expenditures	203,265	-
In-kind donation of capital assets	6,950	-
Net assets released from restrictions	(104,056)	(192,377)
Increase (decrease) in temporarily restricted net assets	106,159	(192,377)
Change in net assets	75,765	595,598
Net assets, beginning of year	7,408,578	6,812,980
Net assets, end of year	$ 7,484,343	$ 7,408,578

See Notes to Financial Statements.

Staywell Health Care, Inc.

Statements of Cash Flows
Years Ended June 30, 2013 and 2012

	2013	2012
Operating activities:		
Change in net assets	$ 75,765	$ 595,598
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	305,544	324,279
Grant funds used for capital expenditures	(203,265)	-
In-kind donation of capital assets	(6,950)	-
Provision for uncollectible accounts	601,409	502,080
Changes in operating assets and liabilities:		
Patient service receivables, net	(424,932)	(661,562)
Grant receivables	(150,384)	(41,690)
Other receivables	(54,064)	(22,254)
Prepaid expenses	5,162	(159,484)
Other assets	(68,284)	(36,091)
Accounts payable	144	(12,484)
Accrued expenses	66,605	(170,650)
Accrued profit sharing	(492,398)	(148,400)
Deferred revenue	(61,907)	52,804
Supplemental executive retirement plan	68,284	84,762
Net cash (used in) provided by operating activities	(339,271)	306,908
Investing activities:		
Certificate of deposit	(1,015)	365,603
Purchases of property and equipment	(261,319)	(209,950)
Net cash (used in) provided by investing activities	(262,334)	155,653
Financing activities:		
Principal payments on long-term debt	(58,188)	(455,200)
Grant funds received for capital expenditures	203,265	-
Net cash provided by (used in) financing activities	145,077	(455,200)
Net (decrease) increase in cash and cash equivalents	(456,528)	7,361
Cash and cash equivalents, beginning of year	3,607,546	3,600,185
Cash and cash equivalents, end of year	$ 3,151,018	$ 3,607,546
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 75,683	$ 96,347

See Notes to Financial Statements.

Note 1 - Organization and summary of significant accounting policies:

Organization:

Staywell Health Care, Inc. (the "Center") is a private nonprofit corporation which provides comprehensive medical, dental and mental health services to residents of Waterbury, Connecticut and its surrounding communities. The medical component provides primary health care and related services as well as prenatal care, pediatric and behavioral health services. The dental component provides a full range of dentistry. Services are primarily offered on an outpatient basis with a sliding fee scale, based on income level, number of dependents and ability to pay. The Center's primary sources of revenue consist of grants and patient fees. The Center is a Federally Qualified Health Center, which makes the Center eligible for Federal grants, in addition to Medicaid and Medicare reimbursements.

The U.S. Department of Health and Human Services (the "DHHS") provides substantial support to the Center. The Center is obligated under the terms of the DHHS grants to comply with specified conditions and program requirements set forth by the grantor.

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Center reports information regarding its financial position and activities according to the three classes of net assets: unrestricted, temporarily restricted and permanently restricted. They are described as follows:

Unrestricted - Net assets that are not subject to explicit donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Center is subject to either explicit donor-imposed stipulations or by the operation of law that can be fulfilled by actions of the Center or that expire by the passage of time.

Permanently Restricted - Net assets subject to explicit donor-imposed stipulations that they be maintained permanently by the Center and stipulate the use of income and/or appreciation as either unrestricted or temporarily restricted based on donor imposed stipulations or by the operation of law. At June 30, 2013 and 2012, there were no permanently restricted net assets.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Performance indicator:

The statements of activities and changes in net assets include the change in unrestricted net assets as the performance indicator.

Cash and cash equivalents:

For the purposes of the statements of cash flows, the Center considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentrations of credit risk:

The Center's financial instruments that are exposed to concentrations of credit risk consist primarily of cash, the certificate of deposit, patient services revenue and receivables (Notes 2 and 9) and grant revenue and receivables (Note 3).

The Center maintains cash in bank accounts which at times, may exceed Federally insured limits. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and the certificate of deposit.

Certificate of deposit:

The certificate of deposit is carried at amortized cost, which approximates fair value.

Patient service receivables:

The collection of receivables from third-party payors and patients is the Center's primary source of cash for operations and is critical to its operating performance. The primary collection risks relate to uninsured patient accounts and patient accounts for which the primary insurance payor has paid, but patient responsibility amounts (deductibles and copayments) remain outstanding. Patient service receivables from third-party payors are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third-party payors.

Receivables due directly from patients are carried at the original charge for the service performed, less discounts provided under the Center's charity care policy, less amounts covered by third-party payors and an estimated allowance for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. The Center does not charge interest on past due accounts.

Patient receivables are written off to an allowance account when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of the provision for uncollectable accounts when received.

Property and equipment:

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets with a range in lives from 3 to 39 years. Expenditures exceeding $5,000 are capitalized. Leasehold improvements are amortized over the shorter of the estimated useful life or lease term. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in the statements of activities and changes in net assets.

Certain property and equipment have been purchased with grant funds received from the U.S. Department of Health and Human Services. Such items or a portion thereof may be reclaimed by the Federal government if not used to further the grant's objectives.

Contributed property and equipment:

Contributed property and equipment are recorded at fair value at the date of donation. In the absence of donor stipulations regarding how long the contributed assets must be used, the Center has adopted a policy of applying a time restriction on contributions of such assets that expires over the assets' useful lives. As a result, all contributions of property and equipment, and of assets to acquire property and equipment, are originally recorded as temporarily restricted support.

Impairment of long-lived assets:

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

In performing a review for impairment, the Center compares the carrying value of the assets with their estimated future undiscounted cash flows. If it is determined that impairment has occurred, the loss would be recognized during that period. The impairment loss is calculated as the difference between the asset carrying values and the present value of estimated net cash flows or comparable market values giving consideration to recent operating performance and pricing trends. The Center does not believe that any material impairment currently exists related to its long-lived assets.

Revenue recognition:

Patient service revenue:

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. Payment arrangements include predetermined fee schedules and discounted charges. Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including retroactive adjustments under reimbursement agreements with third-party payors, which are subject to audit by administrating agencies. These adjustments are accrued on an estimated basis and are adjusted in future periods as final settlements are determined. The Center provides care to certain patients under Medicaid and Medicare payment arrangements. Laws and regulations governing the Medicaid and Medicare programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action. Self-pay revenue is recorded at published charges with charity care deducted to arrive at net self-pay revenue.

Charity care and community benefit:

The Center is open to all patients, regardless of their ability to pay. In the ordinary course of business, the Center renders services to patients who are financially unable to pay for healthcare. The Center provides care to these patients who meet certain criteria under its sliding fee discount policy without charge or at amounts less than the established rates. Charity care services are computed using a sliding fee scale based on patient income and family size. The Center maintains records to identify and monitor the level of sliding fee discount it provides. For uninsured self-pay patients that do not qualify for charity care, the Center recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates, if negotiated or provided by policy. On the basis of historical experience, a significant portion of the Center's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Center records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Community benefit represents the cost of services for Medicaid, Medicare and other public patients for which the Center is not reimbursed.

Based on the cost of patient services, charity care approximated $2,141,000 and $1,852,000 and community benefit approximated $1,923,000 and $1,317,000 for the years ended June 30, 2013 and 2012, respectively.

Contributions:

Contributions are recorded at fair value when received or pledged. Amounts are recorded as unrestricted, temporarily restricted or permanently restricted revenue depending on the existence and/or nature of any donor restrictions.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions expire during the same fiscal year are recognized as unrestricted revenue. Conditional contributions are recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions on the statements of activities and changes in net assets.

Pharmacy revenue:

The Center participates in Section 340B of the Public Health Service Act ("PHS Act"), "Limitation on Prices of Drugs Purchased by Covered Entities". Participation in this program allows the Center to purchase pharmaceuticals at a discounted rate for prescription to eligible patients. The Center has outsourced the administration of this program to a commercial pharmacy. The Center records revenue based on the price of the pharmaceuticals dispensed.

Grant revenue:

Revenue from government grants designated for use in specific activities is recognized in the period when expenditures have been incurred in compliance with the grantor's requirements. Grants awarded for the acquisition of long-lived assets are reported as temporarily restricted contributions, during the fiscal year in which the assets are acquired. Cash received in excess of revenue recognized is recorded as deferred revenue in the statements of financial position. These grants require the Center to provide certain healthcare services during specified periods. If such services are not provided during the periods, the governmental entities are not obligated to expend the funds allocated under the grants.

