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September 5, 2018

VIA HAND DELIVERY/E-MAIL

Michael K. Dexter, Chief
Rhode Island Department of Health
Center for Health Systems Policy and
Regulation
Canon Building
3 Capitol Hill, Room 410
Providence, Rhode Island 02908
Michael.Dexter@health.ri.gov



Re: Partners HealthCare System, Inc. – Care New England Health System

Dear Mr. Dexter:

Enclosed please find an amendment (“Amendment”) to the Request for Expeditious Review, filed August 8, 2018 (“August 8th Request”), on behalf of Care New England Health System (“Acquiree” or “CNE”) and Partners HealthCare System, Inc. (“Acquiror”). This Amendment is filed in response to your request for replacement of the chart in the response to Question 6 of the August 8th Request to include the financial performance of each of Acquiree’s hospitals. Since the filing of the August 8th Request, Acquiree’s 2018 third quarter financial results were released and, accordingly, Acquiree’s financial performance for the third quarter is included on the Amendment and the Unaudited Income Statement and Balance Sheet for the third quarter are enclosed.

In the August 8th Request, Acquiror and Acquiree demonstrated that their non-profit status and long-standing operation of hospitals satisfied the requirements for approval of an expeditious review request under R.I.G.L. §23-17.14-12.1(a)(1).

Acquiree must also demonstrate that it operates one or more “distressed” Rhode Island hospitals. To be deemed “distressed” under R.I.G.L. §23-17.14-12.1(a)(2), one or more of Acquiree’s hospitals must satisfy one or more of the following criteria:

- (i) Operating loss for the two (2) most recently completed fiscal years;
- (ii) Less than fifty (50) days cash-on-hand;



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- (iii) Current asset to liability ratio of less than one point five (1.5);
- (iv) Long-term debt to capitalization greater than seventy-five percent (75%);
- (v) Inpatient occupancy rate of less than fifty percent (50%); and
- (vi) Would be classified as below investment grade by a major rating agency.

The Amendment shows the financial performance of Acquiree and the applicability of the above-listed criteria for Acquiree on a system-wide, consolidated basis (as was shown in the August 8th Request) and for each of Acquiree's operating hospitals: Women & Infants Hospital ("W&I"), Butler Hospital ("Butler") and Kent County Memorial Hospital ("Kent") and for Memorial Hospital ("Memorial") which closed.

We have included the information about Memorial because Acquiree (and as a practical matter its remaining hospitals) has continuing liabilities and obligations relating to Memorial, notwithstanding its closure, including the commitment to full pension funding and the ongoing financial support required by the Department's conditions of approval relating to its closure. We believe that the Department should take these continuing liabilities with respect to Memorial into account as it evaluates the August 8th Request and this Amendment.

The Amendment demonstrates that Acquiree, on a consolidated basis, Memorial and Butler, individually, satisfy one or more of the above-listed criteria for FY2016, FY2017 and the first three quarters of FY2018. W&I satisfies one or more of the criteria for FY2017 and the first quarter of FY2018. Kent satisfies one or more of the criteria for FY2016, FY2017, and the first quarter of 2018.

We further note that although the below investment grade ratings relate only at the CNE, system-wide level, these low ratings and the resulting higher borrowing costs have negative financial consequences throughout Acquiree's health system, including its hospitals as members of the Obligated Group under outstanding bonds.



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For your convenience, please refer to the chart below that summarizes the satisfaction of the statutory criteria, on a hospital-by-hospital and consolidated basis.

	FY2016	FY2017	1 st Quarter FY 2018	2 nd Quarter FY2018	3 rd Quarter FY2018
Consolidated	(i), (iii), (vi)	(i), (ii), (iii), (v), (vi)	(i), (ii), (iii), (vi)	(i), (ii), (iii), (vi)	(i), (ii), (iii), (vi)
Memorial	(i), (ii), (iii), (v)	(i), (ii), (iii), (v)	(i), (ii), (iii), (v)	(i), (ii), (iii), (v)	(i), (ii), (iii), (v)
W&I		(i)	(i)		
Butler	(i), (ii), (iii), (iv)	(i), (ii), (iii)	(ii), (iii)	(ii), (iii)	(ii), (iii)
Kent	(ii), (iii)	(i), (iii)	(iii), (v)		

As the August 8th Request and the Amendment, collectively, demonstrate that Acquiror and Acquiree satisfy the requirements for expeditious review set forth at R.I.G.L. §23-17.14-12.1, we respectfully request approval of the Request for Expeditious Review.

