

Form 990

Return of Organization Exempt From Income Tax

2011

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2011 calendar year, or tax year beginning 10/01, 2011, and ending 09/30, 2012

Form header section containing organization name (THE NEW MILFORD HOSPITAL, INC.), EIN (06-0669121), address (21 ELM STREET, NEW MILFORD, CT 06776), and principal officer (STEVEN H. ROSENBERG).

Part I Summary

Table with 3 columns: Line number, Description, and Amount. Rows include mission statement, revenue (Total: 79,437,851), expenses (Total: 85,184,973), and net assets (Total: 20,545,903).

Part II Signature Block

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

Signature block containing officer signature (Jennifer L Lynch), date (07/23/2013), and preparer information (ERNST & YOUNG U.S. LLP).

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

For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2010)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III Yes No

1 Briefly describe the organization's mission:

TO PROVIDE OUTSTANDING HEALTHCARE TO THE COMMUNITY WE SERVE THROUGH AN UNCOMPROMISING FOCUS ON CLINICAL QUALITY, COMPASSIONATE CARE, AND THE CREATION OF A MEDICAL "SAFE HAVEN" FOR OUR PATIENTS AND THEIR FAMILIES.

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 69,310,070. including grants of \$) (Revenue \$ 77,283,705.)
SEE SCHEDULE O

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

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

4d Other program services (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 69,310,070.

Part IV Checklist of Required Schedules

Table with 3 columns: Question number, Yes, No. Rows include questions 1 through 20b regarding organizational requirements and reporting.

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 1a through 14b regarding IRS filings and tax compliance.

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

Check if Schedule O contains a response to any question in this Part VI. [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include questions 1a, 1b, 2, 3, 4, 5, 6, 7a, 7b, 8, 8a, 8b, 9 regarding governing body members and relationships.

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

Table with 3 columns: Question, Yes, No. Rows include questions 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15, 15a, 15b, 16a, 16b regarding organizational policies.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: KEVIN T. MEADE 21 ELM STREET NEW MILFORD, CT 06776 860-210-5365

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

Check if Schedule O contains a response to any question in this Part VII

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ATTACHMENT 1										
(1) JOHN M. MURPHY, MD PRESIDENT & CEO	2.00	X		X				0	1,039,775.	62,114.
(2) NEIL CULLIGAN, MD DIRECTOR	1.00	X						0	0	0
(3) DAVID KRAMER, MD DIRECTOR	1.00	X						0	0	0
(4) DAVID CYGANOWSKI TREASURER	1.00	X		X				0	0	0
(5) ALPHONSE ALTORELLI, MD DIRECTOR	1.00	X						0	0	0
(6) RICHARD G. JABARA DIRECTOR	1.00	X						0	0	0
(7) ANTHEA DISNEY DIRECTOR	1.00	X						0	0	0
(8) JOSEPH D. SKRZYPCZAK SECRETARY	1.00	X		X				0	0	0
(9) SPENCER HOULDIN DIRECTOR	1.00	X						0	0	0
(10) JOHN R. PATRICK DIRECTOR	2.00	X						0	0	0
(11) BRIAN C. WHITE DIRECTOR	1.00	X						0	0	0
(12) JAMES KENNEDY CHAIR/VICE CHAIR	3.00	X						0	0	0
(13) JOHN MARTOCCI (TO 12/31) CHAIRMAN	3.00	X		X				0	0	0
(14) JAY LENT (TO 5/31) DIRECTOR	1.00	X						0	0	0

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) JOHN C. CLINE (TO 12/31) DIRECTOR	1.00	X						0	0	0
(16) STEVEN H. ROSENBERG CFO	2.00			X				0	677,240.	53,042.
(17) DEBORAH WEYMOUTH VICE PRESIDENT	40.00			X				375,896.	0	857.
(18) DONNA KAPLANIS ASST. SECRETARY	2.00			X				0	222,445.	59,652.
(19) THOMAS KOOBATIAN, MD MEDICAL DIRECTOR-NMH	40.00					X		329,551.	88,076.	9,209.
(20) COURTNEY CHAMBERS, MD PHYSICIAN	40.00					X		534,799.	11,900.	5,851.
(21) PRASHANT RODRIGUES, MD PHYSICIAN	40.00					X		426,614.	0	8,261.
(22) JOSEPH BARGELLINI, MD PHYSICIAN	40.00					X		241,458.	214,640.	7,237.
(23) LEE ZARGER, MD PHYSICIAN	40.00					X		188,753.	0	7,931.
(24) MARYDALE DEBOR VICE PRESIDENT	40.00					X		183,667.	0	1,921.
(25) DANA DIGGINS FORMER CFO-NMH	0						X	290,992.	0	649.
1b Sub-total								0	1,039,775.	62,114.
c Total from continuation sheets to Part VII, Section A								2,571,730.	1,214,301.	154,610.
d Total (add lines 1b and 1c)								2,571,730.	2,254,076.	216,724.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **▶** 50

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 2		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **▶** 10

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a						
	b Membership dues	1b						
	c Fundraising events	1c						
	d Related organizations	1d	274,468.					
	e Government grants (contributions) . .	1e	329,754.					
	f All other contributions, gifts, grants, and similar amounts not included above .	1f						
	g Noncash contributions included in lines 1a-1f: \$							
	h Total. Add lines 1a-1f			604,222.				
Program Service Revenue	Business Code							
	2a PATIENT SERVICE REVENUE		621990	49,181,319.	49,181,319.			
	b MEDICARE/MEDICAID		621990	28,062,498.	28,062,498.			
	c NON-PATIENT LABORATORY		621500	867,084.		867,084.		
	d _____							
	e _____							
	f All other program service revenue							
	g Total. Add lines 2a-2f			78,110,901.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			23,243.			23,243.	
	4 Income from investment of tax-exempt bond proceeds . . .			0				
	5 Royalties			0				
	6a Gross rents	(i) Real						
		(ii) Personal						
			39,888.					
		b Less: rental expenses						
	c Rental income or (loss)		39,888.					
	d Net rental income or (loss)			39,888.	39,888.			
	7a Gross amount from sales of assets other than inventory	(i) Securities						
		(ii) Other						
		b Less: cost or other basis and sales expenses						
		c Gain or (loss)						
	d Net gain or (loss)			0				
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a						
b Less: direct expenses	b							
c Net income or (loss) from fundraising events			0					
9a Gross income from gaming activities. See Part IV, line 19	a							
b Less: direct expenses	b							
c Net income or (loss) from gaming activities			0					
10a Gross sales of inventory, less returns and allowances	a							
b Less: cost of goods sold	b							
c Net income or (loss) from sales of inventory			0					
Miscellaneous Revenue			Business Code					
11a CAFETERIA & VENDING		722210	325,141.			325,141.		
b OTHER REVENUE		900099	264,910.			264,910.		
c GIFT SHOP		452000	69,546.			69,546.		
d All other revenue								
e Total. Add lines 11a-11d			659,597.					
12 Total revenue. See instructions			79,437,851.	77,283,705.	867,084.	682,840.		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	540,603.		540,603.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	32,748,766.	26,199,013.	6,549,753.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,365,456.	2,692,365.	673,091.	
9 Other employee benefits	6,539,183.	5,231,346.	1,307,837.	
10 Payroll taxes	2,041,466.	1,633,173.	408,293.	
11 Fees for services (non-employees):				
a Management	0			
b Legal	249,415.		249,415.	
c Accounting	164,982.		164,982.	
d Lobbying	32,662.		32,662.	
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	0			
g Other	18,222,227.	14,577,782.	3,644,445.	
12 Advertising and promotion	1,477.		1,477.	
13 Office expenses	1,388,583.	1,110,866.	277,717.	
14 Information technology	614,370.	491,496.	122,874.	
15 Royalties	0			
16 Occupancy	1,307,237.	1,045,790.	261,447.	
17 Travel	6,110.	4,888.	1,222.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	80,919.	64,735.	16,184.	
20 Interest	419,014.	419,014.		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	5,526,925.	4,421,540.	1,105,385.	
23 Insurance	2,587,578.	2,070,062.	517,516.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a DRUGS -----	4,182,182.	4,182,182.		
b SUPPLIES -----	2,817,898.	2,817,898.		
c ORTHO IMPLANTS & SUPPLY -----	2,347,920.	2,347,920.		
d -----				
e All other expenses -----				
25 Total functional expenses. Add lines 1 through 24e	85,184,973.	69,310,070.	15,874,903.	
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	8,207,651.	1	3,717,748.
	2 Savings and temporary cash investments	2,809,717.	2	0
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	10,457,444.	4	8,601,320.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)	0	6	0
	7 Notes and loans receivable, net	450,818.	7	0
	8 Inventories for sale or use	1,944,478.	8	1,645,080.
	9 Prepaid expenses and deferred charges	964,220.	9	782,669.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 108,192,101.		
	b Less: accumulated depreciation	10b 75,751,426.	34,745,031.	10c 32,440,675.
	11 Investments - publicly traded securities	0	11	0
	12 Investments - other securities. See Part IV, line 11	10,309,928.	12	14,710,574.
	13 Investments - program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets. See Part IV, line 11	1,095,567.	15	4,476,698.
16 Total assets. Add lines 1 through 15 (must equal line 34)	70,984,854.	16	66,374,764.	
Liabilities	17 Accounts payable and accrued expenses	8,845,259.	17	6,745,393.
	18 Grants payable	0	18	0
	19 Deferred revenue	0	19	0
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	1,924,491.	23	1,508,855.
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	29,826,108.	25	37,574,613.
	26 Total liabilities. Add lines 17 through 25	40,595,858.	26	45,828,861.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	26,176,392.	27	12,487,373.
	28 Temporarily restricted net assets	525,763.	28	3,923,984.
	29 Permanently restricted net assets	3,686,841.	29	4,134,546.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	30,388,996.	33	20,545,903.	
34 Total liabilities and net assets/fund balances	70,984,854.	34	66,374,764.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	79,437,851.
2	Total expenses (must equal Part IX, column (A), line 25)	2	85,184,973.
3	Revenue less expenses. Subtract line 2 from line 1	3	-5,747,122.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	30,388,996.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-4,095,971.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	20,545,903.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

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

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization THE NEW MILFORD HOSPITAL, INC.	Employer identification number 06-0669121
---	---

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

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

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

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

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

Schedule A (Form 990 or 990-EZ) 2011

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

Section A. Public Support

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (see instructions); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Percentage, %. Rows include: 14 Public support percentage for 2011; 15 Public support percentage from 2010 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2011; b 33 1/3% support test - 2010; 17a 10%-facts-and-circumstances test - 2011; b 10%-facts-and-circumstances test - 2010; 18 Private foundation.

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

Section A. Public Support

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total. Add lines 1 through 5; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support (Subtract line 7c from line 6).

Section B. Total Support

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income. Do not include gain or loss from the sale of capital assets; 13 Total support. (Add lines 9, 10c, 11, and 12.); 14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Description, Percentage. Row 15: Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f)) 15 %; Row 16: Public support percentage from 2010 Schedule A, Part III, line 15 16 %

Section D. Computation of Investment Income Percentage

Table with 2 columns: Description, Percentage. Row 17: Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f)) 17 %; Row 18: Investment income percentage from 2010 Schedule A, Part III, line 17 18 %

- 19a 33 1/3% support tests - 2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization
b 33 1/3% support tests - 2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

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

Schedule of Contributors

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

2011

Name of the organization THE NEW MILFORD HOSPITAL, INC.	Employer identification number 06-0669121
---	---

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

Name of organization **THE NEW MILFORD HOSPITAL, INC.**

Employer identification number

06-0669121

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	----- ----- -----	\$ 274,468.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	----- ----- -----	\$ 329,754.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization THE NEW MILFORD HOSPITAL, INC.