Donated goods and services:

Donated goods and services are recorded at fair value at the time of the donation.

In-kind contributions:

In-kind contributions consist primarily of medical supplies and are recorded at the fair value of the supplies provided. The fair value of those goods as provided by the funding source is $761,812 and $494,255 for the years ended June 30, 2013 and 2012, respectively, and is recorded as donated vaccines, along with a corresponding charge to direct operating expenses in the accompanying statements of activities and changes in net assets.

Meaningful use incentive:

The American Recovery and Reinvestment Act of 2009 ("ARRA") amended the Social Security Act to establish one-time incentive payments under the Medicare and Medicaid programs for certain professionals that: (1) meaningfully use certified Electronic Health Records ("EHR") technology, (2) use the certified EHR technology for electronic exchange of health information to improve quality of health care, and (3) use the certified EHR technology to submit clinical and quality measures.

These provisions of ARRA, together with certain of its other provisions, are referred to as the Health Information Technology for Clinical and Economic Health ("HITECH") Act. The criteria for meaningful use incentives will be staged in three steps over the course of the next three years and be paid out based on a transitional schedule.

The Center's providers have met the criteria for Stage 1 and the Center has earned $127,500 and $276,250 from the Medicaid incentive program during the years ended June 30, 2013 and 2012, respectively. These amounts are included in other revenue in the accompanying statements of activities and changes in net assets.

Interest earned on Federal funds:

Interest earned on Federal funds is recorded as a payable to the United States Public Health Service ("PHS") in compliance with the regulations of the United States Office of Management and Budget.

Functional expenses:

Expenses are charged to program expenses such as medical, dental, mental health and community programs, and management and general expenses such as facility and administrative based on a combination of specific identification and allocation by management.

Income taxes:

The Center was incorporated as a not-for-profit entity and is exempt from Federal income tax under the provisions of the Internal Revenue Code Section 501(c)(3), except for taxes on unrelated business income.

The Center has no unrecognized tax benefits at June 30, 2013 and 2012. The Center's Federal and state information returns prior to calendar year 2010 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If the Center has unrelated business income taxes, it will recognize interest and penalties associated with uncertain tax positions as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statements of financial position.

Reclassifications:

Certain prior year amounts have been reclassified to conform with current year presentation.

Subsequent events:

The Center has evaluated events and transactions for potential recognition or disclosure through October 24, 2013, which is the date the financial statements were available to be issued.

Note 2 - Patient service receivables, net:

The Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables, net from patients and third-party payors as of June 30, 2013 and 2012 is as follows:

	2013	2012
Medicaid	$ 382,651	$ 504,057
Medicare	72,244	53,323
Third-party payors	48,695	33,661
Patients	1,243,089	952,109
	1,746,679	1,543,150
Less allowance for doubtful accounts	(973,400)	(593,394)
	$ 773,279	$ 949,756

Patient service receivables are reduced by an allowance for doubtful accounts. In evaluating the collectability of patient service receivables, the Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectable accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, the Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectable accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Center records a provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates provided by the Center's policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

The Center's allowance for doubtful accounts for self pay patients was 76% of self-pay patient service receivables at June 30, 2013 and 2012. The Center has not changed its charity care or uninsured discount policies during 2013 and 2012. The Center had $48,917 and $61,758 of write-offs during the years ended June 30, 2013 and 2012, respectively.

Note 3 - Grants:

Grant receivables are evidenced by contracts with a variety of Federal and state government agencies and, based on historical experience, management believes these receivables represent negligible credit risk. Accordingly, management has not established an allowance for doubtful accounts. Grant receivables at June 30, 2013 and 2012 are as follows:

	2013	2012
Federal	$ 197,043	$ 49,098
State	16,361	8,431
Other	27,429	32,920
	$ 240,833	$ 90,449

The Center receives a significant amount of grants from DHHS and the State of Connecticut Department of Social Services ("DSS"). As with all government funding, these grants are subject to reduction or termination in future years.

For the years ended June 30, 2013 and 2012, grants from DHHS consisted of 66% and 68%, respectively, and DSS consisted of 13% and 18%, respectively, of total grant revenue.

Note 4 - Property and equipment, net:

Property and equipment, net consists of the following as of June 30, 2013 and 2012, respectively:

	2013	2012
Land	$ 384,297	$ 384,297
Building	5,439,256	5,198,180
Medical equipment	31,261	24,311
Dental equipment	395,940	395,940
Computer equipment	419,829	402,197
Telephone equipment	90,705	90,705
Leasehold improvements	41,081	41,081
Furniture and fixtures	36,494	36,494
	6,838,863	6,573,205
Less accumulated depreciation and amortization	2,324,891	2,021,958
Totals	$ 4,513,972	$ 4,551,247

In the event the DHHS grants are terminated, the DHHS reserves the right to transfer all property and equipment purchased with grant funds to the Public Health Service ("PHS") or other third party.

Note 5 - Split-dollar life insurance and supplemental executive retirement plan:

The Center maintains a supplemental executive retirement plan ("SERP") for two executives. The Master Plan Document of the SERP states that the participants will be fully vested at the earliest time of the following events; involuntary separation from service, death, disability, a change in control or attainment of a specified date or age. Under the SERP plan, the Center has recorded a liability of $345,957 and $277,673 as of June 30, 2013 and 2012, respectively.

The Center has funded the liability associated with the SERP plan by purchasing two life insurance policies on their executives. The Center is the owner of the life insurance policies. As of June 30, 2013 and 2012, the cash surrender value of both policies was $345,957 and $277,673, respectively, and is included in other assets in the accompanying statements of financial position.

Note 6 - Investments:

The Center is a member of a not-for-profit health plan, Community Health Network of Connecticut, Inc. ("CHNCT"). CHNCT provides statewide healthcare services for the State of Connecticut HUSKY A, HUSKY B and Charter Oak Populations. The Center has purchased an interest in CHNCT. The Center's investment in CHNCT amounted to $83,333 as of June 30, 2013 and 2012 and is recognized based on cost-basis due to less than 20% ownership.

Note 7 - Line of credit:

The Center has a $200,000 line of credit with Bank of America available to be drawn upon, as needed, with interest at prime plus 0.75%. There were no outstanding amounts on the line of credit at June 30, 2013 or 2012. This line of credit expires on December 31, 2013.

Note 8 - Long-term debt:

The Center has a mortgage payable with Bank of America that matures on March 27, 2026. Interest is fixed at 7% through March 2016 at which point the rate will be adjusted to the U.S. Treasury Securities rate fixed at a ten-year maturity plus 200 base points. As a result, the specific amount of future maturities from March 2016 to March 2026 are not certain as of June 30, 2013 and are thus included in thereafter in the long-term debt table below. This mortgage payable is secured by the health center property at 80 Phoenix Avenue, Waterbury, Connecticut.

Maturities of long-term debt are as follows:

Year Ending June 30,	
2014	$ 62,990
2015	67,544
2016	72,426
Thereafter	831,274
Total	$ 1,034,234

Interest expense was $75,683 and $96,347 for the years ended June 30, 2013 and 2012, respectively. In addition, the Center must meet certain financial covenants. The Center was in compliance with these covenants during fiscal years 2013 and 2012.

Note 9 - Patient services rendered (net of contractual allowances):

The Center recognizes patient service revenue associated with services provided to patients who have Medicaid, Medicare and third party payor coverage on the basis of contractual rates for services rendered.

For the years ended June 30, 2013 and 2012, patient service revenue consists of the following:

	2013	2012
Medicaid	$ 7,893,042	$ 9,225,379
Medicare	757,367	496,598
Third-party payors	248,237	258,979
Self-pay patients	862,263	1,005,617
	$ 9,760,909	$ 10,986,573

Medicaid and Medicare revenue is reimbursed to the Center at the net reimbursement rates determined by each program. Reimbursement rates are subject to revisions under the provision of reimbursement regulations. Adjustments for such revisions are recognized in the fiscal year incurred.

Note 10 - Temporarily restricted net assets:

Temporarily restricted net assets as of June 30, 2013 and 2012 relate to the following property and equipment acquisitions being amortized over their lives:

	2013	2012
ARRA capital improvement program	$ 390,826	$ 457,880
HRSA capital development grant	196,643	-
Capital campaign	160,932	168,546
Various capital projects	48,942	-
DPH bonding, net of amortization:		
80 Phoenix Avenue	633,019	662,967
South Main expansion	78,338	88,638
South Main dental expansion	37,233	39,792
Software/hardware	6,449	28,400
Total temporarily restricted net assets	$ 1,552,382	$ 1,446,223

Note 11 - Operating leases:

The Center holds several equipment leases and two vehicle leases with monthly payments ranging from $44 to $911 through August 2018. Lease expense for the years ended June 30, 2013 and 2012 totaled $37,645 and $35,438, respectively.