Thank you for your consideration.

Sincerely,

Cynthia J. Warren

Enclosure

cc: John R. Higham, Esq. (via e-mail)
Effie J. Chan, Esq. (via e-mail)
Charles W. Normand, Esq. (via e-mail)
Ashley M. Taylor, Esq. (via e-mail)

Care New England
Balance Sheet
(Unaudited)

OBLIGATED GROUP

As of June 30, 2018

ASSETS

	BUTLER	KENT	CNEMG	WIC	SHS ¹	CNE	Integra	KCVNA	TPC	Eliminations ¹	Total Obligated Group	Memorial ²	Eliminations ²	Total Care New England
Current assets:														
Cash and cash equivalents	(1,486,516)	34,873,471	(23,209,383)	113,525,978	693,026	(58,942,098)	(8,854,069)	(7,612,738)	2,394,186	-	53,381,837	(9,061)	-	53,372,776
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables														
Patient	9,657,993	50,104,128	10,282,896	62,084,478	91,161	718,554	-	3,896,832	9,770,504	-	146,606,346	2,136,164	-	148,742,510
Less estimated uncollectibles	3,504,354	14,834,965	4,299,710	12,766,303	18,036	297,168	-	891,667	2,855,835	-	39,468,038	2,334,675	-	41,802,713
Net patient receivables	6,153,639	35,269,163	5,983,186	49,318,175	73,125	421,386	-	3,004,965	6,914,669	-	107,138,308	(198,511)	-	106,939,797
Other	1,851,460	12,307,686	400,722	27,453,059	378,830	397,872	3,184,100	635,801	312,555	-	46,822,065	10,515,252	-	57,437,317
Total receivables	8,005,099	47,576,829	6,383,908	76,771,234	451,955	819,258	3,184,100	3,640,766	7,227,224	-	154,060,373	10,316,741	-	164,377,114
Assets limited as to use	-	-	-	-	-	5,185,820	-	-	-	-	5,185,820	-	-	5,185,820
Inventories	223,957	4,151,756	316,319	2,694,065	-	-	-	-	-	-	7,386,097	144,010	-	7,530,107
Prepaid expenses	192,142	1,066,415	4,930	3,532,653	10,221	8,837,749	41,968	20,561	114,980	-	13,821,599	542,450	-	14,364,049
Notes receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pledges, net	72,672	174,579	-	206,673	-	-	-	-	-	-	453,924	-	-	453,924
Due from affiliates	-	19,652	-	712	-	122,309,285	-	-	-	(4,716,299)	117,613,350	-	(117,613,350)	-
Total current assets	7,007,354	87,862,702	(16,504,226)	196,731,315	1,155,202	78,210,014	(3,628,001)	(3,951,411)	9,736,350	(4,716,299)	351,903,000	10,994,140	(117,613,350)	245,283,790
Assets limited as to use														
Endowment funds	19,557,528	18,110,516	-	17,372,192	-	-	-	-	1,660,201	-	56,700,437	12,756,700	-	69,457,137
Board designated	7,032,466	23,983,620	-	88,853,566	-	-	-	762,474	-	-	120,632,128	-	-	120,632,128
Self insurance trust funds	3,421,316	46,522,712	-	92,634,001	-	2,375,860	-	-	-	-	144,953,889	-	-	144,953,889
Deferred compensation fund	194,872	66,551	-	373,322	-	734,876	-	-	-	-	1,372,621	-	-	1,372,621
Trustee held funds	-	-	-	-	-	17,729,898	-	-	744,518	-	18,474,406	-	-	18,474,406
Total assets limited as to use	30,206,184	88,686,399	-	199,233,081	-	20,840,624	-	762,474	2,404,719	-	342,133,461	12,756,700	-	354,890,181
Amount required to meet current oblig.	-	-	-	-	-	5,185,820	-	-	-	-	5,185,820	-	-	5,185,820
Noncurrent assets limited as to use	30,206,184	88,686,399	-	199,233,081	-	15,654,804	-	762,474	2,404,719	-	336,947,661	12,756,700	-	349,704,361
Property, plant and equipment, net	21,610,233	64,455,036	-	115,813,570	15,150	24,655,527	-	361,551	15,321,552	-	242,232,619	4,598,569	-	246,832,188
Goodwill	-	-	-	-	-	-	-	-	143,611	-	143,611	24,345,364	-	24,488,975
Intangibles	-	-	-	-	-	-	-	-	1,080,000	-	1,080,000	-	-	1,080,000
Other Assets:														
Investments	-	-	-	-	-	3,617,545	-	-	-	-	3,617,545	5,000	-	3,622,545
Deferred financing costs, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes and advances receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance recoveries receivable	86,174	-	-	-	-	397,236	-	-	-	-	483,410	1,580,659	-	2,064,069
Pledges receivable, net	853	9,275	-	-	-	-	-	-	11,087	-	21,215	-	-	21,215
Prepaid expenses and other	-	-	-	-	-	-	-	-	23,957	-	23,957	-	-	23,957
Total other assets	87,027	9,275	-	-	-	4,014,781	-	-	35,044	-	4,146,127	1,585,659	-	5,731,786
Total assets	58,910,798	241,013,412	(16,504,226)	511,777,966	1,170,352	122,535,126	(3,628,001)	(2,827,386)	28,721,276	(4,716,299)	936,453,018	54,281,432	(117,613,350)	873,121,100

