

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2011

Department of the Treasury
Internal Revenue Service

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

**Open to Public
Inspection**

Name of the organization **Windham Community Memorial Hospital** Employer identification number **06-0646966**

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 free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>250</u> %	X	
b Did the organization use FPG to determine eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	X	
c If the organization 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?		X
6a Did the organization prepare a community benefit report during the tax year?	X	
b If "Yes," did the organization make it available to the public?	X	

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

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)			1547389.		1547389.	1.71%
b Medicaid (from Worksheet 3, column a)			16364525.	11506073.	4858452.	5.37%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			17911914.	11506073.	6405841.	7.08%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			349962.	9632.	340330.	.38%
f Health professions education (from Worksheet 5)			680835.	203359.	477476.	.53%
g Subsidized health services (from Worksheet 6)			595165.	428904.	166261.	.18%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			437698.	210477.	227221.	.25%
j Total. Other Benefits			2063660.	852372.	1211288.	1.34%
k Total. Add lines 7d and 7j			19975574.	12358445.	7617129.	8.42%

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			2647.		2647.	.00%
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members			5671.		5671.	.01%
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total			8318.		8318.	.01%

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? 1 Yes No X

2 Enter the amount of the organization's bad debt expense 2 3839277.

3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy 3 855115.

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.

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME) 5 30083235.

6 Enter Medicare allowable costs of care relating to payments on line 5 6 31648170.

7 Subtract line 6 from line 5. This is the surplus (or shortfall) 7 -1564935.

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? 9a X

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

Part IV Management Companies and Joint Ventures (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 %

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 Windham Community Memorial Hospital
112 Mansfield Avenue
Willimantic, CT 06226

Table with 8 columns: Licensed hospital, General medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER:24 hours, ER-other, Other (describe). Row 1 has an 'X' in the 'Licensed hospital' column.

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: Windham Community Memorial Hospital

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):		
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 _____		
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		
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		
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):		
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		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
8	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
9	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: <u>250</u> %		
	If "No," explain in Part VI the criteria the hospital facility used.		

Part V Facility Information (continued)		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>400</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): a <input checked="" type="checkbox"/> Income level b <input 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 checked="" type="checkbox"/> Other (describe in Part VI)	X	
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): a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website b <input checked="" type="checkbox"/> The policy was attached to billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input 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 type="checkbox"/> Other (describe in Part VI)	X	

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 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: 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)		X
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) **Windham Community Memorial Hospital**

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? 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)	X	

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 checked="" type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged d <input 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? If "Yes," explain in Part VI.		X
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? If "Yes," explain in Part VI.		X

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? 2

Name and address	Type of Facility (describe)
1 Windham Middle School Health Center 123 Quarry Street Willimantic, CT 06226	In-depth health and mental health assessment
2 Windham High School Wellness Center 355 High Street Willimantic, CT 06226	In-depth health and mental health assessment

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

Part I, Line 3c: Organization uses Federal Poverty Guidelines (FPG) to determine eligibility.

Part I, Line 7: The organization utilizes the Medicare cost report developed Ratio of Cost to Charges (RCC) to accumulate actual costs related to Part I, Lines 7 b, c, e, f & g. This same percentage is applied to the Financial Assistance amount on Part I line 7a.

Part I, Line 7g: No physician clinic costs were included in the subsidized Health Services cost calculations.

Part II: Our participation in Community Building activities plays an important role in promoting the health and well being of our community. We work closely with key community partners, such as fire, police, health districts and town governments to ensure the safety of the community and to prepare for potential disasters. Windham Hospital also partners with Windham County SafeKids to ensure that all children have access to car seats and bicycle helmets as well as other safety

Part VI Supplemental Information

information to keep our children safe. Many of the community initiatives would not be successful or effective without the involvement, support and expertise of hospital administrative and clinical staff on an in-kind basis. The Hospital spent approximately \$8,000 on community building activities in fiscal year 2012.

Part III, Line 4: Please see the text of the footnote that describes bad debt expense beginning on page 16 of the Audited Financial Statement.

To determine the amount of bad debt that could be reasonably attributable to patients who would likely qualify for financial assistance, the organization analyzed random patient accounts based upon certain criteria. The result of the analysis was used to determine the amount of bad debt that could have qualified for charity care.

Part III, Line 8: Providing for those in need, including Medicare patients, and serving all patients regardless of ability to pay is an essential part of our community benefit standards, as well as our mission in our community. We serve those patients without regard to any payment shortfall. Therefore the Medicare shortfall should be considered to be a community benefit. The organization utilizes the Medicare cost report developed ratio of cost to charge.

Part III, Line 9b: The following is included in the Financial Assistance Policy: For those that qualify for financial assistance the Hospital will not impose wage garnishments or liens on primary residences, will not send unpaid bills to outside collection agencies and will cease all collection efforts. Once a patient qualifies for financial assistance,

Part VI Supplemental Information

the patient will be contacted via written communication and the patient account will be documented as appropriate to reflect the level of approval that was granted. Patient Accounting will make all necessary adjustments to the account. Other parties such as collection agencies, and other billing parties will also be notified of the adjustments.