Aggregate future minimum rental payments for these leases are as follows:

Year Ending June 30,	
2014	$ 22,707
2015	13,425
2016	10,849
2017	2,473
2018	1,920
Thereafter	321
	$ 51,695

Note 12 - Rental income:

The Center leases portions of its facility at 80 Phoenix Avenue and 1309 South Main Street to unrelated third-parties. As of June 30, 2013 and 2012, six leases were in effect which expire at various dates through June 2017. Rental income for the years ended June 30, 2013 and 2012 was $171,244 and $166,071, respectively.

Future minimum lease payments to be received in each of the years subsequent to June 30, 2013 are as follows:

Year Ending June 30,	
2014	$ 162,667
2015	146,202
2016	117,737
2017	55,292
	$ 481,898

Note 13 - Fair value measurements:

The Center values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Center utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. There were no changes in valuation techniques during fiscal years 2013 and 2012.

Financial assets carried at fair value at June 30, 2013 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Certificate of deposit	$	$ 254,164	$	$ 254,164

Financial assets carried at fair value at June 30, 2012 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Certificate of deposit	$ -	$ 253,149	$ -	$ 253,149

The certificate of deposit is valued using significant observable inputs particularly dealer market prices for comparable investments as of the valuation date.

The preceding method may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Center 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.

The Center's policy is to recognize transfers in and out of various levels as of the actual date of the events or change in circumstance that caused the transfer. There were no transfers for the years ended June 30, 2013 and 2012.

Note 14 - Employee benefit plan:

The Center maintains a 401(k) profit sharing plan. The Center's Board of Directors determines, on an annual basis, the extent to which it can contribute to the plan. As of June 30, 2012, the Center accrued $492,398 for the contribution to the plan. There was no contribution to the plan for the year ended June 30, 2013.

Note 15 - Commitments and contingencies:

The Center has contracted with various funding agencies to perform certain healthcare services, and receives Medicaid and Medicare revenue from Federal, state and local governments. Reimbursements received under these contracts and payments from Medicaid and Medicare are subject to audit by Federal, state and local governments and other agencies. Upon audit, if discrepancies are discovered, the Center could be held responsible for refunding the amounts in question.

The healthcare industry is subject to voluminous and complex laws and regulations of Federal, state and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement laws and regulations, anti-kickback and anti-referral laws and false claims prohibitions.
In recent years, government activity has increased with respect to investigations and allegations concerning possible violations of reimbursement, false claims, anti-kickback and anti-referral statutes and regulation by healthcare providers. The Center believes that it is in material compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Upon audit, if discrepancies are discovered, the Center could be held responsible for refunding the amounts in question.

The Center maintains its medical malpractice coverage under the Federal Tort Claims Act (the "FTCA"). The FTCA provides malpractice coverage to eligible PHS supported programs and applies to the Center and its employees while providing services within the scope of employment included under grant-related activities. The Attorney General, through the U.S. Department of Justice, has the responsibility for the defense of the individual and/or grantee for malpractice cases approved for FTCA coverage.

The Center is involved in various claims and legal actions arising in the ordinary course of business. Management is of the opinion that the ultimate outcome of these matters would not have a material adverse impact on the financial position of the Center, its results of operations or cash flows.

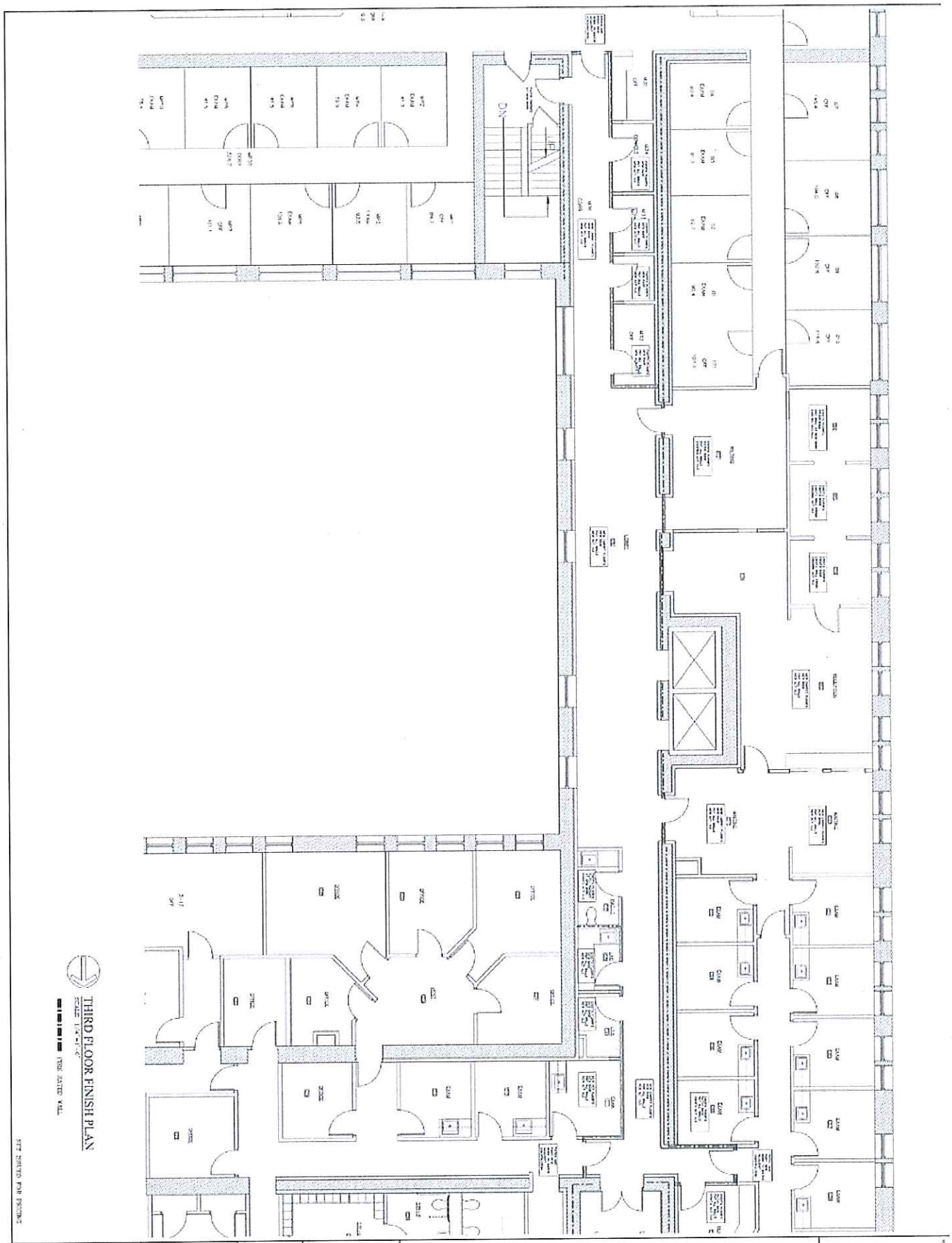
Attachment Ten:
Capital Costs and Architectural Drawing of Space Renovation

CROFT CHC RENOVATION

BUDGET BREAKDOWN

Constants	Value	Comments:
Design Contingency - New Construction as %	0.00%	Normally 10%
Construction Contingency - New Construction as %	0.00%	Normally 5%
Design Contingency - Renovation work as %	0.00%	Normally 10%
Construction Contingency - Renovation work as %	0.00%	Normally 10%
Construction Start Date:	May 1, 2014	
Midpoint of Construction Date	June 1, 2014	
Completion of Construction Date	July 1, 2014	
Year used to compute Current Dollars:	2014	