¹ - includes Southeastern Health Care System Inc., Blackstone Health, Inc., and Primary Care Centers of New England

² - includes The Memorial Hospital and affiliates

OBLIGATED GROUP

As of June 30, 2018

	BUTLER	KENT	CNEMG	WIC	SHS'	CNE	Integra	KCVNA	TPC	Eliminations ¹	Total Obligated Group	Memorial ²	Eliminations ²	Total Care New England
LIABILITIES AND NET ASSETS														
Current liabilities:														
Notes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current pension payable	587,788	8,412,745	-	1,551,433	-	3,508,164	-	131,105	740,915	-	15,042,130	-	-	15,042,130
Current installments of long-term debt	285,246	834,018	-	630,727	-	5,404,616	-	-	58,054	(1,339,500)	5,673,161	28,817	-	5,901,978
Accounts payable and accrued expenses	5,617,310	41,651,960	3,888,373	45,684,287	397,943	21,457,188	6,391,955	2,295,329	2,295,877	(2,209)	129,678,013	8,835,159	-	138,513,172
Self-insurance reserves	-	-	-	-	-	9,324,143	-	-	-	-	9,324,143	-	-	9,324,143
Deferred revenue	5,650,279	3,401,096	-	4,203,599	-	-	170,509	440,914	291,156	-	14,157,553	3,375,226	-	17,532,779
Estimated third party payor settlements	232,735	388,229	-	-	-	-	-	-	-	-	620,964	11,923,755	-	12,544,719
Due to affiliates	17,869	-	-	-	-	-	-	-	2,679,527	(2,687,386)	-	117,613,350	(117,613,350)	-
Deferred compensation	-	-	-	-	-	515,165	-	-	-	-	515,165	-	-	515,165
Total current liabilities	12,501,207	54,668,048	3,888,373	52,070,046	397,943	40,209,276	6,562,464	2,867,348	6,065,529	(4,039,105)	175,211,129	141,776,307	(117,613,350)	199,374,086
Estimated third party payor settlements	2,146,276	1,112,849	-	14,351,440	-	-	-	287,349	-	-	17,897,914	4,575,959	-	22,473,873
Net pension liability	9,265,627	14,773,432	-	6,976,932	-	73,023,461	-	1,180,572	-	-	105,220,024	-	-	105,220,024
Net post retirement liability	-	1,384,571	-	-	-	-	-	-	-	-	1,384,571	-	-	1,384,571
Asset retirement obligation	935,143	1,054,029	-	-	-	-	-	-	-	-	1,989,172	20,623	-	2,009,795
Other liabilities	-	84,072	-	-	-	-	-	-	-	-	84,072	-	-	84,072
Self-insurance reserves	3,069,127	40,972,312	-	82,080,580	-	9,516,975	-	-	-	-	135,638,994	1,653,981	-	137,292,975
Due to CNE, LTD, net of current	75,105	303,642	-	298,447	-	-	-	-	-	(677,184)	-	-	-	-
Long-term debt, net of current portion	2,800,021	1,861,079	-	96,343	-	165,824,027	-	-	159,088	-	170,340,538	46,013	-	170,386,551
Deferred compensation	194,872	69,551	-	373,322	-	123,594	-	-	-	-	761,339	-	-	761,339
Total liabilities	30,987,378	116,103,585	3,888,373	156,247,110	397,943	283,497,333	6,562,464	4,335,269	6,224,597	(4,716,299)	608,527,753	148,072,883	(117,613,350)	638,987,286
Net assets:														
Unrestricted	6,184,822	105,699,082	(20,392,599)	328,804,812	772,409	(165,962,207)	(10,191,273)	(7,139,263)	17,189,577	-	254,965,360	(107,036,098)	-	147,929,262
Temporarily restricted	18,118,970	5,134,028	-	14,868,020	-	-	808	(23,392)	3,709,419	-	41,827,853	2,402,151	-	44,230,004
Permanently restricted	3,619,628	14,076,717	-	11,838,024	-	-	-	-	1,597,683	-	31,132,052	10,842,496	-	41,974,548
Total net assets	27,923,420	124,909,827	(20,392,599)	355,530,856	772,409	(165,962,207)	(10,190,465)	(7,162,655)	22,496,679	-	327,925,265	(93,791,451)	-	234,133,814
Total liabilities and net assets	58,910,798	241,013,412	(16,504,226)	511,777,966	1,170,352	122,535,126	(3,628,001)	(2,827,386)	28,721,276	(4,716,299)	936,453,018	54,281,432	(117,613,350)	873,121,100

¹ - includes Southeastern Health Care System Inc., Blackstone Health, Inc., and Primary Care Centers of New England

² - includes The Memorial Hospital and affiliates

254,192,951

Check of Unrestricted Net Assets:
9/30/17 Net Assets 187,658,969
P&L (39,729,704)
Net Assets 147,929,265
Variance (3)

Care New England
 Combined Statement of Unrestricted Activities
 For the Nine Months Ending June 30, 2018
 (Unaudited)