Employer identification number

06-0669121

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

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

Name of organization **THE NEW MILFORD HOSPITAL, INC.**

Employer identification number
06-0669121

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

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

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

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

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**

▶ **See separate instructions.**

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

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

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

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

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

Name of organization THE NEW MILFORD HOSPITAL, INC.	Employer identification number 06-0669121
---	---

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

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

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

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

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

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

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)	-----			
(2)	-----			
(3)	-----			
(4)	-----			
(5)	-----			
(6)	-----			

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

Schedule C (Form 990 or 990-EZ) 2011

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1 a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a. If zero or less, enter -0-														
i	Subtract line 1f from line 1c. If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2 a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

Table with columns (a) Yes/No and (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation...; 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?

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

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

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

Table with columns 1-5. Rows include: 1 Dues, assessments and similar amounts from members; 2 Section 162(e) nondeductible lobbying and political expenditures; 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues; 4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?; 5 Taxable amount of lobbying and political expenditures (see instructions)

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A; and Part II-B, line 1. Also, complete this part for any additional information.

SEE PAGE 4

Part IV Supplemental Information (continued)

SCHEDULE C, PART II-B - DESCRIPTION OF LOBBYING

ONLY STATE AND LOCAL OFFICIALS WERE LOBBIED DURING 2012. AS PART OF THIS MISCELLANEOUS OFFICE EXPENSE SUCH AS PHONE, COMPUTER SUPPLIES, REFRESHMENT ETC. WERE INCURRED AND WERE REFLECTED ON LINE 1I ACCORDINGLY.

DIRECT CONTACT WITH LEGISLATORS TO OPPOSE MITIGATION BUDGET CUTS IN DECEMBER, WHICH WOULD FORCE THE CLOSURE OF PROGRAMMING FOR THE UN/UNDER INSURED AND AT-RISK POPULATION.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Name of the organization: THE NEW MILFORD HOSPITAL, INC. Employer identification number: 06-0669121

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors... Yes No, 6 Did the organization inform all grantees...

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

1 Purpose(s) of conservation easements held by the organization (check all that apply). 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution... 3 Number of conservation easements modified... 4 Number of states where property subject to conservation easement is located... 5 Does the organization have a written policy regarding the periodic monitoring... 6 Staff and volunteer hours devoted to monitoring... 7 Amount of expenses incurred in monitoring... 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B) (i) and section 170(h)(4)(B)(ii)?... 9 In Part XIV, describe how the organization reports conservation easements...

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule D (Form 990) 2011

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

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition, b Scholarly research, c Preservation for future generations, d Loan or exchange programs, e Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

b If "Yes," explain the arrangement in Part XIV and complete the following table:

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance.

2a Did the organization include an amount on Form 990, Part X, line 21?

b If "Yes," explain the arrangement in Part XIV.

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

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a-1g (Beginning of year balance, Contributions, Net investment earnings, gains, and losses, Grants or scholarships, Other expenditures for facilities and programs, Administrative expenses, End of year balance).

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment %
b Permanent endowment %
c Temporarily restricted endowment %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
(ii) related organizations

Table with 2 columns: Yes, No. Rows: 3a(i), 3a(ii), 3b.

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Table with 5 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows: 1a Land, 1b Buildings, 1c Leasehold improvements, 1d Equipment, 1e Other, Total.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) INVESTMENT IN FOUNDATION	14,710,574.	COST
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.)	14,710,574.	

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) CSV OF LIFE INSURANCE	1,338,177.
(2) DEFERRED COMPENSATION	100,798.
(3) MALPRACTICE TRUST	2,913,457.
(4) OTHER RECEIVABLES	117,875.
(5) SECURITY DEPOSITS	6,391.
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	4,476,698.

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ACCRUED MALPRACTICE	4,353,356.
(3) ACCRUED PENSION	20,895,560.
(4) ACCRUED WORKERS COMP	489,961.
(5) DUE TO RELATED PARTIES	8,873,224.
(6) DUE TO THIRD PARTIES	2,461,714.
(7) FIN 47 ACCRUED LIABILITY	400,000.
(8) SERP LIABILITY	100,798.
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	37,574,613.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

Table with 10 rows for reconciliation of net assets. Columns include line numbers and descriptions like 'Total revenue', 'Total expenses', and 'Excess or (deficit) for the year'.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Table with 5 main rows for revenue reconciliation. Includes sub-rows (a-d) for adjustments and sub-rows (2a-2e, 4a-4c) for detailed breakdowns.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

Table with 5 main rows for expense reconciliation. Includes sub-rows (a-d) for adjustments and sub-rows (2a-2e, 4a-4c) for detailed breakdowns.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Series of horizontal dashed lines provided for entering supplemental information.

Part XIV Supplemental Information *(continued)*

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2011

Open to Public Inspection

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990. ▶ See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization: **THE NEW MILFORD HOSPITAL, INC.** Employer identification number: **06-0669121**

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
b If "Yes," was it a written policy?	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other <u>400.0000</u> %	X	
b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other <u>600.0000</u> %	X	
c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		X
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?	X	
b If "Yes," did the organization make it available to the public?	X	

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

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			1,407,572.	1,061,883.	345,689.	.41
b Medicaid (from Worksheet 3, column a)			8,792,666.	6,252,206.	2,540,460.	2.98
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			10,200,238.	7,314,089.	2,886,149.	3.39
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			93,682.		93,682.	.11
f Health professions education (from Worksheet 5)			88,855.		88,855.	.10
g Subsidized health services (from Worksheet 6)			1,106,275.	673,281.	432,994.	.51
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			8,295.		8,295.	.01
j Total. Other Benefits			1,297,107.	673,281.	623,826.	.73
k Total. Add lines 7d and 7j.			11,497,345.	7,987,370.	3,509,975.	4.12

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

Schedule H (Form 990) 2011

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?
- 2 Enter the amount of the organization's bad debt expense
- 3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy
- 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.

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

Section B. Medicare

- 5 Enter total revenue received from Medicare (including DSH and IME)
- 6 Enter Medicare allowable costs of care relating to payments on line 5
- 7 Subtract line 6 from line 5. This is the surplus (or shortfall)
- 8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:
 Cost accounting system Cost to charge ratio Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 NEW MILFORD MRI JV	MRI READING	100.00000		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

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

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

Name and address

1 NEW MILFORD HOSPITAL, INC.
21 ELM STREET
NEW MILFORD CT 06776

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of Hospital Facility: NEW MILFORD HOSPITAL, INC.

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for tax year 2011)			
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8 If "Yes," indicate what the Needs Assessment describes (check all that apply):	1	
a	<input type="checkbox"/> A definition of the community served by the hospital facility		
b	<input type="checkbox"/> Demographics of the community		
c	<input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input type="checkbox"/> How data was obtained		
e	<input type="checkbox"/> The health needs of the community		
f	<input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a Needs Assessment: 20 <u> </u> <u> </u>		
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5	Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):	5	
a	<input type="checkbox"/> Hospital facility's website		
b	<input type="checkbox"/> Available upon request from the hospital facility		
c	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):		
a	<input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b	<input type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e	<input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g	<input type="checkbox"/> Prioritization of health needs in its community		
h	<input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	
Financial Assistance Policy			
8	Did the hospital facility have in place during the tax year a written financial assistance policy that: Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	X
9	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care: <u>4</u> <u>0</u> <u>0</u> % If "No," explain in Part VI the criteria the hospital facility used.	9	X

Part V Facility Information (continued) NEW MILFORD HOSPITAL, INC.

	Yes	No
10 Used FPG to determine eligibility for providing <i>discounted care</i> ? If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>6</u> <u>0</u> <u>0</u> % If "No," explain in Part VI the criteria the hospital facility used.	X	
11 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply):	X	
a <input checked="" type="checkbox"/> Income level		
b <input checked="" type="checkbox"/> Asset level		
c <input checked="" type="checkbox"/> Medical indigency		
d <input checked="" type="checkbox"/> Insurance status		
e <input checked="" type="checkbox"/> Uninsured discount		
f <input checked="" type="checkbox"/> Medicaid/Medicare		
g <input checked="" type="checkbox"/> State regulation		
h <input type="checkbox"/> Other (describe in Part VI)		
12 Explained the method for applying for financial assistance?	X	
13 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	X	
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b <input type="checkbox"/> The policy was attached to billing invoices		
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f <input checked="" type="checkbox"/> The policy was available on request		
g <input checked="" type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	X	
15 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP:		
a <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged:		X
a <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply):		
a <input type="checkbox"/> Notified patients of the financial assistance policy on admission		
b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy		
e <input type="checkbox"/> Other (describe in Part VI)		

Part V Facility Information (continued) NEW MILFORD HOSPITAL, INC.

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information (continued)

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

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

How many non-hospital health care facilities did the organization operate during the tax year? 1

Name and address	Type of Facility (describe)
1 DANBURY HOSPITAL LAB. CTR OF NEW MILFORD 120 PARK LANE NEW MILFORD CT 06776	DIAGNOSTIC
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 4 - BAD DEBT EXPENSE

IT IS THE POLICY OF THE HOSPITAL TO PROVIDE NECESSARY CARE TO ALL PERSONS SEEKING TREATMENT WITHOUT DISCRIMINATION ON THE GROUNDS OF AGE, RACE, CREED, NATIONAL ORIGIN OR ANY OTHER GROUNDS UNRELATED TO AN INDIVIDUAL'S NEED FOR THE SERVICE OR THE AVAILABILITY OF THE NEEDED SERVICE AT THE HOSPITAL. A PATIENT IS CLASSIFIED AS A CHARITY CARE PATIENT BY REFERENCE TO ESTABLISHED POLICIES OF THE HOSPITAL. ESSENTIALLY, THESE POLICIES DEFINE CHARITY SERVICES AS THOSE SERVICES FOR WHICH NO PAYMENT IS ANTICIPATED. IN ASSESSING A PATIENT'S INABILITY TO PAY, THE HOSPITAL UTILIZES THE GENERALLY RECOGNIZED FEDERAL POVERTY INCOME GUIDELINES, BUT ALSO INCLUDES CERTAIN CASES WHERE INCURRED CHARGES ARE SIGNIFICANT WHEN COMPARED TO A RESPONSIBLE PARTY'S INCOME AND THEIR COUNTABLE ASSETS. THOSE CHARGES ARE NOT INCLUDED IN NET PATIENT SERVICE.

PART III, LINE 8 - EXPLANATION OF SHORTFALL AS COMMUNITY BENEFIT

THE HOSPITAL'S MEDICARE SHORTFALL SHOULD BE TREATED AS A COMMUNITY BENEFIT AS THE ORGANIZATION STRIVES TO PROVIDE AROUND THE CLOCK COVERAGE, IMPROVED PATIENT ACCESS, HIGHEST CLINICAL QUALITY AS WELL AS ADDRESSING

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THE NEEDS OF THE COMMUNITY BY OFFERING CRITICAL SERVICES TO OUR GEOGRAPHIC AREA. AS A RESULT, THE ORGANIZATION MUST BALANCE THE COST OF THESE PROGRAMS AGAINST THE CONTINUED DECREASING GOVERNMENT REIMBURSEMENT LEVELS, UNINSURED POPULATION AND COMMUNITY NEEDS.