	A	B	C
Item	**Project Cost in Current Dollars**	**Escalation Amount to Mid-point**	**Estimated Project Costs**
Source:			(A + B)
1.1 Land Acquisition	$0	$0	$0
1.2 Building Acquisition	$0	$0	$0
2.1 New Construction	$0	$0	$0
2.1.1 General Construction	$0	$0	$0
2.1.2 HVAC Construction	$0	$0	$0
2.1.3 Plumbing Construction	$0	$0	$0
2.1.4 Fire Protection Construction	$0	$0	$0
2.1.5 Electrical Construction	$0	$0	$0
2.1.6 Low Voltage Construction	$0	$0	$0
2.2 Renovation & Demolition	$0	$0	$0
2.2.1 General Construction	$45,000	$0	$45,000
2.2.2 HVAC Construction	$12,000	$0	$12,000
2.2.3 Plumbing Construction	$13,000	$0	$13,000
2.2.4 Fire Protection Construction	$9,000	$0	$9,000
2.2.5 Electrical Construction	$15,000	$0	$15,000
2.2.6 Low Voltage Construction	$0	$0	$0
2.3 Site Development	$0	$0	$0
2.4 Asbestos Abatement or Removal	$0	$0	$0
2.5 Demolition	$0	$0	$0
Subtotal Construction & Renovation (Total 2.1 thru 2.5)	$94,000	$0	$94,000
3.1 Design Contingency	$0	$0	$0
3.2 Construction Contingency	$0	$0	$0
Subtotal Contingencies (Total 3.1 thru 3.2)	$0	$0	$0
4.1 Planning Consultant Fees	$0	$0	$0
4.2 Architect/Engineering Fees	$5,000	$0	$5,000
4.3 Construction Manager Fees	$0	$0	$0
4.4 Commissioing Fees	$0	$0	$0
4.5 Other Fees	$0	$0	$0
Subtotal Fees (Total 4.1 thru 4.5)	$5,000	$0	$5,000
5.1 Furniture	$0	$0	$0
5.2 Furnishings	$0	$0	$0
5.2.1 Window Treatment	$0	$0	$0
5.2.2 Patient Cubicles	$0	$0	$0
5.2.3 Signage	$1,000	$0	$1,000
5.2.4 Other	$0	$0	$0
5.3 Equipment	$0	$0	$0
5.3.1 Clinical Equipment	$0	$0	$0
5.3.2 Computer Equipment	$0	$0	$0
5.3.3 Other Equipment	$0	$0	$0
Subtotal FF&E (Total 5.1 thru 5.3)	$1,000	$0	$1,000
6 Total Project Cost	$100,000	$0	$100,000



THIRD FLOOR FINISH PLAN

moser pilon nelson architects

A-3

THIRD FLOOR RENOVATIONS
CROFT BUILDING
SAINT MARY'S HOSPITAL
WATERBURY, CT

Attachment Eleven:
Financial Attachment 1: Franklin Medical Group

Franklin Medical Group

13. B i. Please provide one year of actual results and three years of projections of Total Facility revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

Total Facility: / Description	FY 2013 Actual Results	FY 2014 Projected Results	FY 2015 Projected W/out CON	FY 2015 Projected Incremental	FY 2015 Projected With CON	FY 2016 Projected W/out CON	FY 2016 Projected Incremental	FY 2016 Projected With CON	FY 2017 Projected W/out CON	FY 2017 Projected Incremental	FY 2017 Projected With CON
NET PATIENT REVENUE											
Non-Government	10,661,880	10,634,317	10,847,003	(101,401)	10,745,602	11,063,943	(102,009)	10,961,934	11,285,222	(102,621)	11,182,601
Medicare	5,562,720	5,548,339	5,659,306	(13,529)	5,645,777	5,772,492	(13,610)	5,758,882	5,887,942	(13,692)	5,874,250
Medicaid and Other Medical Assistance	6,721,620	6,704,243	6,838,328	(1,390,776)	5,447,552	6,975,094	(1,153,095)	5,821,999	7,114,596	(1,160,014)	5,954,583
Other Government	231,780	231,181	235,805	(5,816)	229,989	240,521	(5,851)	234,670	245,331	(5,886)	239,445
Total Net Patient Patient Revenue	23,178,000	23,118,080	23,580,442	(1,511,522)	22,068,920	24,052,050	(1,274,565)	22,777,485	24,533,091	(1,282,213)	23,250,879
Bad Debts**	809,000	1,043,007	1,061,120	(48,973)	1,012,147	1,082,342	(41,296)	1,041,046	1,103,989	(41,544)	1,062,445
Net Patient Revenue	22,369,000	22,075,073	22,519,322	(1,462,549)	21,056,773	22,969,708	(1,233,270)	21,736,439	23,429,102	(1,240,669)	22,188,433
Other Operating Revenue	3,476,000	3,710,043	3,784,244	(25,409)	3,758,835	3,859,929	(25,917)	3,834,012	3,937,127	(26,436)	3,910,692
Revenue from Operations	25,845,000	25,785,116	26,303,566	(1,487,958)	24,815,608	26,829,637	(1,259,187)	25,570,450	27,366,230	(1,267,105)	26,099,125
OPERATING EXPENSES											
Salaries and Fringe Benefits	27,106,000	28,808,922	29,241,056	(1,855,786)	27,385,270	29,679,672	(1,883,623)	27,796,049	30,124,867	(1,911,877)	28,212,990
Professional / Contracted Services	1,970,354	1,759,677	1,794,871	(48,757)	1,746,114	1,830,768	(49,732)	1,781,036	1,867,383	(50,727)	1,816,657
Supplies and Drugs	967,880	1,170,321	1,193,727	(40,037)	1,153,690	1,217,602	(40,838)	1,176,764	1,241,954	(41,654)	1,200,300
Bad Debts**	-	-	-	-	-	-	-	-	-	-	-
Other Operating Expense	2,192,813	3,837,435	3,914,184	(141,057)	3,773,127	3,992,467	(143,878)	3,848,589	4,072,317	(146,756)	3,925,561
Subtotal	32,237,047	35,576,355	36,143,838	(2,085,637)	34,058,201	36,720,509	(2,118,071)	34,602,438	37,306,521	(2,151,014)	35,155,507
Depreciation/Amortization	279,000	290,337	301,950	(6,978)	294,972	314,028	(6,978)	307,050	326,590	(6,978)	319,612
Interest Expense	-	-	-	-	-	-	-	-	-	-	-
Lease Expense	1,612,953	1,688,484	1,722,254	(182,023)	1,540,231	1,756,699	(185,663)	1,571,035	1,791,833	(189,377)	1,602,456
Total Operating Expenses	34,129,000	37,555,176	38,168,042	(2,274,638)	35,893,404	38,791,236	(2,310,712)	36,480,524	39,424,943	(2,347,369)	37,077,574
Income (Loss) from Operations	(8,284,000)	(11,770,060)	(11,864,476)	786,680	(11,077,796)	(11,961,599)	1,051,526	(10,910,074)	(12,058,714)	1,080,264	(10,978,450)
Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-
Income before provision for income taxes	(8,284,000)	(11,770,060)	(11,864,476)	786,680	(11,077,796)	(11,961,599)	1,051,526	(10,910,074)	(12,058,714)	1,080,264	(10,978,450)
Provision for income taxes											
Net Income	(8,284,000)	(11,770,060)	(11,864,476)	786,680	(11,077,796)	(11,961,599)	1,051,526	(10,910,074)	(12,058,714)	1,080,264	(10,978,450)
Retained earnings, beginning of year	456,000	1,159,000	688,940	688,940	688,940	324,464	688,940	324,464	362,864	688,940	362,864
Capital contributions	8,987,000	11,300,000	11,500,000	(786,680)	10,713,320	12,000,000	(1,051,526)	10,948,474	12,000,000	(1,080,264)	10,919,736
Retained earnings, end of year	1,159,000	688,940	324,464	688,940	324,464	362,864	688,940	362,864	304,151	688,940	304,151
FTEs	218	231	231	(23)	208	231	(23)	208	231	(23)	208
Visits				(12,534)			(12,534)			(12,534)	
RVUs	343,344	316,867	323,204	(14,855)	308,349	329,668	(14,855)	314,813	336,262	(14,855)	321,407

*Volume Statistics:
Provide projected inpatient and/or outpatient statistics for any new services and provide actual and projected inpatient and/or outpatient statistics for any existing services which will change due to the proposal.

** Based on Generally Accepted Accounting Principles, Bad Debts have been reclassified from an operating expense to deductions from revenue.