	OBLIGATED GROUP													
	Year to Date Actual													
	Butler	Kent	CNEMG	WIC	SHS ¹	CNE	Integra	KCVNA	TPC	Eliminations ¹	Total Obligated Group	Memorial ²	Eliminations ²	Total Care New England
Revenues and gains														
Patient service revenue (net of contractuals)	55,812,245	258,127,515	66,387,602	317,485,802	18,284,705	126,642	-	16,269,250	35,898,191	-	768,391,952	1,659,436	-	770,051,388
Charity care	(1,777,829)	(2,461,364)	(382,347)	(4,767,487)	(357,346)	-	-	(10,108)	-	-	(9,756,459)	(578,569)	-	(10,335,028)
Provision for bad debts	(959,282)	(10,958,413)	(4,069,165)	(5,590,499)	(1,532,135)	(263,168)	-	(91,637)	-	-	(23,484,302)	129,653	-	(23,354,649)
NPSR less provision for bad debts	53,075,134	244,707,738	61,936,090	307,127,836	16,385,221	(136,526)	-	16,167,507	35,898,191	-	735,171,191	1,210,520	-	736,381,711
Net assets released from restrictions	350,119	147,749	-	205,725	28,486	-	173,334	-	206,952	-	1,112,365	56,887	-	1,169,252
Research revenue	9,469,962	361,667	-	12,556,783	1,139,283	-	-	-	-	-	23,527,695	1,539,176	-	25,066,871
Other revenue	14,623,446	10,916,069	7,866,040	32,835,498	1,703,358	103,154,508	5,381,602	592,788	3,829,042	(112,202,340)	69,700,011	1,601,565	(4,402,517)	65,899,059
CNEMG subsidy revenue	-	-	39,584,032	-	-	-	-	-	-	(39,584,032)	-	-	-	-
Total revenues and gains	77,518,661	256,133,223	109,386,162	352,725,842	19,266,348	103,017,982	5,554,936	16,760,295	39,934,185	(151,786,372)	828,511,262	4,408,148	(4,402,517)	828,516,893
Operating expenses														
Salaries and wages	32,020,569	78,608,329	73,038,603	113,627,394	7,818,932	41,619,259	2,825,340	9,756,852	25,883,631	(328,359)	384,870,550	2,166,806	-	387,037,356
Fringe benefits	10,005,599	24,114,183	13,558,215	44,233,324	2,614,582	12,302,571	944,141	2,627,948	6,476,881	347,396	117,224,840	1,063,930	(5,730)	118,283,040
Insurances	1,501,623	10,615,242	2,249,770	7,132,911	349,752	217,534	70,734	171,881	534,383	(2,152,462)	20,891,368	638,124	-	21,329,492
Medical supplies and drugs	1,353,890	32,610,301	1,542,313	39,165,284	1,795,237	104	-	1,522,272	1,367	(2,008,598)	75,982,190	215,064	(17,004)	76,180,250
Other expenses	3,749,081	32,180,433	16,997,261	38,699,823	3,149,716	43,558,542	3,598,627	1,196,063	7,740,301	(10,217,446)	142,852,501	1,821,164	(233,758)	144,239,907
Research expenses	9,518,372	361,667	-	12,391,012	-	-	-	-	-	-	23,411,610	1,375,686	-	24,787,296
Licensure fee	-	13,079,579	-	18,249,917	1,551,376	-	-	-	-	-	32,880,872	3,683,492	-	36,544,364
Interest	703,262	1,205,036	-	2,284,823	225,886	1,296,778	-	519	272,528	-	5,986,830	32,056	-	6,020,866
Depreciation and amortization	2,601,734	5,560,634	-	7,186,129	1,037,801	5,261,088	-	108,779	738,239	-	22,494,204	531,991	-	23,026,195
Loss on asset impairment - MHRI	-	-	-	-	-	-	-	108,779	738,239	-	-	-	-	1,569,592