PART III, LINE 9B - PROVISIONS ON COLLECTION PRACTICES FOR QUALIFIED PATIENTS

IT IS THE POLICY OF THE HOSPITAL TO PROVIDE "FINANCIAL ASSISTANCE" (EITHER FREE CARE OR REDUCED PATIENT OBLIGATION) TO PERSONS OR FAMILIES WHERE: (I) THERE IS LIMITED OR NO HEALTH INSURANCE AVAILABLE; (II) THE PATIENT FAILS TO QUALIFY FOR GOVERNMENTAL ASSISTANCE (FOR EXAMPLE MEDICARE OR MEDICAID); (III) THE PATIENT COOPERATES WITH THE HOSPITAL IN PROVIDING THE REQUESTED INFORMATION; (IV) THE PATIENT DEMONSTRATES FINANCIAL NEED; AND (V) THE HOSPITAL MAKES AN ADMINISTRATIVE DETERMINATION THAT FINANCIAL ASSISTANCE IS APPROPRIATE.

AFTER THE HOSPITAL DETERMINES THAT A PATIENT IS ELIGIBLE FOR FINANCIAL ASSISTANCE, THE HOSPITAL WILL DETERMINE THE AMOUNT OF FINANCIAL

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ASSISTANCE AVAILABLE TO THE PATIENT BY UTILIZING THE CHARITABLE ASSISTANCE GUIDELINES, WHICH ARE BASED UPON THE MOST RECENT FEDERAL POVERTY GUIDELINES.

THE HOSPITAL SHALL REGULARLY REVIEW THIS FINANCIAL ASSISTANCE POLICY TO ENSURE THAT AT ALL TIMES IT: (I) REFLECTS THE PHILOSOPHY AND MISSION OF THE HOSPITAL; (II) EXPLAINS THE DECISION PROCESSES OF WHO MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE AND IN WHAT AMOUNTS; AND (III) COMPLIES WITH ALL APPLICABLE STATE AND FEDERAL LAWS, RULES, AND REGULATIONS CONCERNING THE PROVISION OF FINANCIAL ASSISTANCE TO INDIGENT PATIENTS.

CONSISTENT WITH THIS MISSION, THE HOSPITAL RECOGNIZES ITS OBLIGATION TO THE COMMUNITY IT SERVES TO PROVIDE FINANCIAL ASSISTANCE TO INDIGENT PERSONS WITHIN THE COMMUNITY.

IN FURTHERANCE OF ITS CHARITABLE MISSION, THE HOSPITAL WILL PROVIDE BOTH (I) EMERGENCY TREATMENT TO ANY PERSON REQUIRING SUCH CARE; AND (II) ESSENTIAL, NON-EMERGENCY CARE TO PATIENTS WHO ARE PERMANENT RESIDENTS OF

Part VI Supplemental Information

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- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ITS PRIMARY SERVICE AREA WHO MEET THE CONDITIONS AND CRITERIA SET FORTH IN THIS POLICY, WITHOUT REGARD TO THE PATIENTS' ABILITY TO PAY FOR SUCH CARE. ELECTIVE PROCEDURES GENERALLY WILL NOT BE CONSIDERED ESSENTIAL, NON-EMERGENT CARE AND USUALLY WILL NOT BE ELIGIBLE FOR FINANCIAL ASSISTANCE.

THE HOSPITAL WILL COLLECT FROM INDIVIDUALS ON FINANCIAL ASSISTANCE IF THEY RECEIVED A PARTIAL CHARITABLE DISCOUNT. ALL PATIENTS CAN APPLY FOR CHARITABLE CARE ON BALANCES THEY FEEL THEY CANNOT AFFORD.

PART V, LINE 13G - OTHER MEANS HOSPITAL FACILITY PUBLICIZED THE POLICY NEW MILFORD HOSPITAL HAS MESSAGES ON ALL STATEMENTS PROVIDING INFORMATION REGARDING HOW THE PATIENT CAN GET ASSISTANCE WITH THEIR HOSPITAL BILL. COUNSELORS ARE ALSO AVAILABLE TO PROVIDE FURTHER ASSISTANCE.

PART VI, LINE 2 - NEEDS ASSESSMENT

THE ORGANIZATION MONITORS AND REPORTS CMS INFORMATION. DATA INCLUDES BASIC DEMOGRAPHICS, ALONG WITH HEALTH ISSUE-SPECIFIC INFORMATION.

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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ADDITIONALLY, WE SURVEY OUR CONSUMERS ON A REGULAR AND ONGOING BASIS FOR THEIR OPINIONS AND CONCERNS.

PART VI, LINE 3 - PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE
THE HOSPITAL HAS MESSAGES ON ALL STATEMENTS PROVIDING INFORMATION REGARDING HOW THE PATIENT CAN GET ASSISTANCE WITH THEIR HOSPITAL BILL.
ALSO SIGNS ARE POSTED THROUGHOUT THE HOSPITAL AND COUNSELORS ARE AVAILABLE TO PROVIDE FURTHER ASSISTANCE.

ALL UNINSURED INPATIENTS ARE INTERVIEWED BY FINANCIAL COUNSELORS AND ASSESSED FOR ELIGIBILITY FOR ASSISTANCE PROGRAMS. THE HOSPITAL PROVIDES INFORMATIONAL HANDOUTS TO ALL UNINSURED PATIENTS AT THE TIME OF REGISTRATION WHICH REFERS THEM TO FINANCIAL COUNSELING IF THEY WOULD LIKE ASSISTANCE WITH THEIR BILLS. FURTHER, THE HOSPITAL MAILES NOTICES TO ALL SELF-PAY ACCOUNTS REFERRING THEM TO FINANCIAL COUNSELING IF THEY NEED ASSISTANCE. THE COLLECTION DEPARTMENT WILL ALSO REFER PATIENTS TO FINANCIAL COUNSELING WHEN A PATIENT INDICATES THAT THEY CANNOT AFFORD THEIR BALANCES; AND FINALLY, SCHEDULERS REFER UNINSURED PATIENTS TO

Part VI Supplemental Information

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FINANCIAL COUNSELING PRIOR TO THEIR TEST OR PROCEDURE.

PART VI, LINE 4 - COMMUNITY INFORMATION

THE HOSPITAL'S PRIMARY SERVICE AREA IS THE CITY OF NEW MILFORD AND SURROUNDING SUBURBAN TOWNS THAT MAKE UP CENTRAL LITCHFIELD COUNTY. THE REGION IS GENERALLY EMPLOYED AND WITH AVERAGE INCOMES. CONSTITUENTS ARE PREDOMINANTLY CAUCASIAN, SKEW SOMEWHAT OLDER THAN OTHER AREAS OF CT AND THE U.S. POVERTY LEVELS ARE BELOW OTHER AREAS.

PART VI - COMMUNITY BUILDING ACTIVITIES

NEW MILFORD HOSPITAL IS ACTIVELY ENGAGED WITH THE COMMUNITY THAT IT SERVES. WE PROVIDE COMMUNITY HEALTH IMPROVEMENT SERVICES, WORKFORCE DEVELOPMENT AND COALITION BUILDING ACTIVITIES TO LEARN ABOUT THE COMMUNITY HEALTH AND OTHER NEEDS.

PART VI, LINE 5 - EXPLANATION OF HOW ORGANIZATION FURTHERS ITS EXEMPT PURPOSE

DURING FISCAL YEAR 2012, NEW MILFORD HOSPITAL SERVED 2,288 INPATIENTS AND

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

CARED FOR 68,689 OUTPATIENTS. IN ADDITION, 18,416 PATIENTS CAME THROUGH OUR EMERGENCY DEPARTMENT AND 2,288 ONE-DAY SURGERY PROCEDURES WERE PERFORMED. LED BY A TEAM OF SKILLED AND DEDICATED HEALTHCARE PROFESSIONALS, NEW MILFORD HOSPITAL'S COMMITMENT TO CLINICAL EXCELLENCE AND PATIENT SATISFACTION WERE RECOGNIZED BY NUMEROUS PRESTIGIOUS ORGANIZATIONS IN 2012. THE CREATION OF WESTERN CONNECTICUT HEALTH NETWORK, A HEALTHCARE DELIVERY SYSTEM THAT COMBINES THE RESOURCES AND EXPERTISE OF DANBURY HOSPITAL, NEW MILFORD HOSPITAL AND THEIR AFFILIATES, REPRESENTS A HISTORICAL ACHIEVEMENT. THIS AFFILIATION GIVES US AN OPPORTUNITY TO PROVIDE A HIGHER LEVEL OF CARE THROUGHOUT THE REGION IN THE MOST COST-EFFECTIVE MANNER WHILE MEETING THE CHALLENGES POSED BY HEALTHCARE REFORM HEAD ON. PROVIDING OUR PHYSICIANS AND MEDICAL TEAM WITH THE TECHNOLOGICAL ADVANCES THEY NEED TO SUCCEED REMAINS A PRIORITY. THE LINACC CANCER TREATMENT SYSTEM, 64 SLICE CT SCANNER, AND THE OPEN BORE MRI IMAGING SYSTEM, FOR EXAMPLE, OFFER PATIENTS A SOPHISTICATED LEVEL OF CARE RARELY AVAILABLE IN A COMMUNITY HOSPITAL. EVER MINDFUL OF IMPROVING THE PATIENT EXPERIENCE, THE HOSPITAL BUILDS UPON ITS ESTABLISHED HIGH LEVELS OF PATIENT SATISFACTION AND SERVICE EXCELLENCE

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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THROUGH ITS AFFILIATION WITH "PLANETREE", A RECOGNIZED PHILOSOPHY IN PATIENT-CENTERED CARE. THE PARTNERSHIP FOCUSES IN IMPLEMENTING INNOVATIVE MODELS OF CARE THAT NURTURE THE MIND, BODY AND SPIRIT BY SUPPORTING PATIENTS, FAMILY MEMBERS AND STAFF ALIKE. KNOWLEDGE IS POWER WHEN IT COMES TO IMPROVING THE HEALTH AND WELLNESS OF PEOPLE OF ALL AGES IN CONNECTICUT AND NEW YORK. THAT'S THE MESSAGE BEHIND A NUMBER OF HOSPITAL INITIATIVES DESIGNED TO BUILD HEALTHY COMMUNITIES.

PART VI, LINE 6 - AFFILIATED HEALTH CARE SYSTEM ROLES AND PROMOTION

WESTERN CONNECTICUT HEALTH NETWORK, INC. (PARENT):

WESTERN CONNECTICUT HEALTH NETWORK'S MISSION IS TO IMPROVE THE HEALTH AND WELL BEING OF THOSE WE SERVE, WHICH HELPS TO FURTHER THE HOSPITAL'S EXEMPT PURPOSE.

DANBURY HOSPITAL

DANBURY HOSPITAL PROVIDES MEDICAL SERVICES TO THE COMMUNITY REGARDLESS OF THE INDIVIDUAL'S ABILITY TO PAY. SERVICES INCLUDE ROUTINE INPATIENT

Part VI Supplemental Information

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ANCILLARY AND OUTPATIENT CARE IN SUPPORT OF THE HOSPITAL'S MISSION STATEMENT, TO IMPROVE THE HEALTH AND WELL BEING OF THOSE WE SERVE. FOR 2012, DANBURY HOSPITAL PROVIDED \$13,969,782 IN CHARITY CARE.

NEW MILFORD HOSPITAL:

NEW MILFORD HOSPITAL'S MISSION IS TO PROVIDE OUTSTANDING HEALTH CARE TO THE COMMUNITIES THEY SERVE THROUGH AN UNCOMPROMISING FOCUS ON CLINICAL QUALITY, COMPASSIONATE SERVICE, AND THE CREATION OF A MEDICAL "SAFE HAVEN" FOR THEIR PATIENTS AND FAMILIES. FOR 2012, NEW MILFORD HOSPITAL PROVIDED \$1,610,576 IN CHARITY CARE.