Attachment Twelve:
Financial Attachment 1: StayWell Health Center

12. C (i). Please provide one year of actual results and three years of projections of Total Facility revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

Total Facility:	FY 6-30-2013	FY 6-30-2014	FY 6-30-2014	FY 6-30-2014	FY 6-30-2015	FY 6-30-2015	FY 6-30-2015	FY 6-30-2016	FY 6-30-2016	FY 6-30-2016	FY 6-30-2017	FY 6-30-2017	FY 6-30-2017
Description	Actual Results	Projected W/out CON	Projected Incremental	Projected With CON	Projected W/out CON	Projected Incremental	Projected With CON	Projected W/out CON	Projected Incremental	Projected With CON	Projected W/out CON	Projected Incremental	Projected With CON
NET PATIENT REVENUE													
Non-Government	$790,166	$805,970	$0	$805,970	$625,554	$ 57,146.35	$683,101	$631,713	$ 60,606	$692,320	$637,525	$ 60,642	$698,167
Medicare	$476,291	$557,260	$0	$557,260	$585,297	$0	$585,297	$590,565	$ -	$590,565	$595,880	$ -	$595,880
Medicaid and Other Medical Assistance	$7,893,042	$7,956,186	$0	$7,956,186	$9,951,522	$ 1,662,576	$11,614,098	$11,107,010	$ 1,761,354	$12,868,364	$11,107,010	$ 1,814,899	$12,921,909
Other Government	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Net Patient Patient Revenue	$9,159,499	$9,319,416	$0	$9,319,416	$11,162,773	$1,719,722	$12,882,495	$12,329,288	$1,821,961	$14,151,248	$12,340,414	$1,875,541	$14,215,956
Other Operating Revenue	$3,851,691	$4,371,180	$0	$4,371,180	$4,175,795	$25,000	$4,200,795	$4,192,498	$0	$4,192,498	$4,276,348	$0	$4,276,348
Revenue from Operations	$13,011,190	$13,690,596	$0	$13,690,596	$15,338,568	$1,744,722	$17,083,291	$16,521,786	$1,821,961	$18,343,746	$16,616,763	$1,875,541	$18,492,304
OPERATING EXPENSES													
Salaries and Fringe Benefits	$10,354,602	$10,872,332	$0	$10,872,332	$12,254,300	$ 1,424,386.57	$13,678,686	$13,112,101	$ 1,542,071.07	$14,654,172	$13,505,464	$ 1,582,200.65	$15,087,664
Professional / Contracted Services	$982,321	$992,144	$0	$992,144	$1,041,751	$ 49,280.00	$1,091,031	$1,093,839	$ 30,223.60	$1,124,063	$1,104,777	$ 30,120.57	$1,134,898
Supplies and Drugs	$515,775	$526,091	$0	$526,091	$578,700	$ 109,172.20	$687,872	$636,570	$ 64,600.00	$701,170	$649,301	$ 61,210.00	$710,511
Bad Debts	$0			$0			$0			$0			$0
Other Operating Expense	$670,328	$677,031	$0	$677,031	$812,438	$50,974	$863,412	$874,925	$47,711	$1,022,636	$1,004,173	$48,158	$1,052,331
Subtotal	$12,523,026	$13,067,598	$0	$13,067,598	$14,687,188	$1,633,813	$16,321,001	$15,817,434	$1,684,606	$17,502,040	$16,263,715	$1,721,690	$17,985,404
Depreciation/Amortization	$305,545	$306,000	$0	$306,000	$325,000	$0	$325,000	$336,000	$0	$336,000	$334,620	$0	$334,620
Interest Expense	$75,633	$74,031	$0	$74,031	$32,500	$0	$32,500	$32,000	$0	$32,000	$0	$0	$0
Lease Expense	$31,172	$32,000	$0	$32,000	$34,000	$110,000	$144,000	$34,500	$110,000	$144,500	$32,000	$110,000	$142,000
Total Operating Expense	$12,935,426	$13,479,629	$0	$13,479,629	$15,078,688	$1,743,813	$16,822,501	$16,219,934	$1,794,606	$18,014,540	$16,630,335	$1,831,690	$18,462,024
Gain/(Loss) from Operations	$75,765	$210,968	$0	$210,968	$259,880	$910	$260,790	$301,852	$27,355	$329,207	($13,572)	$43,852	$30,280
Plus: Non-Operating Revenue	$771,725	$500,000	$0	$500,000	$500,000	$0	$500,000	$500,000	$0	$500,000	$500,000	$0	$500,000
Minus: Non-Operating Expenses	$771,725	$500,000	$0	$500,000	$500,000	$0	$500,000	$500,000	$0	$500,000	$500,000	$0	$500,000
Revenue Over/(Under) Expense	$75,765	$210,968	$0	$210,968	$259,880	$910	$260,790	$301,852	$27,355	$329,207	($13,572)	$43,852	$30,280
FTEs	133	138	0	138	142	16.4	158.4	145	18.4	163.4	145	18.4	163.4
Visits	79,025	78,945	0	78,945	92,000	12,940	104,940	96,500	13,600	110,100	96,500	13,600	110,100

*Volume Statistics:
Provide projected inpatient and/or outpatient statistics for any new services and provide actual and projected inpatient and/or outpatient statistics for any existing services which will change due to the proposal.

Attachment Thirteen:
Financial Attachment 2: Franklin Medical Group

12.C(ii). Please provide **three** years of projections of incremental revenue, expense and volume statistics **attributable to the proposal** in the following reporting format:

Type of Service Description	Clinic
Type of Unit Description:	Visit
# of Months in Operation	12

FY 2015 FY Projected Incremental Total Incremental Expenses:	(1) ($2,274,638)	(2) Rate	(3) Units	(4) Gross Revenue Col. 2 * Col. 3	(5) Allowances/ Deductions	(6) Charity Care	(7) Bad Debt	(8) Net Revenue Col.4 - Col.5 -Col.6 - Col.7	(9) Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	(10) Gain/(Loss) from Operations Col. 8 - Col. 9
Total Facility by Payer Category:										
Medicare		$302	(100)	($30,156)	($16,627)			($13,529)	($18,148)	$4,619
Medicaid		$302	(11,619)	($3,503,826)	($2,113,050)			($1,390,776)	($2,108,586)	$717,811
CHAMPUS/TriCare		$302	(44)	($13,269)	($7,453)			($5,816)	($7,985)	$2,169
Total Governmental			(11,763)	($3,547,250)	($2,137,130)	$0	$0	($1,410,120)	($2,134,719)	$724,599
Commericial Insurers		$302	(564)	($170,080)	($131,101)			($38,979)	($102,353)	$63,374
Uninsured		$302	(207)	($62,423)			($48,973)	($13,450)	($37,566)	$24,116
Total NonGovernment		$302	(771)	($232,503)	($131,101)	$0	($48,973)	($52,428)	($139,919)	$87,491
Total All Payers		$302	(12,534)	($3,779,753)	($2,268,231)	$0	($48,973)	($1,462,549)	($2,274,638)	$812,089

Note:
Other operating revenues are not included in the above schedule. See calculation to reconcile to financial attachment 1

Gain(Loss) from above	$	812,089
Other Op Revenue	$	(25,409)
Gain (Loss)	$	786,680

12.C(ii). Please provide **three** years of projections of incremental revenue, expense and volume statistics **attributable to the proposal** in the following reporting format:

Type of Service Description	Clinic
Type of Unit Description:	Visit
# of Months in Operation	12

FY 2016 **FY Projected Incremental** Total Incremental Expenses:	(1) **($2,310,712)**	(2) Rate	(3) Units	(4) Gross Revenue Col. 2 * Col. 3	(5) Allowances/ Deductions	(6) Charity Care	(7) Bad Debt	(8) Net Revenue Col.4 - Col.5 -Col.6 - Col.7	(9) Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	(10) Gain/(Loss) from Operations Col. 8 - Col. 9
Total Facility by Payer Category:										
Medicare		$302	(100)	($30,156)	($16,546)			($13,610)	($18,436)	$4,826
Medicaid		$302	(11,619)	($3,503,826)	($2,350,731)			($1,153,095)	($2,142,027)	$988,932
CHAMPUS/TriCare		$302	(44)	($13,269)	($7,418)			($5,851)	($8,112)	$2,261
Total Governmental			(11,763)	($3,547,250)	($2,374,695)	$0	$0	($1,172,555)	($2,168,574)	$996,019
Commericial Insurers		$302	(564)	($170,080)	($130,492)			($39,588)	($103,977)	$64,389
Uninsured		$302	(207)	($62,423)			($41,296)	($21,127)	($38,162)	$17,035
Total NonGovernment		$302	(771)	($232,503)	($130,492)	$0	($41,296)	($60,715)	($142,138)	$81,423
Total All Payers		$302	(12,534)	($3,779,753)	($2,505,187)	$0	($41,296)	($1,233,270)	($2,310,712)	$1,077,442

Note:
Other operating revenues are not included in the above schedule. See calculation to reconcile to financial attachment 1

Gain (Loss) from above	$1,077,442
Other Op Revenue	($25,917)
Gain (Loss)	$1,051,525