Shared services	10,081,869	33,846,128	-	49,251,452	3,516,625	-	187,500	1,008,298	150,000	(97,842,872)	-	22,257,468	-	22,257,468
Restructuring costs	(84,006)	172,841	-	(294,952)	-	642,220	-	(26,727)	-	-	408,376	-	(4,146,025)	409,376
Restructuring costs - MHRI	-	-	-	-	1,554,719	-	-	-	-	-	1,554,719	-	-	8,252,815
Loss on refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on write-off of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CNEMG subsidy expense	5,322,150	14,083,313	-	14,922,900	2,932,565	765,678	404,979	(95,563)	-	(36,359,202)	(0)	1,227,829	(1,227,829)	(0)
Total operating expenses	76,774,143	246,237,686	109,386,162	346,850,117	27,687,550	105,683,974	8,031,321	16,271,302	41,797,348	(150,558,543)	828,161,060	45,877,731	(5,630,346)	868,408,445
Net income (loss) from operations	744,518	9,895,537	-	5,875,725	(8,421,202)	(2,665,992)	(2,476,385)	488,993	(1,863,163)	(1,227,829)	350,202	(41,469,583)	1,227,829	(39,891,552)
Nonoperating gains/(losses)														
Unrestricted gifts & bequests	21,820	120,867	-	123,462	61,861	-	-	56,150	239,306	-	623,566	155,828	-	779,394
Income on investments whose use is limited	568,849	479,847	-	1,318,363	115	158,587	-	(2,350)	-	-	2,523,411	84	-	2,523,495
Gains/(losses) on invest. whose use is limited	276,846	1,117,689	-	5,341,300	1,068	251,364	-	38,824	-	-	7,026,891	(74)	-	7,026,817
Transfer to Parent	-	-	-	-	-	(70,122,853)	-	-	-	-	(70,122,853)	70,122,853	-	-
Change in net unrealized gains/losses	(6,965)	30,871	-	(1,217,054)	(45)	(8,182)	-	(74)	-	-	(1,201,449)	554	-	(1,200,895)
Other components of current period pension	(115,919)	(211,906)	-	(100,259)	(472,140)	(1,217,364)	-	(18,707)	-	-	(2,136,295)	(56,884)	-	(2,193,179)
Pension settlement	(1,062,061)	(4,504,411)	-	(2,227,243)	(19,143,467)	(1,358,681)	-	(1,248,413)	-	-	(29,545,276)	-	-	(29,545,276)
Other	262	58,021	-	203,455	-	(1,267,446)	-	-	(61,595)	-	(1,069,304)	-	-	(1,069,304)
Net nonoperating gains/(losses)	(317,169)	(2,911,022)	-	3,442,024	(19,552,508)	(73,565,575)	-	(1,174,770)	177,711	-	(63,901,309)	70,222,361	-	(23,678,948)
Excess/(deficiency) of rev. over exp.	427,350	6,984,515	-	9,317,749	(27,973,710)	(76,231,567)	(2,476,385)	(685,777)	(1,685,452)	(1,227,829)	(93,551,106)	28,752,778	1,227,829	(63,570,499)
Other changes in unrestricted net assets														
Pension and post retirement adjustments	42,441	5,183,847	-	2,593,774	12,190,925	1,590,710	-	1,744,550	-	-	23,346,247	-	-	23,346,247
Net assets released from restrictions	-	325,665	-	109,798	-	-	-	-	59,086	-	494,549	-	-	494,549
Transfer from temporarily restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incr./(decr.) in unrestricted net assets	469,791	12,494,027	-	12,021,321	(15,782,785)	(74,840,857)	(2,476,385)	1,058,773	(1,626,366)	(1,227,829)	(69,710,310)	28,752,778	1,227,829	(39,729,703)