WESTERN CONNECTICUT MEDICAL GROUP

THE MISSION AT WESTERN CONNECTICUT MEDICAL GROUP IS TO PROVIDE SAFE, INNOVATIVE, CONVENIENT AND COORDINATED PRIMARY AND SPECIALTY HEALTH CARE IN THE COMMUNITIES THEY SERVE AND STRIVE TO BE AWARE OF AND RESPOND TO THEIR PATIENTS NEEDS. THEY SUPPORT A COMMITMENT TO ADVANCE THE HEALTH AND WELL-BEING OF INDIVIDUALS IN THEIR COMMUNITY BY DELIVERING QUALITY CARE, PARTICIPATING IN MEDICAL RESEARCH AND MEDICAL RESIDENCY PROGRAMS

Part VI Supplemental Information

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- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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AND THE PROVISION OF MEDICAL SERVICES TO PATIENTS. FOR 2012, WESTERN CONNECTICUT MEDICAL GROUP PROVIDED \$1,552,949 IN CHARITY CARE.

WESTERN CONNECTICUT HEALTH NETWORK FOUNDATION, INC.

WESTERN CONNECTICUT HEALTH NETWORK FOUNDATION INC.'S MISSION IS TO RAISE FUNDS, REINVEST AND ADMINISTER THESE FUNDS AND MAKE DISTRIBUTIONS TO DANBURY HOSPITAL AND OTHER NOT-FOR-PROFIT HEALTH CARE AFFILIATES.

WESTERN CONNECTICUT HEALTH NETWORK AFFILIATES

WESTERN CONNECTICUT HEALTH NETWORK AFFILIATES PRINCIPAL PURPOSE IS TO PROVIDE OUTPATIENT HEALTH CARE SERVICES IN VARIOUS LOCATIONS AND ALSO PROVIDE AMBULANCE SERVICES TO DANBURY AND SURROUNDING TOWNS, WHILE SERVING THOSE THAT CANNOT AFFORD THE CARE. APPROXIMATELY \$2,000 IN CHARITY CARE WAS PROVIDED DURING 2012.

BUSINESS SYSTEMS, INC.

BUSINESS SYSTEMS, INC. IS A TAXABLE CORPORATION WHOSE MAIN BUSINESS IS THE OPERATION OF DANBURY PHARMACY, A RETAIL PHARMACY. THE PHARMACY'S

Part VI Supplemental Information

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REVENUE IS COMPRISED OF PRESCRIPTION SALES, OVER THE COUNTER SALES, AND WHOLESALE SALES (MEDICAL AND SURGICAL SUPPLIES) SOLD TO OFFICE PRACTICES AND CLINICIANS THAT ARE NOT COVERED BY INSURANCE PROGRAMS.

WESTERN CONNECTICUT HOME CARE, INC.

WESTERN CONNECTICUT HOME CARE, INC. (WCHC) PROVIDES STATE OF THE ART CLINICAL SERVICES RANGING FROM PEDIATRIC PATIENTS TO THE ELDERLY UTILIZING BEST PRACTICE IN HOME CARE TO MEET THE NEEDS OF THEIR PATIENTS. FOR 2012, WCHC PROVIDED \$590,645 FOR CHARITY CARE.

NEW MILFORD FOUNDATION:

THE NEW MILFORD FOUNDATION WAS ORGANIZED FOR THE PURPOSE OF SOLICITING, RECEIVING, HOLDING, INVESTING AND ADMINISTERING CONTRIBUTIONS ON BEHALF OF THE NEW MILFORD HOSPITAL, WHICH ASSISTS THE HOSPITAL IN FURTHERING IT'S COMMITMENT TO THE COMMUNITY.

ADDITIONAL INFORMATION

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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SCHEDULE H, PART I, LINE 6A

THE COMMUNITY BENEFIT REPORT IS REPORTED ON A NETWORK BASIS.

SCHEDULE H, PART I, LINE 7

COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE:

CHARITY CARE AT COST PERCENTAGE:

TOTAL GROSS PATIENT CHARGES WRITTEN OFF TO CHARITY (INCOME STATEMENT) *

PATIENT COST TO CHARGE % (SEE BELOW) = TOTAL COMMUNITY BENEFIT EXPENSE

TOTAL COMMUNITY BENEFIT EXPENSES - REVENUE FROM UNCOMPENSATED CARE POOLS

AND PROGRAMS (DHS * % OF COST OF UNCOMPENSATED CARE SHOWN ON THE OCHA

SCHEDULE 500) = NET COMMUNITY BENEFITS EXPENSES

NET COMMUNITY BENEFITS EXPENSES * TOTAL EXPENSES = % OF TOTAL EXPENSES

RATIO COST TO CHARGE CALCULATION

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- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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SCHEDULE H, PART I, LINE 7G

THERE ARE NO PHYSICIAN CLINICS INCLUDED IN THIS AMOUNT.

TOTAL OPERATING EXPENSES DIVIDED BY ADJUSTED PATIENT CARE COST

(BAD DEBT, OTHER OPERATING INCOME AND INTERCOMPANY INCOME ARE REMOVED
FROM THE TOTAL OPERATING EXPENSES)

ADJUSTED PATIENT CARE COST DIVIDED BY GROSS PATIENT CHARGES

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STATE FILING OF COMMUNITY BENEFIT REPORT

CT,

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

THE NEW MILFORD HOSPITAL, INC.

Employer identification number

06-0669121

Part I Questions Regarding Compensation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 JOHN M. MURPHY, MD	(i)	0	0	0	0	0	0
	(ii)	753,982.	280,000.	5,793.	22,040.	40,074.	1,101,889.
2 STEVEN H. ROSENBERG	(i)	0	0	0	0	0	0
	(ii)	504,098.	150,000.	23,142.	22,040.	31,002.	730,282.
3 DEBORAH WEYMOUTH	(i)	295,120.	80,000.	776.	0	857.	376,753.
	(ii)	0	0	0	0	0	0
4 DONNA KAPLANIS	(i)	0	0	0	0	0	0
	(ii)	180,813.	40,000.	1,632.	22,040.	37,612.	282,097.
5 THOMAS KOOBATIAN, MD	(i)	328,894.	0	657.	0	8,764.	338,315.
	(ii)	87,692.	0	384.	0	445.	88,521.
6 COURTNEY CHAMBERS, MD	(i)	296,192.	238,607.	0	0	5,851.	540,650.
	(ii)	11,845.	0	55.	0	0	11,900.
7 PRASHANT RODRIGUES, MD	(i)	420,107.	0	6,507.	0	8,261.	434,875.
	(ii)	0	0	0	0	0	0
8 JOSEPH BARGELLINI, MD	(i)	236,058.	5,400.	0	0	4,764.	246,222.
	(ii)	213,601.	0	1,039.	0	2,473.	217,113.
9 LEE ZARGER, MD	(i)	187,511.	236.	1,006.	0	7,931.	196,684.
	(ii)	0	0	0	0	0	0
10 MARYDALE DEBOR	(i)	70,912.	0	112,755.	0	1,921.	185,588.
	(ii)	0	0	0	0	0	0
11 DANA DIGGINS	(i)	34,974.	0	256,018.	0	649.	291,641.
	(ii)	0	0	0	0	0	0
12	(i)						
	(ii)						
13	(i)						
	(ii)						
14	(i)						
	(ii)						
15	(i)						
	(ii)						
16	(i)						
	(ii)						

Part III Supplemental Information

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

COMPENSATION INFORMATION

PART I, LINE 4 - RECEIVED SEVERANCE, SUPPLEMENTAL NQ RETIREMENT,

EQUITY-BASED COMPENSATION

DANA DIGGINS RECEIVED SEVERANCE PAYMENTS OF \$256,018. THE AGREEMENT WAS FOR A PERIOD OF ONE YEAR FROM TERMINATION.

MARYDALE DEBOR RECEIVED SEVERANCE PAYMENTS OF \$112,755. THE AGREEMENT WAS FOR A PERIOD OF ONE YEAR FROM TERMINATION.

DURING THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, DR. JOHN MURPHY, PRESIDENT AND CEO, AND STEVEN H. ROSENBERG, CFO WERE THE ONLY PARTICIPANTS OF A NEW SERP PLAN. NO PAYMENTS WERE MADE TO THEM.

DUE TO A CAP IN THE DEFINED PENSION PLAN OF \$190,000 THE SERP IS INTENDED TO GIVE SUPPLEMENTAL RETIREMENT BENEFITS TO KEY MEMBERS OF THE EXECUTIVE GROUP, WHOSE SALARY EXCEEDS THIS AMOUNT. THE SERP IS DESIGNED TO VEST KEY EXECUTIVES WITH AN INCENTIVE TO REMAIN WITH THE SYSTEM UNTIL THEY REACH RETIREMENT AGE.

Part III Supplemental Information

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

THE SERP IS NOT A QUALIFIED RETIREMENT PLAN AND THEREFORE IS SUBJECT TO CERTAIN TAX IMPLICATIONS UPON VESTING VS. THE TIME RETIREMENT PAYMENTS ARE MADE.

THE EXPENSES FOR THE SERP COSTS ARE RECOGNIZED EACH ACCOUNTING PERIOD IN THREE SEGMENTS. THESE ARE:

-PRIOR SERVICE COSTS

THE ACTUAL PRESENT VALUE OF SERP BENEFITS FOR MEMBERS OF THE SERP GROUP AS COMPUTED ON THE DATE THE SERP IS IMPLEMENTED. THE INTANGIBLE ASSET IS AMORTIZED OVER THE ESTIMATED WORKING LIFE OF THE EXECUTIVES IN THE SERP PLAN.

-CURRENT SERVICE COSTS

THE CURRENT SERVICE COST (CSO) IS THE AMOUNT OF BENEFITS EARNED BY THE EMPLOYEE DURING THE CURRENT PERIOD. THE CSO IS CALCULATED AS THE DIFFERENCE IN THE ACTUARIAL PRESENT VALUE OF A LIFE ANNUITY, STARTING ON

Part III Supplemental Information

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

THE PROJECTED DATE OF RETIREMENT, DISCOUNTED TO THE BEGINNING OF THE
PRESENT ACCOUNTING PERIOD; AND THE SAME ANNUITY DISCOUNTED TO THE END OF
THE PRESENT ACCOUNTING PERIOD.

-INTEREST COMPONENT

EACH YEAR THE BEGINNING BALANCE IN THE UNFUNDED BENEFIT OBLIGATION IS
CHARGED A DISCOUNTED INTEREST RATE. THE INTEREST COST (IMPLIED) IS THE
INCREASE IN THE BENEFIT OBLIGATION DUE TO THE PASSAGE OF TIME.

PART I, LINE 6 - COMPENSATION CONTINGENT ON NET EARNINGS OR RELATED
ORGANIZATION

SUMMARY OF EXECUTIVE INCENTIVE PLAN (EXCERPTS FROM)

THE PLAN WILL BE ADMINISTERED SUBJECT TO THE BOARD POLICY ON EXECUTIVE
COMPENSATION BY THE COMMITTEE ON GOVERNANCE SERVING AS THE EXECUTIVE
COMPENSATION COMMITTEE (THE COMMITTEE) OF THE BOARD OF DIRECTORS OF
WESTERN CONNECTICUT HEALTH NETWORK, INC. THE COMMITTEE MAY IN ITS SOLE
DISCRETION INTERPRET THE PLAN, PRESCRIBE ANY RULES AND REGULATIONS

Part III Supplemental Information

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

NECESSARY OR APPROPRIATE FOR ADMINISTRATION OF THE PLAN, AND MAKE SUCH OTHER DETERMINATIONS AND TAKE SUCH ACTION AS IT DEEMS NECESSARY OR ADVISABLE.