12.C(ii). Please provide **three** years of projections of incremental revenue, expense and volume statistics **attributable to the proposal** in the following reporting format:

Type of Service Description	Clinic
Type of Unit Description:	Visit
# of Months in Operation	12

FY 2017 **FY Projected Incremental** Total Incremental Expenses:	(1) **($2,347,369)**	(2) Rate	(3) Units	(4) Gross Revenue Col. 2 * Col. 3	(5) Allowances/ Deductions	(6) Charity Care	(7) Bad Debt	(8) Net Revenue Col.4 - Col.5 -Col.6 - Col.7	(9) Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	(10) Gain/(Loss) from Operations Col. 8 - Col. 9
Total Facility by Payer Category:										
Medicare		$302	(100)	($30,156)	($16,464)			($13,692)	($18,728)	$5,036
Medicaid		$302	(11,619)	($3,503,826)	($2,343,812)			($1,160,014)	($2,176,008)	$1,015,994
CHAMPUS/TriCare		$302	(44)	($13,269)	($7,383)			($5,886)	($8,240)	$2,355
Total Governmental			(11,763)	($3,547,250)	($2,367,659)	$0	$0	($1,179,591)	($2,202,976)	$1,023,385
Commericial Insurers		$302	(564)	($170,080)	($129,881)			($40,199)	($105,626)	$65,427
Uninsured		$302	(207)	($62,423)			($41,544)	($20,879)	($38,767)	$17,888
Total NonGovernment		$302	(771)	($232,503)	($129,881)	$0	($41,544)	($61,078)	($144,393)	$83,315
Total All Payers		$302	(12,534)	($3,779,753)	($2,497,540)	$0	($41,544)	($1,240,669)	($2,347,369)	$1,106,699

Note:
Other operating revenues are not included in the above schedule. See calculation to reconcile to financial attachment 1

Gain (Loss) from above	$1,106,699
Other Op Revenue	($26,436)
Gain (Loss)	$1,080,264

Attachment Fourteen:
Financial Attachment 2: StayWell Health Center

12.C(ii). Please provide **three** years of projections of incremental revenue, expense and volume statistics **attributable to the proposal** in the following reporting format:

Type of Service Description	outpatient									
Type of Unit Description:	visits									
# of Months in Operation										
Year 1: FY 2015	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FY Projected Incremental		Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions**	Charity Care**	Bad Debt**	Net Revenue Col.4 - Col.5 -Col.6 - Col.7	Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	Gain/(Loss) from Operations Col. 8 - Col. 9
Total Incremental Expenses:	**$1,743,813**									
Total Facility by Payer Category:										
Medicare		$150	12,332	$1,847,334	$184,758			$1,662,576	$1,679,225	($16,650)
Medicaid										
CHAMPUS/TriCare										
Total Governmental			12,332	$1,847,334	$184,758	$0	$0	$1,662,576	$1,679,225	($16,650)
Commericial Insurers		$128	543	$69,754	$13,908			$55,846	$63,406	($7,560)
Uninsured		$20	65	$1,300				$1,300	$1,182	$118
Total NonGovernment			608	$71,054	$13,908	$0	$0	$57,146	$64,588	($7,442)
Total All Payers			**12,940**	**$1,918,387**	**$198,666**	**$0**	**$0**	**$1,719,721**	**$1,743,813**	**($24,092)**

**Note: Allowances and deductions include charity care and bad debt.

12.C(ii). Please provide **three** years of projections of incremental revenue, expense and volume statistics **attributable to the proposal** in the following reporting format:

Type of Service Description	outpatient									
Type of Unit Description:	visits									
# of Months in Operation										
Year 2: FY 2016	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FY Projected Incremental		Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions**	Charity Care**	Bad Debt**	Net Revenue Col.4 - Col.5 -Col.6 - Col.7	Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	Gain/(Loss) from Operations Col. 8 - Col. 9
Total Incremental Expenses:	**$1,794,606**									
Total Facility by Payer Category:										
Medicare		$153	12,961	$1,983,033	$221,679			$1,761,354	$1,729,156	$32,198
Medicaid										
CHAMPUS/TriCare										
Total Governmental			12,961	$1,983,033	$221,679	$0	$0	$1,761,354	$1,729,156	$32,198
Commericial Insurers		$128	571	$73,088	$14,387			$58,701	$63,731	($5,030)
Uninsured		$29	68	$1,972	$67			$1,905	$1,720	$185
Total NonGovernment			639	$75,060	$14,454	$0	$0	$60,606	$65,450	($4,844)
Total All Payers			**13,600**	**$2,058,093**	**$236,133**	**$0**	**$0**	**$1,821,960**	**$1,794,606**	**$27,354**

**Note: Allowances and deductions include charity care and bad debt.

12.C(ii). Please provide **three** years of projections of incremental revenue, expense and volume statistics **attributable to the proposal** in the following reporting format:

Type of Service Description	outpatient									
Type of Unit Description:	visits									
# of Months in Operation										
Year 3: FY 2017	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FY Projected Incremental		Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions**	Charity Care**	Bad Debt**	Net Revenue Col.4 - Col.5 -Col.6 - Col.7	Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	Gain/(Loss) from Operations Col. 8 - Col. 9
Total Incremental Expenses:	**$1,831,690**									
Total Facility by Payer Category:										
Medicare		$156	12,961	$2,021,916	$207,017			$1,814,899	$1,765,847	$49,052
Medicaid										
CHAMPUS/TriCare										
Total Governmental			12,961	$2,021,916	$207,017	$0	$0	$1,814,899	$1,765,847	$49,052
Commericial Insurers		$128	571	$73,351	$14,650			$58,701	$64,061	($5,360)
Uninsured		$30	68	$2,040	$99			$1,941	$1,782	$159
Total NonGovernment			639	$75,391	$14,749	$0	$0	$60,642	$65,843	($5,201)
Total All Payers			**13,600**	**$2,097,307**	**$221,766**	**$0**	**$0**	**$1,875,541**	**$1,831,690**	**$43,851**

**Note: Allowances and deductions include charity care and bad debt.

Attachment Fifteen:
Assumptions: Franklin Medical Group

Children's Health Center CON

Assumptions

Projected w/out CON

1. Revenue – Estimate of a 2% increase in net revenues each year.
2. Other Operating Revenues – Estimate of 2% increase in other operating revenues each year. These revenues represent CARTS from the Hospital for clinical, academic, research, teaching and strategic support. Other operating revenues also include meaningful use incentives.
3. Salaries and Fringe Benefits – Estimate of a 1.5% increase in salaries and fringe for merit/cost of living increases each year.
4. Professional / Contracted Services – estimate of 2% increase in contracted service fees each year
5. Supplies and Drugs – estimate of 2% increase in supply costs each year.
6. Bad Debts – estimate of bad debt expense is based on historical bad debt of 4.5% of net revenues.
7. Other Operating Expense – estimate of a 2% increase in other operating expenses each year.
8. Depreciation Expense – depreciation expense is expected to increase 4% per year as a result of new capital purchases.
9. Lease Expense – estimate of a 2% increase in lease expense each year due to inflation.
10. Capital Contributions – this represent contributions from the Hospital to fund Franklin Medical Group. The amounts each year are to cover the expected losses from operations.
11. FTEs – employees are expected to remain consistent year to year.
12. RVUs – The RVUs are expected to increase by 2% each year.

Projected Incremental Reductions

1. The FY15 amounts are the expected amounts that relate to the Children's Health Center department for FY15.
2. The projected reductions with the CON for FY16 and FY17 are as follows:
    a. Net revenues increase approximately 0.6% each year for the payors other than Medicaid.
    b. Medicaid decrease in FY16 from FY15 is the result of the Primary Care Incentive Program ending December 31, 2015, where Medicaid is reimbursing at Medicare rates. The increase in FY17 is approximately 0.6% for Medicaid.
    c. Other operating revenues – expected increase of 2% (consistent with Franklin increase). Other operating revenues consist of other funding of the children's program from the Foundation.
    d. Salaries and Fringe Benefits – projected incremental savings of 23 FTEs with an adjustment for costs of living/merit raises of 1.5% per year.
    e. Supplies and Drugs – estimate of a 2% increase each year

f. Bad Debts – estimated of bad debt expense is based on historical bad debt of 3.24% of net revenues for the CHC department.
g. Other Operating Expense - estimate of a 2% increase in other operating expenses each year.
h. Depreciation Expense - depreciation is expected to remain consistent as no new assets are expected to be purchased.
i. Lease Expense – estimate of a 2% increase in lease expense each year due to inflation.
j. Capital Contributions – represent the estimated reduction in funding to cover the loss in the department.
k. FTEs – represents the reduction of FTEs as a result of the CON.
l. Visits – estimated to remain flat year over year.
m. RVUs – estimated to remain flat year over year.