Eliminations

	YTD	Per Month
Rent	93,864	31,288
Lab	8,065	2,689
Shared Staff	2,719	906
Shared Staff	8,413	2,804
ACO	-	-
Other	8,639	2,880
	<u>121,703</u>	<u>40,568</u>

CHECK - Memorial:

	Actual
YTD Dec	(25,428,267)
Jan	62,861,216
Feb	(2,826,179)
Mar	(2,126,763)
Apr	(1,258,946)
May	(1,382,991)
Jun	(965,292) MTD SHS tab: less 2427
Jul	-
Aug	-
Sep	-
	<u>28,752,778</u>

0

Variance

¹ - includes Southeastern Healthcare System, Inc. and affiliates from 10.1.17 through 12.21.17; and Southeastern Health Care System Inc., Blackstone Health, Inc., and Primary Care Centers of New England, Inc. beginning 12.22.17

² - includes The Memorial Hospital and affiliates beginning 12.22.17

Data Entry from
Prior Month FS Link to SHS Tab

Data Entry from
Kaufman Hall

CALCULATION OF MEMORIAL YTD ACTUAL

	YTD Memorial From Prior Month	Current Month SHS	Less: Current Month 2427	YTD Memorial
Revenues and gains				
Patient service revenue (net of contractals)	1,679,670	39,683	59,917	1,659,436
Charity care	(586,024)	7,455	-	(578,569)
Provision for bad debts	116,282	14,453	1,062	129,653
NPSR less provision for bad debts	1,209,928	61,591	60,999	1,210,520
Net assets released from restrictions	54,592	2,295	-	56,887
Research revenue	1,532,355	6,821	-	1,539,176
Other revenue	1,199,508	471,110	69,053	1,601,565
CNEMG subsidy revenue	-	-	-	-
Total revenues and gains	3,996,383	541,817	130,052	4,408,148
Operating expenses				
Salaries and wages	2,114,012	90,999	38,205	2,166,806
Fringe benefits	1,025,927	52,391	14,388	1,063,930
Insurances	593,875	45,820	1,571	638,124
Medical supplies and drugs	211,017	4,047	-	215,064
Other expenses	1,653,080	240,195	72,111	1,821,164
Research expenses	1,367,482	8,204	-	1,375,686
Licensure fee	3,084,062	579,430	-	3,663,492
Interest	31,734	322	-	32,056
Depreciation and amortization	479,317	53,061	387	531,991
Loss on asset impairment - MHRI	22,170,805	86,863	-	22,257,468
Shared services	3,796,025	350,000	-	4,146,025
Restructuring costs	-	-	-	-
Restructuring costs - MHRI	6,657,540	80,556	-	6,738,096
Loss on refinancing	-	-	-	-
Loss on write-off of intangible assets	-	-	-	-
CNEMG subsidy expense	1,270,949	(43,120)	-	1,227,829
Total operating expenses	44,455,825	1,548,768	126,662	45,877,731
Net income (loss) from operations	(40,459,242)	(1,006,951)	3,390	(41,469,583)
Nonoperating gains/(losses)				