THE PLAN YEAR WILL BEGIN OCTOBER 1, 2011, AND END SEPTEMBER 30, 2012. THE MEASUREMENT PERIOD FOR AWARD PURPOSES WILL BE THE SAME.

ELIGIBILITY TO PARTICIPATE IN THE PLAN WILL BE LIMITED TO THOSE WHO ARE IN POSITIONS IN WHICH THEIR DECISIONS, ACTIONS AND COUNSEL SIGNIFICANTLY AFFECT THE OPERATIONS OF WESTERN CONNECTICUT HEALTH NETWORK, INC. AND ITS SUBSIDIARIES, AS DETERMINED BY THE COMMITTEE AND WITH INPUT PROVIDED BY SENIOR MANAGEMENT.

PRIOR TO THE START OF EACH PLAN YEAR, OR AS SOON AS PRACTICABLE THEREAFTER, THE COMMITTEE, WITH INPUT PROVIDED BY SENIOR MANAGEMENT, WILL DETERMINE WHICH ELIGIBLE INDIVIDUALS WILL PARTICIPATE IN THE PLAN WITH RESPECT TO SUCH PLAN YEAR AND THEY WILL BE LISTED ACCORDINGLY.

Part III Supplemental Information

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

IN DETERMINING WHICH ELIGIBLE INDIVIDUALS WILL PARTICIPATE, THE COMMITTEE WILL TAKE INTO ACCOUNT THE EXTENT TO WHICH ELIGIBLE INDIVIDUALS ARE IN POSITIONS IN WHICH THEIR DECISIONS, ACTIONS AND COUNSEL SIGNIFICANTLY AFFECT THE OVERALL PERFORMANCE OF WESTERN CONNECTICUT HEALTH NETWORK, INC. AND ITS AFFILIATES.

TO BE CONSIDERED FOR PARTICIPATION, AN INDIVIDUAL MUST BE IN AN INCENTIVE ELIGIBLE POSITION FOR NO LESS THAN 6 MONTHS OF THE RESPECTIVE PLAN YEAR. INCENTIVE AWARDS WILL BE PRORATED AS APPROPRIATE TO REFLECT PARTIAL PLAN YEAR PARTICIPATION. ELIGIBLE INDIVIDUALS MUST BE EMPLOYED BY WESTERN CONNECTICUT HEALTH NETWORK, INC. AT THE TIME OF EXECUTIVE INCENTIVE AWARD DISTRIBUTION.

THE COMMITTEE WILL ESTABLISH THE TARGET AWARD OPPORTUNITY (EXPRESSED AS A PERCENTAGE OF BASE SALARY) FOR EACH PARTICIPANT IN THE PLAN.

THE TARGET AWARD IS THE AMOUNT PAID TO PARTICIPANTS FOR ACTUAL PERFORMANCE THAT MEETS EXPECTATIONS. TO RECOGNIZE A RANGE OF PERFORMANCE

Part III Supplemental Information

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

ABOVE THE "TARGET" LEVEL, PARTICIPANTS MAY EARN ONE-HALF TO ONE AND ONE-HALF TIMES THE TARGET AWARD OPPORTUNITIES BASED ON ACTUAL PERFORMANCE. A THRESHOLD OF PERFORMANCE MUST BE ACHIEVED IN ORDER FOR PARTICIPANTS TO EARN AWARDS.

PRIOR TO THE BEGINNING OF EACH PLAN YEAR, OR AS SOON THEREAFTER AS PRACTICABLE, WEIGHTINGS FOR THE PERFORMANCE MEASURES INCLUDED IN THE PLAN WILL BE DETERMINED FOR EACH PARTICIPANT IN ACCORDANCE WITH THE NATURE OF EACH PARTICIPANT'S STATED GOALS AND RESPONSIBILITIES (I.E., ORGANIZATIONAL, FUNCTIONAL/INDIVIDUAL, ETC.).

PRIOR TO THE BEGINNING OF EACH PLAN YEAR, OR AS SOON THEREAFTER AS PRACTICABLE, PERFORMANCE MEASURES AND PERFORMANCE LEVELS WILL BE ESTABLISHED FOR EACH PARTICIPANT IN THE PLAN.

INCENTIVE AWARDS WILL BE MODIFIED OR ELIMINATED IF AT THE LEVEL OF PERFORMANCE SPECIFIED IN THE CIRCUIT BREAKER IS NOT ACHIEVED. THE CIRCUIT BREAKER WILL BE ESTABLISHED BY THE COMMITTEE PRIOR TO THE BEGINNING OF

Part III Supplemental Information

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

EACH FISCAL YEAR OR AS SOON THEREAFTER AS PRACTICABLE.

IF EBITDA IS LESS THAN BASIC, FULL ELIMINATION OF INCENTIVE AWARD WILL
OCCUR.

NOTWITHSTANDING ANY OTHER PROVISION OF THE PLAN, INCENTIVE AWARDS CAN BE
AFFECTED BY AN INDIVIDUAL MODIFIER (BASED ON INDIVIDUAL EXECUTIVE
PERFORMANCE) AT THE LEVEL SPECIFIED IN THE PLAN.

PART III - ADDITIONAL INFORMATION

THE ORGANIZATION RELIED ON A RELATED ORGANIZATION, WESTERN CONNECTICUT
HEALTH NETWORK, INC. WHICH USED THE FOLLOWING METHODS DESCRIBED BELOW TO
ESTABLISH TOP MANAGEMENT'S COMPENSATION:

- COMPENSATION COMMITTEE
- INDEPENDENT COMPENSATION
- WRITTEN EMPLOYMENT CONTRACT
- COMPENSATION SURVEY OR STUDY

Part III Supplemental Information

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

- APPROVAL BY BOARD OR COMPENSATION COMMITTEE

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

THE NEW MILFORD HOSPITAL, INC.

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Employer identification number

06-0669121

PROGRAM SERVICE ACCOMPLISHMENTS

FORM 990, PART III, LINE 4A

DURING 2012, NEW MILFORD HOSPITAL HAS EXPERIENCED MEANINGFUL CHANGE, DELIVERED LIFE-CHANGING EXPERIENCES, CONFRONTED SERIOUS ISSUES AND ACHIEVED SIGNIFICANT PROGRESS. WE ARE PROUD OF THE REMARKABLE PROGRESS WE HAVE MADE DURING A CHALLENGING AND ULTIMATELY REWARDING YEAR. AS WE CONTINUE TO CHART A NEW PATH TO THE FUTURE OF HEALTHCARE WE FOCUS ON THE REAL RESULTS THAT PEOPLE AND INVESTMENTS CAN CREATE. THE BEST HEALTHCARE COMES FROM COMBINING TOP MEDICAL CARE WITH A PERSONAL TOUCH PROVIDED BY OUR TEAM OF DEDICATED PROFESSIONALS. THAT'S HOW WE IMPROVE THE HEALTH OF OUR COMMUNITIES, ONE PERSON AT A TIME.

WE LOOK AT 2012 AS A YEAR OF PROGRESS ON MANY FRONTS. WE ARE EXPANDING CANCER CARE, WOMEN'S HEALTH AND EMERGENCY SERVICES. WE HAVE INTEGRATED LABORATORY AND RADIOLOGY SERVICES TO OFFER MORE ACCESS AND IMPROVE EFFICIENCY. PROFESSIONAL COOPERATION BETWEEN OUR PHYSICIANS, SUPPORT STAFF AND HOSPITALS HAS NEVER BEEN STRONGER. OUR PLAN TO EXPAND THE EMERGENCY ROOM IN 2013 WILL ADD CAPACITY TO THIS AREA.

ACCOUNTABLE CARE IS A DELIVERY CONCEPT THAT TIES PROVIDER REIMBURSEMENTS TO SPECIFIC QUALITY MEASURES, PATIENT SATISFACTION, EFFICIENCIES AND REDUCTIONS IN THE TOTAL COST OF CARE FOR A PARTICULAR POPULATION OF PATIENTS. AN ACCOUNTABLE CARE ORGANIZATION (ACO) IS DESIGNED TO REWARD IMPROVEMENTS IN HEALTHCARE QUALITY BY SHARING THE SAVINGS THAT RESULT

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FROM A MORE COMPREHENSIVE CONTINUUM OF CARE THAT YIELDS BETTER PATIENT OUTCOMES AT EVERY LEVEL OF INTERVENTION. AT THE SAME TIME, A HOSPITAL THAT FAILS TO MEET MINIMUM MEASURES IS PUT ON NOTICE THAT THEY WILL EVENTUALLY BE PENALIZED WITH REDUCED REIMBURSEMENTS IF THEY DO NOT IMPROVE IN A NUMBER OF AREAS.

IN LATE 2011, THE ESTABLISHMENT OF ACOS BECAME AN IMPORTANT FEATURE OF THE AFFORDABLE CARE ACT WHEN THE CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) ISSUED A SET OF GUIDELINES FOR HEALTHCARE PROVIDERS LIKE DANBURY HOSPITAL. TO ADDRESS THE OVERALL GOAL TO IMPROVE HEALTHCARE QUALITY, CMS SPECIFIES FIVE DOMAINS BY WHICH THEY AND PROVIDER PARTICIPANTS CAN MONITOR PERFORMANCE QUALITY:

- PATIENT/CAREGIVER EXPERIENCE
- CARE COORDINATION
- PATIENT SAFETY
- PREVENTIVE HEALTH
- CARE OF AT-RISK POPULATIONS INCLUDING THE FRAIL ELDERLY

IN 2012, NEW MILFORD HOSPITAL ACTED WITH A PILOT PLAN TO MEET AND, WHERE POSSIBLE, EXCEED THESE GOALS.

NEW MILFORD HOSPITAL STRIVES EVERY DAY TO PROTECT AND PROMOTE THE HEALTH AND WELLNESS OF EACH OF OUR PATIENTS AND TO PROVIDE ACCESS TO THE HIGHEST QUALITY CARE, REGARDLESS OF THEIR ABILITY TO PAY. WHETHER IT IS THROUGH CREATIVE PREVENTION PARTNERSHIPS, THE MANAGEMENT OF CHRONIC ILLNESSES, OR

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CONNECTING PATIENTS TO APPROPRIATE COMMUNITY SERVICES, WE ARE DEVOTED TO SERVING OUR NEIGHBORS IN NEED. WE ARE ESPECIALLY VIGILANT NOW DURING THESE DIFFICULT ECONOMIC TIMES, FOCUSING ON DISPARITIES IN CARE, OLDER ADULT HEALTH NEEDS, SUBSTANCE ABUSE AND MENTAL HEALTH AND IMPROVING AWARENESS OF HEALTH SERVICES AND SUPPORTS. MOREOVER, WE MUST PURSUE OUTREACH PROGRAMS THAT ADDRESS SUCH MAJOR HEALTH ISSUES AS HEART DISEASE AND CANCER. SOME OF OUR MOST EFFECTIVE HEALTH AND WELLNESS INITIATIVES ARE OFFERING A STABLE SAFETY NET OF MEDICAL AND SUPPORT SERVICES FOR OUR MOST VULNERABLE AND AT-RISK NEIGHBORS LIVING WITH SERIOUS MENTAL HEALTH AND SUBSTANCE ABUSE ISSUES. ACHIEVEMENTS OF 2012 SHOW A NEW PICTURE EMERGING: A COORDINATED AND STRONG HEALTH CARE PARTNER THAT PRESERVES THE CARING SPIRIT OF A COMMUNITY HOSPITAL WITH A CONTEMPORARY OPERATION THAT REFLECTS THE BEST OF MODERN HEALTHCARE. AS WE APPROACH THE OPPORTUNITIES OF 2013, WE WILL CONTINUE TO INVEST IN OUR FUTURE TO HELP OUR COMMUNITIES EXPERIENCE THIS NEW PICTURE OF HEALTH.