FA II Assumptions

1. The visits were allocated based on the net revenue percentage by payor.
2. For uninsured / self-pay patients, we estimated that all bad debts relate to self-insured.

Attachment Sixteen:
Assumptions: StayWell Health Center

Staywell Health Care Proposed Projections for Children's Health Clinic at St Mary's Hospital

Revenues

	Yr 1	Yr 2	Yr 3	Yr 4
Medicaid (net)	$ 1,662,575.97	$ 1,761,354.06	$ 1,814,899.22	$ 1,838,869.63
Commercial (net)	$ 55,852.35	$ 58,701.08	$ 58,701.08	$ 59,391.68
Uninsured/Self-Pay (net)	$ 1,294.00	$ 1,905.42	$ 1,941.00	$ 1,941.00
* Saint Mary's Hospital Foundation Grant	$ 25,000.00	$ -	$ -	$ -
TOTAL PROJECTED NET REVENUES	**$ 1,744,722.33**	**$ 1,821,960.55**	**$ 1,875,541.30**	**$ 1,900,202.31**
	Increase	*4.2%*	*2.9%*	*1.3%*

Expenses

	PERSONNEL	NAME	HRS/ WK	HRS/ WAGE	FTE	Salary Yr 1	Salary Yr 2 3% COLA	Salary Yr 3 3% COLA	Salary Yr 4 3% COLA
1	Pediatrician	TBH	40	$ 70.00	1.00	$ 145,600	$ 149,968	$ 154,467	$ 159,101
2	Pediatrician: [redacted]	SMH	40	$ 73.14	1.00	$ 152,131	$ 156,695	$ 161,396	$ 166,238
3	APRN: [redacted]	SMH	40	$ 44.95	1.00	$ 93,496	$ 96,301	$ 99,190	$ 102,166
4	PA: [redacted]	SMH	40	$ 43.43	1.00	$ 90,334	$ 93,044	$ 95,836	$ 98,711
5	Administrative Secretary: [redacted]	SMH	40	$ 22.08	1.00	$ 45,926	$ 47,304	$ 48,723	$ 50,185
6	Clerical Specialist: [redacted]	SMH	40	$ 18.97	1.00	$ 39,458	$ 40,641	$ 41,861	$ 43,116
7	Clerical Specialist: [redacted]	SMH	40	$ 18.14	1.00	$ 37,731	$ 38,863	$ 40,029	$ 41,230
8	Clerical Specialist: [redacted]	SMH	40	$ 15.45	1.00	$ 32,136	$ 33,100	$ 34,093	$ 35,116
9	Clerical Specialist: [redacted]	SMH	40	$ 15.09	1.00	$ 31,387	$ 32,329	$ 33,299	$ 34,298
10	Clerical Specialist	TBH	40	$ 14.75	1.00	$ -	$ 30,690	$ 31,600	$ 32,548
11	Medical Record Clerk	TBH	40	$ 13.00	1.00	$ -	$ 27,040	$ 27,851	$ 28,687
12	Nurse, RN: [redacted]	SMH	32	$ 44.04	0.80	$ 73,283	$ 75,481	$ 77,745	$ 80,078
13	Nurse, RN: [redacted]	SMH	30	$ 43.66	0.75	$ 68,110	$ 70,153	$ 72,257	$ 74,425
14	Nurse, RN: [redacted]	SMH	37	$ 41.00	0.93	$ 78,878	$ 81,244	$ 83,682	$ 86,192
15	Nurse, LPN: [redacted]	SMH	36	$ 20.71	0.90	$ 38,769	$ 39,932	$ 41,130	$ 42,364
16	Patient Care Asst: [redacted]	SMH	40	$ 19.22	1.00	$ 39,978	$ 41,177	$ 42,412	$ 43,685
17	Medical Assistant: [redacted]	SMH	40	$ 15.59	1.00	$ 32,427	$ 33,400	$ 34,402	$ 35,434
18	Administrative [redacted]	SMH	40	$ 29.28	1.00	$ 60,902	$ 62,729	$ 64,611	$ 66,550
19	Billing Specialist [redacted]	TBH	40	$ 19.00	1.00	$ 39,520	$ 40,706	$ 41,927	$ 43,185
	TOTAL EMPLOYEES WAGES				18.4	$ 1,100,066	$ 1,190,788	$ 1,226,512	$ 1,263,307
	FRINGE BENEFITS AT 29%: (Payroll Tax, Workers Comp, Health, Dental, Pension)					$ 324,320.09	$ 351,282.60	$ 355,688.52	$ 366,359.17
	Employer FICA @ 7.65%								
	State Unemployement Insurance : SUI @ 3.1%								
	Workers Compensation @ .071%								
	Sec 105 Medical Reimb, Health & Dental Ins @ 17%								
	Retirement 401(K) @ 4%								
	TOTAL PERSONNEL					$ 1,424,387	$ 1,542,071	$ 1,582,201	$ 1,629,667
	EQUIPMENT / Software: One Time Expense								
	Medical Clinical Equipment: 11 Exam Rooms, 2 intake rooms & Nurse station, Hearing/Vision room & Lab room					SMH EQPMT	$ 5,000	$ 5,000	$ 5,000
	Furniture - Office & waiting room furniture: 8 offices & shared conference room					SMH EQPMT	$ 4,600	$ 4,140	$ 3,726
	Security Monitoring System installation					SMH EQPMT	0	0	0
	Office Equipment: Fax, Copier, Postage meter & scale					$ 2,800	550	0	0
	Network IT : (2) Routers $2,500, Firewall $1,000, 48 gig port Switches $ 1,200, Wiring at $150/drop $3,600, installation cost for network $3,000					$ 11,300	0	0	0
	Computer/ Tablet PC's/ Printer/ Scanner Equipment for 18 employees (software & licenses ...): Tablets $1,200/ea plus Microsoft Office/ Trend Micro $200 ea for 8 staff $ 11,200; PC's for 10 staff at $850/ea plus $200 Office & Trend Micro $10,500; (4) scanners $3,600; (2) Printer $1,700; (2) Access Points $2,000;					$ 29,000	850	0	0
	Avaya IP 500 *Phone System expansion:* Phone Equipment, Wireless headsets, Wiring: IP Office Controller $5,000, installation $3,500; IP Office analog phones $150/ea plus install $3,600, Headset for Clerical staff $250 ea $1,000					$ 13,100	1,000	0	0
	TOTAL EQUIPMENT					$ 56,200.00	$ 12,000.00	$ 9,140.00	$ 8,726.00

Stayvell Health Care Proposed Projections for Children's Health Cl... at St Mary's Hospital