Unrestricted gifts & bequests	130,779	25,049	-	155,828
Income on investments whose use is limited	84	-	-	84
Gains/(losses) on invest. whose use is limited	(74)	-	-	(74)
Transfer to Parent	70,122,853	-	-	70,122,853
Change in net unrealized gains/losses	554	-	-	554
Other components of current period pension	(56,884)	-	-	(56,884)
Pension settlement	-	-	-	-
Other	-	-	-	-
Net nonoperating gains/(losses)	70,197,312	25,049	-	70,222,361
Excess/(deficiency) of rev. over exp.	31,121,061	(981,902)	3,390	28,752,778
Other changes in unrestricted net assets				
Pension and post retirement adjustments	-	-	-	-
Net assets released from restrictions	-	-	-	-
Transfer from temporarily restricted	-	-	-	-
Transfers	-	-	-	-
Incr./(decr.) in unrestricted net assets	31,121,061	(981,902)	3,390	28,752,778

CHECK TO MTD SCHEDULE

Per YTD Schedule	Per MTD Schedule	Variance
(20,234)	(20,234)	-
7,455	7,456	(1)
13,371	13,371	-
592	593	(1)
2,295	2,295	-
6,821	6,822	(1)
402,057	402,058	(1)
-	-	-
411,765	411,768	(3)
52,794	52,794	-
38,003	38,003	-
44,249	44,248	1
4,047	4,046	1
168,084	168,084	-
8,204	8,204	-
579,430	579,430	-
322	322	-
52,674	52,674	-
86,863	86,863	-
350,000	350,000	-
-	-	-
80,556	80,556	-
-	-	-
-	-	-
(43,120)	(43,120)	-
1,422,106	1,422,104	2
(1,010,341)	(1,010,336)	(5)
25,049	25,049	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
25,049	25,049	-
(985,292)	(985,287)	(5)
-	-	-
-	-	-
-	-	-
(985,292)	(985,287)	(5)

Change number of months in formula

10 Days	Other Revenue	Fringe	M&S	Other Expense
10,093	197,821			197,821
868	17,004		17,004	
292	5,730	5,730		
905	17,731			17,731
-	-			-
929	18,206			18,206
				Remove in January - this was a one-time transfer
13,086	256,492	5,730	17,004	233,758

**Partners HealthCare System, Inc. – Care New England Health System
Amendment to Request for Expedited Review
Revised Response to Question 6**

DATA FOR RIDOH EXPEDITED REVIEW REQUEST
CARE NEW ENGLAND

CNE CONSOLIDATED

Fiscal Year	Operating Profit/(Loss)	Days Cash on Hand	Current Assets to Liability Ratio	Long-term Debt to Capitalization	Inpatient Occupancy Rate**
FY 2016	(\$68,279,804)	50.0	1.19	49.7%	52%
FY 2017	(\$47,132,893)	43.7	1.19	47.3%	49%
1st Quarter of 2018 YTD	(\$33,656,314)	44.4	1.19	52.2%	63%
2nd Quarter of 2018 YTD	(\$40,695,157)	48.6	1.25	53.1%	63%
3rd Quarter of 2018 YTD	(\$39,891,552)	45.5	1.23	53.0%	63%