FAMILY AND BUSINESS RELATIONSHIPS

FORM 990, PART VI, LINE 2

RICHARD JABARA AND JAMES KENNEDY, BOTH DIRECTORS OF NEW MILFORD HOSPITAL HAVE A BUSINESS RELATIONSHIP.

DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, LINE 6

WESTERN CONNECTICUT HEALTH NETWORK, INC. IS THE SOLE MEMBER OF NEW MILFORD HOSPITAL.

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DESCRIPTION OF CLASSES OF PERSONS, NATURE OF RIGHTS, & VOTING RIGHTS

FORM 990, PART VI, LINE 7A

THE SOLE MEMBER SHALL BE RESPONSIBLE FOR ELECTING, AT THE ANNUAL MEETING OF THE MEMBERSHIP, THE MEMBERS OF THE BOARD OF DIRECTORS OF THE HOSPITAL TO SERVE FOR THREE YEAR TERMS AND UNTIL THEIR SUCCESSORS ARE ELECTED AND HAVE QUALIFIED.

DECISIONS OF GOVERNING BODY SUBJECT TO APPROVAL

FORM 990, PART VI, LINE 7B

THE DUTIES AND RESPONSIBILITIES OF THE SOLE MEMBER SHALL INCLUDE, AMONG OTHERS, THE FOLLOWING:

ELECTING AT THE ANNUAL MEETING OF THE MEMBERSHIP, THE MEMBERS OF THE BOARD OF DIRECTORS OF THE HOSPITAL TO SERVE FOR THREE YEAR TERMS AND UNTIL THEIR SUCCESSORS ARE ELECTED AND HAVE QUALIFIED:

FILLING VACANCIES ON THE BOARD OF DIRECTORS, WHICH OCCUR BETWEEN ELECTIONS; REVIEWING, MAKING, AND APPROVING CHANGES IN THE BYLAWS; INSURING THAT THE OBJECTIVE, PURPOSES AND GOALS OF DANBURY HOSPITAL AS STATED IN THE CHARTER OF THE DANBURY HOSPITAL, INC. ARE PROPERLY AND EFFECTIVELY CARRIED OUT BY THE BOARD OF DIRECTORS; DELEGATING AS APPROPRIATE, TO THE BOARD OF DIRECTORS, POLICY-MAKING FUNCTIONS, THE SUPERVISION OF THE HOSPITAL'S OPERATIONS AND THE CONTROL OVER THE HOSPITAL'S ASSETS.

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FORM 990 REVIEW PROCESS

FORM 990, PART VI, LINE 11B

STEVEN ROSENBERG, CFO, WILL REVIEW THE 990 PRIOR TO IT BEING SENT TO THE IRS. A PRELIMINARY 990, IS PRESENTED TO THE AUDIT COMMITTEE IN JUNE, WHO REVIEWS IT ON BEHALF OF THE BOARD. E&Y IS ON HAND TO REVIEW THE 990 WITH THE AUDIT COMMITTEE AND ANSWER ANY QUESTIONS. PRIOR TO THE 990 BEING FILED WITH THE IRS, THE BOARD WILL GET A FULL AND ACCURATE COPY ON A SECURED WEBSITE FOR THEIR REVIEW.

EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS

FORM 990, PART VI, LINE 12C

BOARD MEMBERS AND SENIOR MANAGEMENT ARE COGNIZANT OF THE IMPORTANCE OF DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST AND WILL QUESTION POSSIBLE CONFLICTS IN VARIOUS BOARD MEETINGS. THE CHIEF COMPLIANCE OFFICER IS PART OF THE ROUTINE CONTRACTS REVIEW PROCESS AND WATCHES FOR POTENTIAL CONFLICTS WITH BOARD, MANAGEMENT AND STAFF.

THE GENERAL COUNSEL WILL CONTINUALLY REQUEST THE INFORMATION UNTIL ALL RESPONSES ARE RECEIVED.

THE AUDIT COMMITTEE REVIEWS AND EVALUATES EACH DISCLOSURE TO DETERMINE IF THERE IS A CONFLICT. A SUMMARY REPORT IS SHARED WITH THE FULL BOARD. THE COI POLICY BELOW NOTES WHAT IS TO OCCUR, WHEN THERE IS A CLEAR CONFLICT.

CONFLICT OF INTEREST POLICY FOR DIRECTORS AND OFFICERS

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THE PURPOSE OF THIS POLICY IS TO ENSURE THAT THE DIRECTORS AND OFFICERS OF WESTERN CONNECTICUT HEALTH NETWORK, INC. (WCHN) (TOGETHER THE "REPRESENTATIVES" AND INDIVIDUALLY A "REPRESENTATIVE") ARE NOT PREVENTED FROM PERFORMING SERVICES ON BEHALF OF WCHN SOLELY BECAUSE OF POSSIBLE CONFLICTS OF INTEREST ON THEIR PART, AND THAT THE REPRESENTATIVES WILL BE ABLE TO GOVERN AND SERVE THE BEST INTERESTS OF WCHN BY EXERCISING THEIR BEST CARE, SKILL AND HONEST JUDGMENT ON ITS BEHALF.

THIS POLICY RECOGNIZES THAT (1) MEMBERS OF THE BOARD OF DIRECTORS ARE OFTEN CHOSEN BECAUSE OF THEIR EXPERIENCE IN MATTERS RELEVANT TO THE OPERATION OF WCHN AND (2) THAT DIRECTORS AND OFFICERS MAY BE ASKED BY WCHN TO PARTICIPATE ON BEHALF OF WCHN AS A DIRECTOR OR OFFICER OF ANOTHER ORGANIZATION, TRADE ASSOCIATION, JOINT VENTURE AND NETWORK. ACCORDINGLY, ANOTHER OBJECTIVE OF THIS POLICY IS TO ENSURE THAT MEMBERS OF THE BOARD OF DIRECTORS AND OFFICERS ARE NOT DISQUALIFIED FROM PARTICIPATION IN WCHN GOVERNANCE BY VIRTUE OF THEIR AFFILIATIONS WITH OTHER INSTITUTIONS OR ENTITIES.

NOTWITHSTANDING THE ABOVE, IT IS POSSIBLE THAT A REPRESENTATIVE MAY HAVE AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST (1) BASED ON PERSONAL INTERESTS OR TRANSACTIONS OR (2) BY VIRTUE OF HIS OR HER RELATIONSHIP AS AN OWNER, CREDITOR, AGENT, OFFICER, DIRECTOR OR EMPLOYEE OF ANOTHER ENTITY. THE OBJECTIVES IDENTIFIED ABOVE WILL BE PROMOTED BY:

(1) FULL DISCLOSURE BY DIRECTORS AND OFFICERS OF ALL PERSONAL AND

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OUTSIDE INTERESTS THAT MAY AFFECT OR BE AFFECTED BY WCHN'S OPERATIONS OR BY DECISIONS THAT THE REPRESENTATIVE MAKES ON WCHN'S BEHALF AND

(2) ESTABLISHMENT OF GUIDELINES FOR DETERMINING WHEN ACTUAL AND POTENTIAL CONFLICTS OF INTEREST OCCUR AND OF PRINCIPLES AND PROCEDURES FOR ADDRESSING ACTUAL AND POTENTIAL CONFLICTS.

EACH ACTUAL OR POTENTIAL CONFLICT OF INTEREST THAT IS DISCLOSED SHOULD BE CAREFULLY EXAMINED AND APPROPRIATE MEASURES PUT INTO PLACE TO MAINTAIN THE BALANCE BETWEEN ENSURING FAIR AND HONEST DELIBERATIONS AND ENCOURAGING PARTICIPATION OF QUALIFIED REPRESENTATIVES IN WCHN.

THE BOARD OF DIRECTORS OF WCHN RECOGNIZES THE IMPORTANCE TO WCHN OF HAVING A CONSISTENT POLICY APPLICABLE TO THE DIRECTORS AND OFFICERS OF ALL CORPORATIONS WITHIN ITS SYSTEM. THIS POLICY THEREFORE APPLIES TO THE DIRECTORS AND OFFICERS OF WCHN AS WELL AS THE DIRECTORS AND OFFICERS OF DANBURY HOSPITAL, WESTERN CT HEALTH NETWORK FOUNDATION, INC., THE WESTERN CT HOME CARE, INC., REGIONAL HOSPICE OF WESTERN CONNECTICUT, WESTERN CT HEALTH NETWORK AFFILIATES, AND BUSINESS SYSTEMS, INC. AND THE BOARD OF EACH SUCH CORPORATION SHALL TAKE WHATEVER ACTION AS MAY BE NECESSARY TO INSURE THE EFFECTIVENESS OF THIS POLICY.

VOTING. NO DIRECTOR HAVING A CONFLICT OF INTEREST ON ANY MATTER SHALL VOTE ON THAT MATTER OR BE COUNTED IN DETERMINING THE QUORUM FOR THE MEETING AT WHICH THE VOTE IS TAKEN, EVEN WHEN PERMITTED BY LAW. NO

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REPRESENTATIVE HAVING A CONFLICT OF INTEREST ON ANY MATTER SHALL USE HIS OR HER PERSONAL INFLUENCE ON THE MATTER.

NEED FOR RESIGNATION OR DECISION NOT TO APPOINT. IF THE BOARD OF DIRECTORS, IN ITS SOLE DISCRETION, DETERMINES THAT ANY REPRESENTATIVE HAS CONFLICTS OF INTEREST SUFFICIENT IN NUMBER AND/OR IMPORTANCE THAT THE EFFECTIVENESS OF SUCH REPRESENTATIVE ON BEHALF OF WCHN MAY BE SIGNIFICANTLY IMPAIRED, THE BOARD MAY ASK THE REPRESENTATIVE TO RESIGN. COMPENSATION REVIEW & APPROVAL PROCESS FOR CEO, EXEC. DIR., OR TOP MGMT FORM 990, PART VI, LINE 15A

COMPENSATION OF CEO:

IN ORDER TO ACHIEVE ITS MISSION AND ITS OVERALL PERFORMANCE OBJECTIVES, WESTERN CONNECTICUT HEALTH NETWORK, INC. EMPLOYS A PERFORMANCE-BASED TOTAL COMPENSATION PROGRAM FOR ITS SENIOR EXECUTIVES THAT IS MARKET COMPETITIVE, COMPLIANT WITH REGULATORY GUIDELINES, AND REPRESENTATIVE OF BEST PRACTICES.

ELIGIBLE EXECUTIVES ARE GENERALLY DIRECT REPORTS OF THE CEO ALONG WITH OTHER EXECUTIVES DESIGNATED BY THE CEO.