SUPPLIES:				
Medical Supplies (avg $ 3.53/encounter - declining cost thereafter)	$ 46,972	$ 47,500	$ 46,920	$ 45,408
General Office, Computer & Program Supplies: stapler, scissors, paper, bulletins, toner, pens, folders, binders	$ 6,000	$ 5,000	$ 5,150	$ 5,305
TOTAL SUPPLIES	$ 52,972.20	$ 52,500.00	$ 52,070.00	$ 50,712.50
CONSULTANTS AND CONTRACTS:				
Legal Services	$ 20,000	$ 2,500	$ 2,500	$ 2,500
MPLS high bandwidth line service with AT&T needed between service sites for EHR - (2) network connection; $560 per month plus Internet Service $60/mos	$ 8,640	$ 8,640	$ 8,640	$ 8,640
Network, Software, Hardware & Telephone *Support Maintenance Contract for Intergy EHR, PMS*	$ 4,800	$ 4,896	$ 4,994	$ 5,094
Housekeeping Services : $275 per month	$ 3,300	$ 3,366	$ 3,433	$ 3,502
Dumpster Services with All About Service S&P Carting at $175 (avg) / month	$ 2,100	$ 2,142	$ 2,185	$ 2,229
Network IT Services : Network planning & setup at $150 / hr x 20 hrs (avg)	$ 3,000	$ 1,200	$ 800	$ 400
Copier Lease with Konica Minolta for Copier/ Printer/ Scanner 250 GB drive at $200 (avg) per month for 60 months.	$ 2,400	$ 2,400	$ 2,400	$ 2,400
Answering Service with Around The Clock at $165 per month	$ 1,980	$ 2,020	$ 2,060	$ 2,101
Cleaning Services (Laundry, Mats with MagnaKleen, Medical Waste removal with Pathcura) $120 (avg) per month	$ 1,440	$ 1,440	$ 1,440	$ 1,440
Shredding Services with Shred-It $135 (avg) per month	$ 1,620	$ 1,620	$ 1,669	$ 1,719
Security Monitoring Service with Sterling Security at $150 (avg) per qtr	SMH EQPMT	$ -	$ -	$ -
TOTAL CONSULTANTS/CONTRACTS	$ 49,280.00	$ 30,223.60	$ 30,120.67	$ 30,024.17
H. OTHER EXPENSES:				
Rent - $9,167/mos: $110K/yr (includes utilities)	$ 110,004	$ 110,004	$ 110,004	$ 110,004
Telephone & Telecommunications Service : needed to stay connected to patients, funding sources, community collaborators and staff at $45 (avg) per month per employee (18)	$ 9,720	$ 9,774	$ 9,828	$ 9,882
Dues/Licenses/Memberships & Books/Publications/Subscriptions	$ 3,500	$ 2,500	$ 2,500	$ 2,500
Repairs & Maintenance: facility & equipments	$ 6,500	$ 10,070	$ 10,372	$ 10,683
Marketing & Signage	$ 10,000	$ 6,000	$ 6,000	$ 6,000
Postage	$ 750	$ 550	$ 567	$ 583
Liability / Property Insurance	$ 2,100	$ 2,163	$ 2,228	$ 2,295
Staff Training & Development: CME $14,100; EHR & Registration software training 12hrs *150/hr = $1,800.	$ 15,900	$ 14,100	$ 14,100	$ 14,100
OTHER - expenses not classified elsewhere (Shred-It, Inspections, ...)	$ 2,500	$ 2,550	$ 2,560	$ 2,575
TOTAL OTHER EXPENSES	$ 160,974	$ 157,711	$ 158,158	$ 158,622
TOTAL PROJECTED COSTS	$ 1,743,813	$ 1,794,606	$ 1,831,690	$ 1,877,752
PROJECTED INCOME / (LOSS)	$ 910	$ 27,355	$ 43,852	$ 22,451

Revenue Projections based on StayWell utilization:

Year 1

	FTE	Projected Productivity	Proj Prod. per FTE	Avg visit / day (260)
Pediatricians [redacted]	2.00	6,840	3,420	13.15
APRN - [redacted]	1.00	3,050	3,050	11.73
PA - [redacted]	1.00	3,050	3,050	11.73
Total	4.00	12,940		

Medical	Payor Mix	Projected Utilization	Projected Revenues
Medicaid (SWHC FQHC rate $149.8 at 90% collection rate)	95.30%	12,332	$ 1,662,576
Commercial (SMH NRPV $128.46 * 80%,)	4.20%	543	$ 55,852
Uninsured/Self-Pay (SWHC NRPV $20)	0.50%	65	$ 1,294
Medicare	0.00%	-	$ -
	100.0%	12,940	$ 1,719,722

Reflects start up impact in productivity (training - credentialing...)

StayWell current T19 FQHC rate $ 149.80

Revenue Projections based on StayWell utilization:

Year 2

	FTE	Projected Productivity	Proj Prod per FTE	Avg visit / day (260)
Pediatricians [redacted]	2.00	7,200	3,600	13.85
APRN - [redacted]	1.00	3,200	3,200	12.31
PA - [redacted]	1.00	3,200	3,200	12.31
Total	4.00	13,600		

Medical	Payor Mix	Projected Utilization	Projected Revenues
Medicaid (SWHC FQHC rate $152.95 at 90% collection rate)	95.30%	12,961	$ 1,761,354
Commercial (SMH NRPV $128.46 * 80%,)	4.20%	571	$ 58,701
Uninsured/Self-Pay (SWHC NRPV $29.45)	0.50%	68	$ 1,905
Medicare	0.00%	-	$ -
	100.0%	13,600	$ 1,821,961

StayWell T19 FQHC rate increased by estimated MEI of.8% $ 151.00

Revenue Projections based on StayWell utilization:

Year 3

	FTE	Projected Productivity	Proj Prod per FTE	Avg visit / day (260)
Pediatricians [redacted]	2.00	7,200	3,600	13.85
APRN - [redacted]	1.00	3,200	3,200	12.31
PA - [redacted]	1.00	3,200	3,200	12.31
Total	4.00	13,600		

Medical	Payor Mix	Projected Utilization	Projected Revenues
Medicaid (SWHC FQHC rate $156.16 at 92% collection rate)	95.30%	12,961	$ 1,814,899
Commercial (SMH NRPV $128.46 * 80%,)	4.20%	571	$ 58,701
Uninsured/Self-Pay (SWHC NRPV $30)	0.50%	68	$ 1,941
Medicare	0.00%	-	$ -
	100.0%	13,600	$ 1,875,541

StayWell T19 FQHC rate increased by estimated MEI of.8% $ 152.21

Revenue Projections based on StayWell utilization:

Year 4

	FTE	Projected Productivity	Proj Prod per FTE	Avg visit / day (260)
Pediatricians [redacted]	2.00	7,320	3,660	14.08
APRN - [redacted]	1.00	3,220	3,220	12.38
PA - [redacted]	1.00	3,220	3,220	12.38
Total	4.00	13,760		

Medical	Payor Mix	Projected Utilization	Projected Revenues
Medicaid (SWHC FQHC rate $159.4 at 94% collection rate)	95.30%	13,113	$ 1,838,870
Commercial (SMH NRPV $128.46 * 80%,)	4.20%	578	$ 59,392
Uninsured/Self-Pay (SWHC NRPV $30)	0.50%	69	$ 1,941
Medicare	0.00%	-	$ -
	100.0%	13,760	$ 1,900,202

StayWell T19 FQHC rate increased by estimated MEI of.8% $ 153.42

Attachment Seventeen:
Franklin Medical Group Rate Schedule

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES

-- Caring for Connecticut --

Attachment XX: Franklin Medical Group Rate Schedule

Physician Office and Outpatient Services
Fee Schedule for Professional Services - Medicaid Patients

Procedure Code	Proc description	Rate Type	Max Fee	Effective Date	End Date
99201	Office/outpatient visit new	PED	$ 33.48	1/1/2008	12/31/2299
99202	Office/outpatient visit new	PED	$ 58.05	1/1/2008	12/31/2299
99203	Office/outpatient visit new	PED	$ 85.69	1/1/2008	12/31/2299
99211	OFFICE/OUTPATIENT VISIT EST	PED	$ 19.27	1/1/2008	12/31/2299
99212	Office/outpatient visit est	PED	$ 34.62	1/1/2008	12/31/2299
99213	Office/outpatient visit est	PED	$ 55.41	1/1/2008	12/31/2299

Note: Procedure codes 99201 - 99203 are for new patients. Procedure codes 99211 - 99213 are for established patients.

Source: Connecticut Medical Assistance Program Website
https://www.ctdssmap.com/CTPortal/Home/tabId/36/Default.aspx

Attachment Eighteen:
StayWell's Rate Schedule

STATE OF CONNECTICUT

DEPARTMENT OF SOCIAL SERVICES
OFFICE OF THE DEPUTY COMMISSIONER

KATHLEEN M. BRENNAN
Deputy Commissioner

TELEPHONE
(860) 424-5693

TDD/TTY
1-800-842-4524

FAX
(860) 424-4860

EMAIL
Kathleen.brennan@ct.gov

September 16, 2013

Stay Well Health Center
80 Phoenix Ave., ATTN: Accounts Payable, Suite 201
Waterbury, CT 06702

Dear Provider:

The following rates have been approved for state medical assistance recipients served by your Federally Qualified Health Center sites effective for the periods indicated. The Medicare Economic Index of 0.8% has been applied effective October 1, 2013 in accordance with applicable regulations.

Service	Provider No.	Rate Per Visit 10/1/13 – 9/30/14
Medical	004235976	$149.80
Dental	004235968	$124.37
Mental Health/Substance Abuse	004235984	$164.99

Nothing contained in this approval shall constitute an authorization for payment by the Department in excess of the charge for similar services provided to the general public.

Any questions or correspondence concerning this rate letter should be directed to Chris LaVigne, Director, Reimbursement and Certificate of Need, Department of Social Services (860-424-5719).

Sincerely,

Kathleen M. Brennan

Kathleen M. Brennan
Deputy Commissioner

KMB/cal

cc: M. Heuschkel
L. Voghel
N. Holmes
S. Kaminski

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