**Based on Licensed Beds and Patient Days including NICU, excluding normal newborn. Licensed Beds include 80 NICU bassinets. (Beds = 1049 in FY2016 and FY2017; FY2018 beds = 749 reflecting closure of Memorial Hospital in Dec 2017)

MEMORIAL

Fiscal Year	Operating Profit/(Loss)	Days Cash on Hand	Current Assets to Liability Ratio	Long-term Debt to Capitalization	Inpatient Occupancy Rate**
FY 2016	(\$32,781,099)	-188.5	-3.29	0.0%	16%
FY 2017	(\$21,464,573)	-282.4	-6.14	-0.4%	14%
1st Quarter of 2018 YTD	(\$33,878,342)	-4.1	0.09	-0.3%	6%
2nd Quarter of 2018 YTD	(\$46,221,644)	1.0	0.07	-0.1%	3%
3rd Quarter of 2018 YTD	(\$49,890,785)	1.2	0.09	-0.1%	n/a

**Based on Licensed Beds and Patient Days excluding normal newborn (Beds = 294).
All beds officially delicensed effective May 1, 2018.

WOMEN & INFANTS

Fiscal Year	Operating Profit/(Loss)	Days Cash on Hand	Current Assets to Liability Ratio	Long-term Debt to Capitalization	Inpatient Occupancy Rate**
FY 2016	\$16,475,404	101.4	2.81	0.59%	63%
FY 2017	(\$4,613,392)	129.3	3.98	0.37%	61%
1st Quarter of 2018 YTD	(\$1,394,301)	133.4	3.97	0.37%	63%
2nd Quarter of 2018 YTD	\$2,294,542	144.1	3.88	0.32%	61%
3rd Quarter of 2018 YTD	\$5,875,725	142.5	3.78	0.31%	61%

**Based on Licensed Beds and Patient Days excluding normal newborn (Beds = 247)

BUTLER

Fiscal Year	Operating Profit/(Loss)	Days Cash on Hand	Current Assets to Liability Ratio	Long-term Debt to Capitalization	Inpatient Occupancy Rate**
FY 2016	(\$4,258,391)	-16.6	0.15	89.35%	99%
FY 2017	(\$2,796,553)	-1.0	0.36	58.29%	97%
1st Quarter of 2018 YTD	\$499,503	-3.7	0.22	58.55%	92%
2nd Quarter of 2018 YTD	\$536,360	13.2	0.48	55.02%	92%
3rd Quarter of 2018 YTD	\$744,518	12.7	0.56	51.10%	92%

**Based on Licensed Beds (Adult = 143)

KENT

Fiscal Year	Operating Profit/(Loss)	Days Cash on Hand	Current Assets to Liability Ratio	Long-term Debt to Capitalization	Inpatient Occupancy Rate**
FY 2016	\$6,666,857	48.6	1.27	4.0%	55%
FY 2017	(\$3,762,652)	50.5	1.32	3.2%	51%
1st Quarter of 2018 YTD	\$2,799,055	59.3	1.35	3.0%	48%
2nd Quarter of 2018 YTD	\$5,927,835	60.4	1.51	2.7%	50%
3rd Quarter of 2018 YTD	\$9,895,537	57.6	1.61	2.6%	50%


**Based on Licensed Beds and Patient Days excluding normal newborn (Beds = 359)

I certify that the acquiree operates a distressed Rhode Island hospital facing significant financial hardship that may impair its ability to continue to operate effectively without the proposed conversion. I certify that the information contained in the material is complete, accurate and correct.


Signed by President of Chief Executive Officer

Care New England Health System
Name of Acquiree

Subscribed and sworn to before me on this 4th day of September, 2018.


Notary Public
My Commission Expires: 9/7/2021