INCENTIVE COMPENSATION IS A CRITICAL ELEMENT OF TOTAL COMPENSATION. INCENTIVE COMPENSATION IS INTENDED TO ENCOURAGE AND REWARD EXECUTIVES FOR ACHIEVING OR SURPASSING SPECIFIC SHORT-TERM ORGANIZATIONAL PERFORMANCE OBJECTIVES. THE INCENTIVE PLAN SUPPORTS THE ACCOUNTABILITY AND

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RESULTS-ORIENTED AT WESTERN CONNECTICUT HEALTH NETWORK INC.

RESULTING CASH COMPENSATION LEVELS WILL BE COMPETITIVE AND WITHIN THE LIMITS CONSIDERED REASONABLE WITH RESPECT TO THE TAXPAYER BILL OF RIGHTS.

EXECUTIVES PARTICIPATE IN THE STANDARD BENEFIT PACKAGE APPLICABLE TO ALL WESTERN CONNECTICUT HEALTH NETWORK, INC. EMPLOYEES. THIS BENEFIT PACKAGE IS TARGETED AT THE 50TH PERCENTILE LEVEL FOR ALL EMPLOYERS.

TO MEET WESTERN CONNECTICUT HEALTH NETWORK INC.'S TOTAL COMPENSATION OBJECTIVES FOR EXECUTIVES, THE FOLLOWING SURVEY SOURCES ARE USED FOR COMPARISON PURPOSES:

-BLEND OF NATIONAL CONFIDENTIAL SOURCE, IHS, AND HAY GROUP POINTS HEALTHCARE DATA (WHERE DATA AVAILABLE), PLUS 15% GEOGRAPHIC DIFFERENTIAL.

TITLE MATCH DATA CUTS SELECTED BASED ON REVENUE SIZE.

-FOR PHYSICIAN EXECUTIVES, SURVEYS COVERING PHYSICIAN COMPENSATION IN ACCREDITED MEDICAL SCHOOLS (AAMC) ARE USED IN COMBINATION WITH PROPRIETARY SURVEYS COMPILED BY NATIONALLY KNOWN CONSULTING FIRM, SULLIVAN COTTER AND THE MEDICAL GROUP MANAGEMENT ASSOCIATION (MGMA).

THE COMPENSATION CONSULTANT BENCHMARKS WESTERN CONNECTICUT HEALTH NETWORK, INC.'S EXECUTIVE POSITIONS BASED ON JOB DUTIES, SCOPE AND REPORTING RELATIONSHIPS.

Name of the organization THE NEW MILFORD HOSPITAL, INC.	Employer identification number 06-0669121
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PREMIUMS MAY BE APPLIED TO MARKET DATA FOR CERTAIN POSITIONS TO REFLECT RESPONSIBILITIES THAT ARE IN ADDITION TO THOSE INCLUDED IN THE SURVEY POSITION MARKET MATCHES.

WESTERN CONNECTICUT HEALTH NETWORK, INC. TARGETS CASH COMPENSATION AT MARKET COMPETITIVE LEVELS. BASE SALARY PLUS SHORT-TERM (ANNUAL) INCENTIVE AWARDS (TOTAL CASH) APPROXIMATE MARKET COMPETITIVE LEVELS FOR TOTAL CASH COMPENSATION. EXECUTIVE PERFORMANCE IS EXPECTED TO MEET OR EXCEED PREDETERMINED OPERATIONAL AND FINANCIAL METRICS.

OTHER FACTORS, SUCH AS COMPETITIVE MARKET FORCES, JOB PERFORMANCE, UNIQUE QUALIFICATIONS, AND/OR INDIVIDUAL JOB RESPONSIBILITIES ARE ALSO CONSIDERED IN WESTERN CONNECTICUT HEALTH NETWORK, INC'S EXECUTIVE COMPENSATION DECISIONS.

ROLES OF THE COMMITTEE ON GOVERNANCE AND KEY EXECUTIVES IN THE EXECUTIVE COMPENSATION PROCESS:

- THE COMMITTEE ON GOVERNANCE IN CONSULTATION WITH THE CEO AND THE SVP HR SELECTS THE OUTSIDE COMPENSATION CONSULTANTS. THE CURRENT CONSULTANT IS THE HAY GROUP, WHOSE PURPOSE IS TO PROVIDE A VALID INDEPENDENT ASSESSMENT OF THE RELEVANT MARKET RATES AND PAY PRACTICES FOR HEALTHCARE EXECUTIVES, PHYSICIAN EXECUTIVES AND FOR PHYSICIANS IN GENERAL.
- THE COMPENSATION CONSULTING FIRM COMPILES APPROPRIATE MARKET DATA, JOB EVALUATION AND RANKING INFORMATION FOR ALL EXECUTIVES AND PHYSICIANS OF

Name of the organization THE NEW MILFORD HOSPITAL, INC.	Employer identification number 06-0669121
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THE ORGANIZATION, EXCLUDING THE CEO, AND WILL SUPPLY THIS MATERIAL TO THE CEO AND SVP HR FOR REVIEW AND AGREEMENT. ONCE THE REPORT IS FINAL IT WILL BE SUPPLIED TO THE COMMITTEE ON GOVERNANCE FOR THEIR CONSIDERATION AND ACCEPTANCE.

-THE COMMITTEE ON GOVERNANCE DETERMINES THE CEO'S SALARY BASED ON OVERAL PERFORMANCE AND MARKET DATA SUPPLIED BY THE OUTSIDE MARKET CONSULTANT.

THE LAST EXECUTIVE COMPENSATION EVALUATION BY AN OUTSIDE CONSULTANT WAS DONE IN NOVEMBER, 2011.

THE LAST EXECUTIVE COMPENSATION EVALUATION BY AN OUTSIDE CONSULTANT WAS DONE IN NOVEMBER, 2011.

COMPENSATION REVIEW & APPROVAL PROCESS FOR OFFICERS & KEY EMPLOYEES

FORM 990, PART VI, LINE 15B

COMPENSATION FOR OTHER OFFICERS AND KEY EMPLOYEES:

IN ORDER TO ACHIEVE ITS MISSION AND ITS OVERALL PERFORMANCE OBJECTIVES, WESTERN CONNECTICUT HEALTH NETWORK, INC. EMPLOYS A PERFORMANCE-BASED TOTAL COMPENSATION PROGRAM FOR ITS SENIOR EXECUTIVES THAT IS MARKET COMPETITIVE, COMPLIANT WITH REGULATORY GUIDELINES, AND REPRESENTATIVE OF BEST PRACTICES.

ELIGIBLE EXECUTIVES ARE GENERALLY DIRECT REPORTS OF THE CEO ALONG WITH OTHER EXECUTIVES DESIGNATED BY THE CEO.

Name of the organization THE NEW MILFORD HOSPITAL, INC.	Employer identification number 06-0669121
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INCENTIVE COMPENSATION IS A CRITICAL ELEMENT OF TOTAL COMPENSATION.

INCENTIVE COMPENSATION IS INTENDED TO ENCOURAGE AND REWARD EXECUTIVES FOR ACHIEVING OR SURPASSING SPECIFIC SHORT-TERM ORGANIZATIONAL PERFORMANCE OBJECTIVES. THE INCENTIVE PLAN SUPPORTS THE ACCOUNTABILITY AND RESULTS-ORIENTED AT WESTERN CONNECTICUT HEALTH NETWORK INC.

RESULTING CASH COMPENSATION LEVELS WILL BE COMPETITIVE AND WITHIN THE LIMITS CONSIDERED REASONABLE WITH RESPECT TO THE TAXPAYER BILL OF RIGHTS.

EXECUTIVES PARTICIPATE IN THE STANDARD BENEFIT PACKAGE APPLICABLE TO ALL WESTERN CONNECTICUT HEALTH NETWORK, INC. EMPLOYEES. THIS BENEFIT PACKAGE IS TARGETED AT THE 50TH PERCENTILE LEVEL FOR ALL EMPLOYERS.

TO MEET WESTERN CONNECTICUT HEALTH NETWORK INC.'S TOTAL COMPENSATION OBJECTIVES FOR EXECUTIVES, THE FOLLOWING SURVEY SOURCES ARE USED FOR COMPARISON PURPOSES:

-BLEND OF NATIONAL CONFIDENTIAL SOURCE, IHS, AND HAY GROUP POINTS HEALTHCARE DATA (WHERE DATA AVAILABLE), PLUS 15% GEOGRAPHIC DIFFERENTIAL.

TITLE MATCH DATA CUTS SELECTED BASED ON REVENUE SIZE.

-FOR PHYSICIAN EXECUTIVES, SURVEYS COVERING PHYSICIAN COMPENSATION IN ACCREDITED MEDICAL SCHOOLS (AAMC) ARE USED IN COMBINATION WITH PROPRIETARY SURVEYS COMPILED BY NATIONALLY KNOWN CONSULTING FIRM, SULLIVAN COTTER AND THE MEDICAL GROUP MANAGEMENT ASSOCIATION (MGMA).

Name of the organization THE NEW MILFORD HOSPITAL, INC.	Employer identification number 06-0669121
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THE COMPENSATION CONSULTANT BENCHMARKS WESTERN CONNECTICUT HEALTH NETWORK, INC.'S EXECUTIVE POSITIONS BASED ON JOB DUTIES, SCOPE AND REPORTING RELATIONSHIPS.

PREMIUMS MAY BE APPLIED TO MARKET DATA FOR CERTAIN POSITIONS TO REFLECT RESPONSIBILITIES THAT ARE IN ADDITION TO THOSE INCLUDED IN THE SURVEY POSITION MARKET MATCHES.

WESTERN CONNECTICUT HEALTH NETWORK, INC. TARGETS CASH COMPENSATION MARKET COMPETITIVE LEVELS. BASE SALARY PLUS SHORT-TERM (ANNUAL) INCENTIVE AWARDS (TOTAL CASH) APPROXIMATE MARKET COMPETITIVE LEVELS FOR TOTAL CASH COMPENSATION. EXECUTIVE PERFORMANCE IS EXPECTED TO MEET OR EXCEED PREDETERMINED OPERATIONAL AND FINANCIAL METRICS.

OTHER FACTORS, SUCH AS COMPETITIVE MARKET FORCES, JOB PERFORMANCE, UNIQUE QUALIFICATIONS, AND/OR INDIVIDUAL JOB RESPONSIBILITIES ARE ALSO CONSIDERED IN WESTERN CONNECTICUT HEALTH NETWORK, INC'S EXECUTIVE COMPENSATION DECISIONS.

ROLES OF THE COMMITTEE ON GOVERNANCE AND KEY EXECUTIVES IN THE EXECUTIVE COMPENSATION PROCESS:

- THE COMMITTEE ON GOVERNANCE IN CONSULTATION WITH THE CEO AND THE SVP HR SELECTS THE OUTSIDE COMPENSATION CONSULTANTS. THE CURRENT CONSULTANT IS THE HAY GROUP, WHOSE PURPOSE IS TO PROVIDE A VALID INDEPENDENT ASSESSMENT

Name of the organization THE NEW MILFORD HOSPITAL, INC.	Employer identification number 06-0669121
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OF THE RELEVANT MARKET RATES AND PAY PRACTICES FOR HEALTHCARE EXECUTIVES,
PHYSICIAN EXECUTIVES AND FOR PHYSICIANS IN GENERAL.

- THE COMPENSATION CONSULTING FIRM COMPILES APPROPRIATE MARKET DATA, JOB
EVALUATION AND RANKING INFORMATION FOR ALL EXECUTIVES AND PHYSICIANS OF
THE ORGANIZATION, EXCLUDING THE CEO, AND WILL SUPPLY THIS MATERIAL TO THE
CEO AND SVP HR FOR REVIEW AND AGREEMENT. ONCE THE REPORT IS FINAL IT WILL
BE SUPPLIED TO THE COMMITTEE ON GOVERNANCE FOR THEIR CONSIDERATION AND
ACCEPTANCE.