Windham Community Memorial Hospital:

Part V, Section B, Line 11h: Hardship needs

Windham Community Memorial Hospital:

Part V, Section B, Line 19d: Part V, Section B, Linde 19b: Windham Hospital is in the process of adopting proposed 501r regulations. Once the regulations are final, the hospital will be in compliance.

Part VI, Line 2: A variety of methods is used to assess needs for programs that we offer to the community. Needs assessment data is collected when applying for grants at the local, state, and federal level utilizing census data, public health district data, state agency data, as well as federal data from the Centers for Disease Control and Prevention and other sources. More informal methods to assess needs include feedback from Advisory Councils, support groups, and individuals who may need assistance in accessing healthcare services. We coordinate closely with the federally qualified health center in Willimantic, which serves the healthcare needs of low-income residents, as well as numerous other organizations including the public schools, other non-profit organizations, senior centers, and government agencies in our region. The

Part VI Supplemental Information

statewide Connecticut Hospital Association, of which we are a member, provides data collection and networking opportunities with other hospitals in Connecticut so that we can share best practices in this area. Secondary data from other organizations is also utilized to take advantage of other resources such as the United Way, Eastern Highlands Health District, Visiting Nurses, and partner organizations within Hartford Healthcare.

Part VI, Line 3: Windham Hospital disseminates information about its Financial Assistance Policy as follows: (i) provide signage regarding the policy and written summary information describing the Policy along with financial assistance contact information in the Emergency Department, Labor and Delivery areas and all other Hospital patient registration areas; (ii) directly provide to each patient written summary information describing the Policy along with financial assistance contact information in all admission, patient registration discharge, billing and collection written communications; (iii) post the Policy on the Hospital's home web page; (iv) educate all admission and registration personnel regarding the Policy so that they can serve as an informational resource to patients regarding the Policy.

Part VI, Line 4: Windham Hospital services 19 towns in Eastern Connecticut which include a portion of Windham County and several towns in New London and Tolland counties. Census data for 2010 reports a population of 118,145 in Windham County. People of Hispanic origin make up 10.9 percent of Connecticut population, and 14.4 percent of the total U.S. population, however in four Connecticut counties, including Windham County, the Hispanic population more than doubled between 1990 and 2005. In the Town of Windham, where the Hospital is located, 29.9% (2010

Part VI Supplemental Information

Census) of the population is of Hispanic origin.

The poverty rate in Windham County is 10.3% (2010 Census) as compared to 8.7 % statewide. The unemployment rate is 9.3 in Windham County (October 2012), with a rate of 7.8% for the State of Connecticut (December 2012). Average income per median household in Windham County is \$60,063 as compared to \$69,243 in CT, based on 2010 census data.

County Health Rankings, a program of the Robert Wood Johnson Foundation and the University of Wisconsin Population Institute reported in 2010 that Windham County ranked last of eight counties with respect to health outcomes (mortality and morbidity), as well as health behaviors including tobacco use, diet & exercise, alcohol use and unsafe sex. Social and economic factors including education, employment, income, family & social support and community safety were also ranked last in Windham County.

Windham Hospital receives 50% of its revenue from Medicare and Medicaid.

Payers include:

- * Commercial insurance 40%
- * Medicare 31%
- * Medicaid 19%
- * Charity care, self-pay, other 10%

Part VI, Line 5: Windham Community Memorial Hospital was formed to serve its community and has been an important resource for nearly 80 years. A local community board governs the hospital, is responsible for maintaining outstanding quality services, and credentials its medical staff. All members of the Board of Directors reside in our service area

Part VI Supplemental Information

and are neither employees, family members, nor contractors of the Hospital. The Hospital extends medical staff privileges to all qualified physicians in its community. The Windham Hospital Foundation, a related organization, raises funds to assure that the latest advancements in technology are available to our patients, as well as a range of community benefit programs that are not funded by other sources. We are a true community resource as we offer space for other community groups to meet at no charge, bring together other health providers for health fairs and educational sessions for the community, and encourage the involvement of our staff on various boards and councils that promote the overall health of the community.

The Hospital uses its surplus funds to provide additional benefits to its patients and the community it serves.

Part VI, Line 6: Windham Community Memorial Hospital is an Affiliate of Hartford HealthCare Corporation (HHC). HHC strives to provide compassionate care designed to deliver the necessary health services needed by the community. The Strategic Planning and Community Benefit Committee of the HHC Board of directors ensures the oversight for these services by each hospital community. In addition, HHC continues to take important steps toward achieving its vision of being "nationally respected for excellence in patient care and most trusted for personalized, coordinated care."

HHC affiliation creates a strong integrated health care delivery system with a full continuum of care across a broader geographic area. This allows the small communities easy and expedient access to the more extensive and specialized services the larger hospitals are able to offer.

Part VI Supplemental Information

This includes continuing education of health care professionals at all the affiliated institutions through the Center of Education, Simulation and Innovation located at Hartford Hospital, the largest of the system hospitals.

The affiliation further enhances the hospitals' abilities to support their missions, identity, and respective community roles. This is achieved through integrated planning and communication to meet the changing needs of the region. This includes responsible decision making and appropriate sharing of services, resources and technologies, as well as cost containment strategies.

Part VI, Line 7, List of States Receiving Community Benefit Report:

- CT