-THE COMMITTEE ON GOVERNANCE DETERMINES THE CEO'S SALARY BASED ON OVERALL
PERFORMANCE AND MARKET DATA SUPPLIED BY THE OUTSIDE MARKET CONSULTANT.

THE LAST EXECUTIVE COMPENSATION EVALUATION BY AN OUTSIDE CONSULTANT WAS
DONE IN NOVEMBER, 2011.

OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE
FORM 990, PART VI, LINE 19

THE INFORMATION THAT HAS BEEN POSTED ON THE WESTERN CONNECTICUT HEALTH
NETWORK, INC. WEBSITE FOR 2012 INCLUDES:

THE MOST CURRENT AUDITED FINANCIAL STATEMENTS.

ALSO INCLUDED IS THE CODE OF BUSINESS ETHICS, INFORMATION ABOUT OUR
COMPLIANCE PROGRAM, AND A COPY OF OUR POLICY REGARDING PREVENTING OF

Name of the organization THE NEW MILFORD HOSPITAL, INC.	Employer identification number 06-0669121
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FRAUD, WASTE AND ABUSE.

ALL GOVERNING DOCUMENTS REQUIRED BY LAW ARE MADE AVAILABLE UPON REQUEST.

THE CONFLICT OF INTEREST POLICY IS AVAILABLE UPON REQUEST.

ADDITIONAL OFFICER COMPENSATION INFORMATION

FORM 990, PART VII

FOR ALL OFFICERS AND THE TOP 5 EMPLOYEES, ALTHOUGH ONLY 40 HOURS IS NOTED TO REFLECT PAID HOURS, ACTUALLY WORKED HOURS EXCEEDED THIS AMOUNT.

NOTE: ALL AMOUNTS IN COLUMN F, OF PART VII, "ESTIMATED AMOUNT OF OTHER COMPENSATION", REPRESENT BENEFITS, AND DO NOT REFLECT ANY COMPENSATION FOR WHICH THE AVERAGE AMOUNT OF TIME WORKED CAN BE REFLECTED.

FUNDRAISING EXPENSES

FORM 990, PART IX, COLUMN D

ALTHOUGH CONTRIBUTIONS ARE REFLECTED ON LINE 1 OF PAGE 1 ON FORM 990, ALL FUNDRAISING EXPENSES WERE INCURRED BY THE NEW MILFORD HOSPITAL FOUNDATION.

OTHER CHANGES IN NET ASSETS OR FUND BALANCES

FORM 990, PART XI, LINE 5

Name of the organization THE NEW MILFORD HOSPITAL, INC.	Employer identification number 06-0669121
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CHANGE IN EQUITY INTEREST OF NMH FOUNDATION	4,600,388
CHANGE IN PENSION FUNDING OBLIGATIONS	-7,274,255
ELIMINATION OF NMHRIJV, LLC	-1,422,104
TOTAL	-4,095,971

THE TAXPAYER'S FORM 5471 FILING REQUIREMENTS HAVE BEEN OR WILL BE SATISFIED BY DANBURY HOSPITAL, 24 HOSPITAL AVENUE, DANBURY, CT 06810, TIN: 06-0646597. DANBURY HOSPITAL HAS FILED OR WILL FILE THE FORM 5471 AND APPLICABLE SCHEDULES WITH THE IRS SERVICE CENTER, PHILADELPHIA, PA. TIN: 06-0646597. DANBURY HOSPITAL HAS FILED OR WILL FILE THE FORM 5471 AND APPLICABLE SCHEDULES WITH THE IRS SERVICE CENTER, PHILADELPHIA, PA. TIN: 06-0646597. DANBURY HOSPITAL HAS FILED OR WILL FILE THE FORM 5471 AND APPLICABLE SCHEDULES WITH THE IRS SERVICE CENTER, PHILADELPHIA, PA.

ATTACHMENT 1

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION
JOHN M. MURPHY, MD PRESIDENT & CEO	47.00
NEIL CULLIGAN, MD DIRECTOR	2.00
DAVID KRAMER, MD DIRECTOR	2.00
DAVID CYGANOWSKI TREASURER	2.00
ALPHONSE ALTORELLI, MD DIRECTOR	2.00
RICHARD G. JABARA DIRECTOR	2.00
ANTHEA DISNEY DIRECTOR	2.00
JOSEPH D. SKRZYPCZAK SECRETARY	2.00
SPENCER HOULDIN DIRECTOR	2.00
JOHN R. PATRICK	

Name of the organization THE NEW MILFORD HOSPITAL, INC.	Employer identification number 06-0669121
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ATTACHMENT 1 (CONT'D)

DIRECTOR BRIAN C. WHITE	2.00
DIRECTOR JAMES KENNEDY	2.00
CHAIR/VICE CHAIR JOHN MARTOCCI (TO 12/31)	6.00
CHAIRMAN JAY LENT (TO 5/31)	6.00
DIRECTOR JOHN C. CLINE (TO 12/31)	2.00
DIRECTOR STEVEN H. ROSENBERG	2.00
CFO	46.00
DONNA KAPLANIS	
ASST. SECRETARY	46.00

ATTACHMENT 2

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

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
UNIDINE P.O. BOX 60479 CHARLOTTE, NC 28260	NUTRITIONAL	1,013,471.
CONNECTICUT ONCOLOGY & HEMATOLOGY 200 KENNEDY DRIVE TORRINGTON, CT 06811	MEDICAL SERVICES	227,733.
SECURITAS SECURITY SERVICES 108 MILL PLAIN ROAD DANBURY, CT 06811	SECURITY SERVICES	388,289.
PERSANTE SLEEP CARE 130 GAITHER DRIVE MOUNT LAUREL, NJ 08054	SLEEP CTR MANAGEMENT	233,750.
RINALDI LINEN SERVICE 47 COMMONS COURT WATERBURY, CT 06704	LAUNDRY SERVICES	176,344.
TOTAL COMPENSATION		<u>2,039,587.</u>

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Name of the organization
THE NEW MILFORD HOSPITAL, INC.

Employer identification number
06-0669121

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) NEW MILFORD HOSPITAL FOUNDATION 22-2515011 21 ELM STREET NEW MILFORD, CT 06776	ADMIN CONTRIB	CT	501(C)(3)	7	NMH	X	
(2) WESTERN CT HEALTH NETWORK, INC. 22-2594977 24 HOSPITAL AVENUE DANBURY, CT 06810	PROGRAM DEVEL	CT	501(C)(3)	11, TYPE 2	N/A		X
(3) WESTERN CT MEDICAL GROUP, PC 06-1137531 14 RESEARCH DRIVE, SUITE 201A BETHEL, CT 06801	PHYSICIAN SVC	CT	501(C)(3)	9	WCHN	X	
(4) WEST. CT HEALTH NETWORK FOUNDATION 23-7425557 24 HOSPITAL AVENUE DANBURY, CT 06810	ADMIN CONTRIB	CT	501(C)(3)	7	WCHN	X	
(5) DANBURY HOSPITAL, INC. 06-0646597 24 HOSPITAL AVENUE DANBURY, CT 06810	ACUTE CARE	CT	501(C)(3)	3	WCHN	X	
(6) WESTERN CT HEALTH NETWORK AFFILIATES 22-2594968 95 LOCUST AVENUE DANBURY, CT 06810	OP HLTHCR SVC	CT	501(C)(3)	9	WCHN	X	
(7) WESTERN CT HOME CARE, INC. 06-0655138 4 LIBERTY STREET DANBURY, CT 06810	HOME HLTHCARE	CT	501(C)(3)	9	WCHN	X	

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

Schedule R (Form 990) 2011

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) NEW MILFORD MRI JV 27-1877801 21 ELM ST, N MILFORD, CT 06776	IMAGING SERVICES	CT	NMH	RELATED	471,841.	0		X	0	X		100.0000
(2) -----												
(3) -----												
(4) -----												
(5) -----												
(6) -----												
(7) -----												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) BUSINESS SYSTEMS, INC. 06-1119262 95 LOCUST AVENUE DANBURY, CT 06810	PHARMACY	CT	N/A	C CORP	0	0	
(2) WEST. CT HEALTH NETWORK INSURANCE CO., 98-0438151 10 MAIN STREET, P.O. BOX 1051 GT GRAND CAYMAN, CJ	MALPRACTICE	CJ	N/A	C CORP	0	0	
(3) FOUNDATION FOR COMM. HEALTHCARE 06-1437131 95 LOCUST AVENUE DANBURY, CT 06810	INACTIVE	CT	N/A	C CORP	0	0	
(4) MEDICAL SERVICES OF DANBURY 06-1635945 24 HOSPITAL AVENUE DANBURY, CT 06811	HEALTHCARE	CT	WCMG	C CORP	0	0	
(5) -----							
(6) -----							
(7) -----							

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	X	
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Sale of assets to related organization(s)		X
g Purchase of assets from related organization(s)	X	
h Exchange of assets with related organization(s)		X
i Lease of facilities, equipment, or other assets to related organization(s)		X
j Lease of facilities, equipment, or other assets from related organization(s)		X
k Performance of services or membership or fundraising solicitations for related organization(s)		X
l Performance of services or membership or fundraising solicitations by related organization(s)	X	
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
n Sharing of paid employees with related organization(s)	X	
o Reimbursement paid to related organization(s) for expenses	X	
p Reimbursement paid by related organization(s) for expenses	X	
q Other transfer of cash or property to related organization(s)	X	
r Other transfer of cash or property from related organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) NEW MILFORD HOSPITAL FOUNDATION	C	274,468.	COST
(2) WESTERN CT MEDICAL GROUP, PC	L	6,095,603.	COST
(3) WESTERN CT MEDICAL GROUP, PC	Q	6,537,654.	COST
(4) DANBURY HOSPITAL, INC.	Q	276,250.	COST
(5) DANBURY HOSPITAL, INC.	L	824,097.	COST
(6) DANBURY HOSPITAL, INC.	N	2,773,965.	COST

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		
b	Gift, grant, or capital contribution to related organization(s)		
c	Gift, grant, or capital contribution from related organization(s)		
d	Loans or loan guarantees to or for related organization(s)		
e	Loans or loan guarantees by related organization(s)		
f	Sale of assets to related organization(s)		
g	Purchase of assets from related organization(s)		
h	Exchange of assets with related organization(s)		
i	Lease of facilities, equipment, or other assets to related organization(s)		
j	Lease of facilities, equipment, or other assets from related organization(s)		
k	Performance of services or membership or fundraising solicitations for related organization(s)		
l	Performance of services or membership or fundraising solicitations by related organization(s)		
m	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		
n	Sharing of paid employees with related organization(s)		
o	Reimbursement paid to related organization(s) for expenses		
p	Reimbursement paid by related organization(s) for expenses		
q	Other transfer of cash or property to related organization(s)		
r	Other transfer of cash or property from related organization(s)		

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	DANBURY HOSPITAL, INC.	O	11,176,809.	COST
(2)	DANBURY HOSPITAL, INC.	Q	1,337,258.	COST
(3)	DANBURY HOSPITAL, INC.	R	9,192,629.	COST
(4)				
(5)				
(6)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) -----													
(2) -----													
(3) -----													
(4) -----													
(5) -----													
(6) -----													
(7) -----													
(8) -----													
(9) -----													
(10) -----													
(11) -----													
(12) -----													
(13) -----													
(14) -----													
(15) -----													
(16) -----													

Part VII **Supplemental Information**

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